
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 815 Session of
2001

INTRODUCED BY TILGHMAN, TOMLINSON, KUKOVICH, LAVALLE,
TARTAGLIONE, COSTA, SCHWARTZ, JUBELIRER, WAGNER, BOSCOLA,
O'PAKE, THOMPSON, HUGHES, EARLL, MUSTO, LOGAN, LEMMOND,
M. WHITE, ROBBINS, WENGER, BODACK, GREENLEAF, GERLACH, FUMO
AND STACK, MAY 2, 2001

REFERRED TO MILITARY AND VETERANS AFFAIRS, MAY 2, 2001

AN ACT

1 Amending Title 51 (Military Affairs) of the Pennsylvania
2 Consolidated Statutes, providing for the establishment of a
3 nursing loan forgiveness program for persons employed in the
4 nursing profession at veterans' homes and veterans' centers
5 operated by the Department of Military and Veterans Affairs.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Title 51 of the Pennsylvania Consolidated
9 Statutes is amended by adding a chapter to read:

10 CHAPTER 80

11 LOAN FORGIVENESS PROGRAM FOR NURSES

12 Sec.

13 8001. Short title of chapter.

14 8002. Purpose.

15 8003. Definitions.

16 8004. Establishment.

17 8005. Repayment assistance.

18 8006. Eligibility.

1 8007. Amount of loan forgiveness.

2 8008. Administration.

3 8009. Annual report.

4 8010. Appeals.

5 8011. Regulations.

6 8012. Funding.

7 § 8001. Short title of chapter.

8 This chapter shall be known and may be cited as the Veterans'
9 Home Nurse Loan Forgiveness Act.

10 § 8002. Purpose.

11 The purpose of this chapter is to provide an incentive to
12 Pennsylvania nurses and Pennsylvania students who pursue higher
13 education and training in nursing programs to seek and accept
14 full-time employment at veterans' homes and veterans' centers
15 operated by the Department of Military and Veterans Affairs.

16 § 8003. Definitions.

17 The following words and phrases when used in this chapter
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Agency." The Pennsylvania Higher Education Assistance
21 Agency.

22 "Approved course of study." A program or curriculum offered
23 by a postsecondary educational institution that provides
24 instruction in nursing and has been approved by the State Board
25 of Nursing.

26 "Approved educational institution." A postsecondary
27 educational institution located in this Commonwealth that is
28 authorized to provide approved courses of study and diplomas or
29 certificates approved by the Pennsylvania Higher Education
30 Assistance Agency as an institution in which students may enroll

1 to participate in the Pennsylvania Veterans' Home Nurse Loan
2 Forgiveness Program.

3 "Board." The State Board of Nursing of the Commonwealth.

4 "Department." The Department of Military and Veterans
5 Affairs.

6 "Licensed practical nurse." An individual licensed under the
7 laws of this Commonwealth to practice practical nursing.

8 "Nurse." A licensed practical or registered nurse.

9 "Program." The Pennsylvania Veterans' Home Nurse Loan
10 Forgiveness Program established in section 8004 (relating to
11 establishment).

12 "Registered nurse." An individual licensed under the laws of
13 this Commonwealth to practice professional nursing.

14 "Student." An individual domiciled in this Commonwealth who
15 attends or is about to attend a postsecondary educational
16 institution located in this Commonwealth.

17 "Veterans' home or veterans' center." A long-term care
18 facility including domiciliary/personal care units and nursing
19 care units operated by the Department of Military and Veterans
20 Affairs for Pennsylvania veterans who served their nation.

21 "Work requirement." Postgraduate, full-time employment in
22 direct patient care with a veterans' home or veterans' center
23 operated by the Department of Military and Veterans Affairs in
24 an occupation related to an approved course of study under this
25 chapter. The term does not include a paid student internship, a
26 paid fellowship, volunteer service or employment before
27 graduation.

28 § 8004. Establishment.

29 There is hereby established in this Commonwealth the
30 Pennsylvania Veterans Home Nurse Loan Forgiveness Program. The

1 program shall be for repayment of student loans for nurses
2 providing direct patient care in veterans' homes and veterans'
3 centers operated by the department and shall be administered by
4 the agency.

5 § 8005. Repayment assistance.

6 The agency may provide assistance for the repayment of an
7 agency-administered student loan for education at an institution
8 of higher learning received by a nurse. Repayment assistance may
9 not be made for a loan that is in default at the time of the
10 application or for an agency-administered loan being repaid
11 through any other loan repayment assistance program. Repayment
12 shall be made by the agency to the lending institution on behalf
13 of the loan recipient.

14 § 8006. Eligibility.

15 Consideration for loan repayment assistance shall be as
16 follows:

- 17 (1) The applicant must be an individual who:
- 18 (i) has completed an approved course of study;
- 19 (ii) has been licensed by the board as a licensed
20 practical nurse or a registered nurse; and
- 21 (iii) is employed full time as a nurse in the
22 provision of direct patient care in a veterans' home or
23 veterans' center operated by the department.

- 24 (2) An applicant who is qualified under paragraph (1)
25 must agree to practice in a veterans' home or veterans'
26 center as a nurse for not less than three years.

27 § 8007. Amount of loan forgiveness.

- 28 (a) Licensed practical nurse.--A licensed practical nurse
29 who is eligible under section 8006 (relating to eligibility)
30 shall be eligible to receive up to \$3,000 in loan repayments

1 based on the following repayment schedule:

2 (1) Year one, 30%.

3 (2) Year two, 35%.

4 (3) Year three, 35%.

5 (b) Registered nurse.--A registered nurse who is eligible
6 under section 8006 shall be eligible to receive up to \$20,000 in
7 loan repayments based on the following repayment schedule:

8 (1) Year one, 25%.

9 (2) Year two, 25%.

10 (3) Year three, 25%.

11 (4) Year four, 25%.

12 § 8008. Administration.

13 (a) Contracts.--A recipient of loan repayment assistance
14 shall enter into a contract with the agency which shall be
15 considered a contract with the Commonwealth. The contract shall
16 include, but not be limited to, the following terms and
17 conditions:

18 (1) The applicant shall agree to practice not less than
19 three full years in a veterans' home or veterans' center at a
20 repayment assistance schedule as provided in section 8007
21 (relating to amount of loan forgiveness).

22 (2) The applicant shall agree to practice on a full-time
23 basis.

24 (3) The nurse shall permit the agency to monitor
25 compliance with the work requirement.

26 (4) The agency shall certify compliance with the terms
27 of the contract for purposes of receipt by the nurse of loan
28 repayment awards for years subsequent to the initial year of
29 the loan.

30 (5) The contract shall be renewable on an annual basis

1 upon certification by the agency that the nurse has complied
2 with the terms of the contract.

3 (6) Upon the recipient's death or total or permanent
4 disability, the agency shall nullify the work requirement of
5 the recipient.

6 (7) If the board has determined that the recipient has
7 committed an act of gross negligence or that the recipient's
8 license to practice is suspended or revoked the agency shall
9 have the authority to terminate the recipient's service in
10 the program and demand repayment of the assistance rendered
11 to date.

12 (8) Loan recipients who fail to begin or complete the
13 obligations contracted for shall reimburse to the
14 Commonwealth all amounts received under this chapter and
15 interest thereon as determined by the agency. Falsification
16 or misrepresentation on an application or in verification of
17 service shall be construed to be a default. Determination as
18 to the time of breach of contract shall be made by the
19 agency. Both the recipient and the agency shall make every
20 effort to resolve conflicts in order to prevent a breach of
21 contract.

22 (b) Contract enforcement.--The agency shall have the
23 authority to seek garnishment of wages for the collection of
24 damages provided for in subsection (a)(8).

25 (c) Ineligibility.--The agency may deny loan forgiveness to
26 a student who is convicted under section 8.2 of the act of
27 January 25, 1966 (1965 P.L.1546, No.541), referred to as the
28 Higher Education Scholarship Law.

29 (d) Fraud.--Any person who knowingly or intentionally
30 procures, obtains or aids another to procure or obtain loan

1 forgiveness under this chapter through fraudulent means shall be
2 disqualified from participation and shall be liable to the
3 agency for an amount equal to three times the amount obtained.

4 (e) Verification.--The agency shall monitor and verify a
5 student's fulfillment of all requirements under this chapter.

6 (f) Tax.--Loan forgiveness repayments received by a student
7 shall not be considered taxable income for purposes of Article
8 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
9 Reform Code of 1971.

10 § 8009. Annual report.

11 (a) Development of report.--The agency shall publish a
12 report by September 1, 2002, and every year thereafter for the
13 immediately preceding fiscal year. The report shall include
14 information regarding the operation of the program established
15 under this chapter, including:

16 (1) The number of applications received for the
17 Pennsylvania Veterans' Home Nurse Loan Forgiveness Program.

18 (2) The number and amount of program contracts executed
19 and contracts renewed for licensed practical nurses and
20 registered nurses.

21 (3) The number of defaulted loan forgiveness program
22 contracts, reported by cause.

23 (4) The number of nurses participating in the program,
24 reported by type of institution attended, including four-year
25 educational institutions, community colleges, independent
26 two-year colleges, private licensed schools, hospital-based
27 courses of study and certificate programs and by the location
28 of veterans' home or veterans' center where employed.

29 (5) The number and type of enforcement actions taken by
30 the agency.

1 (b) Submission.--The annual report shall be submitted to the
2 Governor, the chairman and minority chairman of the
3 Appropriations Committee of the Senate, the chairman and
4 minority chairman of the Appropriations Committee of the House
5 of Representatives, the chairman and minority chairman of the
6 Military and Veterans' Affairs Committee of the Senate and the
7 chairman and minority chairman of the Veterans Affairs and
8 Emergency Preparedness Committee of the House of
9 Representatives.

10 § 8010. Appeals.

11 The provisions of this chapter shall be subject to 22 Pa.
12 Code Ch. 121 (relating to student financial aid).

13 § 8011. Regulations.

14 The agency shall adopt regulations and procedures necessary
15 to carry out the purposes of this chapter.

16 § 8012. Funding.

17 Loan forgiveness repayments shall be made to the extent that
18 funds are appropriated by the General Assembly for this chapter.

19 Section 2. This act shall take effect July 1, 2001, or
20 immediately, whichever is later.