
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 998 Session of
2018

INTRODUCED BY COSTA, SCHWANK, STREET, RAFFERTY, YUDICHAK,
RESCHENTHALER AND BREWSTER, SEPTEMBER 17, 2018

REFERRED TO EDUCATION, SEPTEMBER 17, 2018

AN ACT

1 Establishing the School Counselor Loan Forgiveness Program and
2 providing for the powers and duties of the Pennsylvania
3 Higher Education Assistance Agency.

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

6 Section 1. Short title.

7 This act shall be known and may be cited as the School
8 Counselor Loan Forgiveness Program Act.

9 Section 2. Definitions.

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

13 "Agency." The Pennsylvania Higher Education Assistance
14 Agency.

15 "Counselor." Any of the following:

16 (1) School counselor.

17 (2) School psychologist.

18 (3) School social worker.

1 "Program." The School Counselor Loan Forgiveness Program
2 established under section 3.

3 "Qualified applicant." An individual who meets all of the
4 following criteria:

5 (1) Is a resident of this Commonwealth.

6 (2) Has successfully completed a two-year or four-year
7 academic degree or diploma or graduate level academic degree
8 or diploma at an accredited college or university.

9 (3) Has been hired as a full-time counselor by a school
10 entity in this Commonwealth.

11 (4) Has successfully completed the first six months of
12 full-time employment as a counselor at a school entity in
13 this Commonwealth and remains in good standing with the
14 school entity.

15 (5) Has borrowed through and has a current outstanding
16 balance with guaranteed Stafford or consolidation loan
17 programs administered by the Pennsylvania Higher Education
18 Assistance Agency.

19 "Recipient." A qualified applicant who is selected for the
20 School Counselor Loan Forgiveness Program and who enters into a
21 contract with the Commonwealth under the program.

22 "School entity." The term as defined in section 111.1(n) of
23 the act of March 10, 1949 (P.L.30, No.14), known as the Public
24 School Code of 1949.

25 Section 3. School Counselor Loan Forgiveness Program.

26 (a) Establishment.--The School Counselor Loan Forgiveness
27 Program is established in the agency.

28 (b) Components.--The following apply:

29 (1) A qualified applicant who is selected for the
30 program in accordance with this act shall be eligible for

1 payment by the agency of a portion of the debt incurred by
2 the qualified applicant through the agency-administered
3 guaranteed Stafford or consolidation loan programs for the
4 education necessary to be a school counselor in this
5 Commonwealth if the recipient enters into a contract with the
6 agency that requires the recipient to remain employed as a
7 school counselor in this Commonwealth.

8 (2) The agency may forgive a proportional part of the
9 recipient's loan so that the loan may be entirely forgiven
10 over four years of full-time staff work. No more than \$7,500
11 shall be forgiven in a year and no more than \$30,000 total
12 shall be forgiven for a recipient.

13 (3) Payments shall be made in accordance with the
14 procedures established by the agency.

15 (4) The contract entered into with the agency under
16 paragraph (1) shall be considered a contract with the
17 Commonwealth and shall include the following terms:

18 (i) The recipient shall agree to be employed as a
19 school counselor by a school entity located within this
20 Commonwealth for a period of no less than four
21 consecutive years in the field.

22 (ii) The recipient shall permit the agency to
23 determine compliance with the work requirement and all
24 other terms of the contract.

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

28 (iv) If the recipient is convicted of or pleads
29 guilty or no contest to a felony, the agency shall have
30 the authority to terminate the recipient's service in the

1 program and demand repayment of the amount of the loan as
2 of the date of the conviction.

3 (v) Recipients who fail to begin or complete the
4 obligations contracted for shall pay to the agency the
5 amount of the loan received under the terms of the
6 contract. Providing false information or
7 misrepresentation on an application or verification of
8 service shall be deemed a default. Determination as to
9 the time of the default shall be made by the agency.

10 (c) Limitation.--A loan forgiveness award under this act
11 shall not be made for a loan that is in default at the time of
12 application. Loan forgiveness provided under the provisions of
13 this act shall not be concurrently awarded to a recipient of
14 another Commonwealth-provided loan forgiveness program.

15 Section 4. Tax applicability.

16 Loan forgiveness repayments by a student shall not be
17 considered taxable income for purposes of Article II of the act
18 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
19 1971.

20 Section 5. Annual report.

21 (a) Development of report.--The agency shall publish a
22 report by October 1, 2019, and each year thereafter, for the
23 immediately preceding fiscal year. The report shall include
24 information regarding the operation of the program, including:

25 (1) The number and amount of contracts executed and
26 renewed for qualified applicants.

27 (2) The number of defaulted contracts, reported by
28 cause.

29 (3) The number of full-time staff employees of school
30 entities participating in the program, reported by type of

1 institution attended, including four-year educational
2 institutions, community colleges and independent two-year
3 colleges.

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

6 (b) Submission.--The annual report shall be submitted to the
7 Governor, the chair and minority chair of the Appropriations
8 Committee of the Senate, the chair and minority chair of the
9 Appropriations Committee of the House of Representatives, the
10 chair and minority chair of the Education Committee of the
11 Senate, the chair and minority chair of the Education Committee
12 of the House of Representatives, the chair and minority chair of
13 the Health and Human Services Committee of the Senate, the chair
14 and minority chair of the Health Committee of the House of
15 Representatives and the chair and minority chair of the Human
16 Services Committee of the House of Representatives.

17 Section 6. Appeals.

18 The provisions of this act shall be subject to 22 Pa. Code
19 Ch. 121 (relating to student financial aid).

20 Section 7. Loan forgiveness awards.

21 Loan forgiveness under this act shall be awarded to
22 recipients who are working in and have received a satisfactory
23 rating from a school entity. Recipients shall submit
24 documentation of eligibility as the agency may require,
25 including documentation to indicate full-time employment, as
26 full-time employment is defined by a school entity. The
27 documentation shall be presented to the agency in the form of a
28 letter from the recipient's employer stating that the recipient
29 is employed by a school entity and that the recipient performs
30 duties in a satisfactory manner.

1 Section 8. Funding.

2 Loan forgiveness awards under this act shall be made to the
3 extent that money is appropriated by the General Assembly and is
4 sufficient to cover the administration of the program. In the
5 event that funding is insufficient to fully fund administration
6 and all qualified applicants, priority shall be given to renewal
7 applicants. Thereafter, the agency shall utilize a random
8 lottery system for determining which qualified applicants
9 receive loan forgiveness awards.

10 Section 9. Responsibility of agency.

11 The agency shall administer the program and shall adopt
12 regulations, policies, procedures and forms as are necessary and
13 not inconsistent with the provisions of this act.

14 Section 10. Effective date.

15 This act shall take effect in 60 days.