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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 542 Session of  
2013

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INTRODUCED BY KORTZ, BISHOP, STURLA, D. COSTA, STERN, O'BRIEN,  
FABRIZIO, V. BROWN, BOBACK, CUTLER, READSHAW, GIBBONS,  
CALTAGIRONE, MCCARTER, FREEMAN AND KIRKLAND, FEBRUARY 6, 2013

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REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 6, 2013

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AN ACT

1 Establishing the Loan Forgiveness for Dentists Program in the  
2 Pennsylvania Higher Education Assistance Agency; and  
3 providing for powers and duties of the Pennsylvania Higher  
4 Education Assistance Agency.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the Loan  
9 Forgiveness for Dentists Act.

10 Section 2. Purpose.

11 The purpose of this act is to provide an incentive to  
12 Pennsylvania students to pursue higher education and training in  
13 dentistry in order to maintain the delivery of quality dentistry  
14 in this Commonwealth.

15 Section 3. Definitions.

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

1 "Agency." The Pennsylvania Higher Education Assistance  
2 Agency.

3 "Dentist." An individual licensed to practice dentistry  
4 within the scope of the act of May 1, 1933 (P.L.216, No.76),  
5 known as The Dental Law.

6 "Designated area." Any of the following:

7 (1) A geographic area of this Commonwealth that is  
8 designated by the Secretary of Health as having a shortage of  
9 dentists.

10 (2) A geographic area of this Commonwealth designated by  
11 the United States Department of Health and Human Services as  
12 a Dental Care Health Professional Shortage Area (HPSA) or  
13 designated to have an underserved population of dentists.

14 "Eligible applicant." An individual who holds an  
15 undergraduate degree from an institution of higher learning and  
16 is enrolled in an accredited dental school.

17 "Program." The Loan Forgiveness for Dentists Program  
18 established by this act.

19 Section 4. Program.

20 (a) Establishment of program.--The Loan Forgiveness for  
21 Dentists Program is established. The agency shall administer the  
22 program for eligible applicants on a Statewide basis. The agency  
23 may provide loan forgiveness as provided in subsection (b) for  
24 recipients of loans who by contract with the agency agree to  
25 practice dentistry in this Commonwealth upon attainment of the  
26 required license.

27 (b) Loan forgiveness.--Agency-administered, federally  
28 insured student loans for higher education provided to an  
29 eligible applicant may be forgiven by the agency as follows:

30 (1) The agency may forgive 50% of the loan, not to

1 exceed \$100,000, if a loan recipient enters into a contract  
2 with the agency that requires the recipient upon successful  
3 completion of an approved dental program and licensure as a  
4 dentist to practice dentistry in this Commonwealth for a  
5 period of not less than four consecutive years.

6 (2) Loan forgiveness awards made pursuant to paragraph  
7 (1) shall be forgiven over a period of four years at an  
8 annual rate of 25% of the award and shall be made from funds  
9 appropriated for this purpose.

10 (3) The contract entered into with the agency pursuant  
11 to paragraph (1) shall be considered a contract with the  
12 Commonwealth and shall include the following terms:

13 (i) An unlicensed recipient shall apply for a dental  
14 license to practice in this Commonwealth at the earliest  
15 practicable opportunity upon successfully completing a  
16 degree in dentistry.

17 (ii) Within six months after licensure, a recipient  
18 shall engage in the practice of dentistry in this  
19 Commonwealth according to the terms of the loan  
20 forgiveness award.

21 (iii) The recipient shall agree to practice  
22 dentistry on a full-time basis.

23 (iv) The recipient shall permit the agency to  
24 determine compliance with the work requirement for  
25 dentists and all other terms of the contract.

26 (v) Upon the recipient's death or total or permanent  
27 disability, the agency shall nullify the service  
28 obligation of the recipient.

29 (vi) If the recipient is convicted of or pleads  
30 guilty or no contest to a felony or if the licensing

1 board has determined that the recipient has committed an  
2 act of gross negligence in the performance of service  
3 obligations or has suspended or revoked the license to  
4 practice, the agency shall have the authority to  
5 terminate the recipient's service in the program and  
6 demand repayment of the amount of the loan as of the date  
7 of the conviction, determination, suspension or  
8 revocation.

9 (vii) A dentist who fails to begin or complete the  
10 obligations contracted for shall reimburse the  
11 Commonwealth all amounts received under this act and  
12 interest on those amounts as determined by the agency.  
13 Both the dentist and the agency shall make every effort  
14 to resolve conflicts in order to prevent a breach of  
15 contract.

16 (c) Contract enforcement.--Notwithstanding 42 Pa.C.S. § 8127  
17 (relating to personal earnings exempt from process), the agency  
18 may seek garnishment of wages for the collection of damages  
19 provided for in subsection (b) (3) (vii).

20 Section 5. Tax applicability.

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

25 Section 6. Annual report.

26 (a) Development of report.--The agency shall publish a  
27 report by September 1, 2014, and every year thereafter, for the  
28 immediately preceding fiscal year. The report shall include  
29 information regarding the operation of the program, including:

30 (1) The number and amount of dental loan forgiveness

1 contracts executed and renewed for eligible applicants.

2 (2) The number of defaulted dental loan forgiveness  
3 contracts, reported by cause.

4 (3) The number of dentists participating in the program  
5 reported by institution attended.

6 (4) The number and type of enforcement actions taken by  
7 the agency.

8 (b) Submission.--The annual report shall be submitted to:

9 (1) The Governor.

10 (2) The chairman and minority chairman of the  
11 Appropriations Committee of the Senate.

12 (3) The chairman and minority chairman of the  
13 Appropriations Committee of the House of Representatives.

14 (4) The chairman and minority chairman of the Education  
15 Committee of the Senate.

16 (5) The chairman and minority chairman of the Education  
17 Committee of the House of Representatives.

18 (6) The chairman and minority chairman of the Public  
19 Health and Welfare Committee of the Senate.

20 (7) The chairman and minority chairman of the Health  
21 Committee of the House of Representatives.

22 Section 7. Regulations.

23 The agency shall adopt regulations and procedures necessary  
24 to carry out the purposes of this act.

25 Section 8. Funding.

26 Loan forgiveness repayments shall be made only to the extent  
27 that funds are appropriated for that purpose and are sufficient  
28 to cover administration of the program. The receipt of a loan  
29 under this act shall not constitute an entitlement derived from  
30 the Commonwealth or a claim on any funds of the Commonwealth.

1 Section 9. Effective date.

2 This act shall take effect in 90 days.