
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 180 Session of
2021

INTRODUCED BY KOSIEROWSKI, SANCHEZ, HILL-EVANS, GALLOWAY,
CONKLIN, FREEMAN, N. NELSON, HOWARD, PASHINSKI, BRADFORD,
ISAACSON AND SCHWEYER, JANUARY 15, 2021

REFERRED TO COMMITTEE ON EDUCATION, JANUARY 15, 2021

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 degree or diploma at
8 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 agency.

18 "Recipient." A qualified applicant who is selected for the
19 program and who enters into a contract with the Commonwealth
20 under the program.

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

24 Section 3. School Counselor Loan Forgiveness Program.

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

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

28 (1) A qualified applicant who is selected for the
29 program in accordance with this act shall be eligible for
30 payment by the agency of a portion of the debt incurred by

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

7 (2) The agency may forgive a proportional part of the
8 recipient's loan so that the loan may be entirely forgiven
9 over four years of full-time staff work. No more than \$10,000
10 shall be forgiven in a year and no more than \$40,000 total
11 shall be forgiven for a recipient.

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

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

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

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

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

27 (iv) If the recipient is convicted of or pleads
28 guilty or no contest to a felony, the agency shall have
29 the authority to terminate the recipient's service in the
30 program and demand repayment of the amount of the loan as

1 of the date of the conviction.

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

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

14 Section 4. Tax applicability.

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

19 Section 5. Annual report.

20 (a) Development of report.--The agency shall publish a
21 report by October 1, 2023, and each year thereafter, for the
22 immediately preceding fiscal year. The report shall include
23 information regarding the operation of the program, including:

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

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

28 (3) The number of full-time staff employees of school
29 entities participating in the program, reported by type of
30 institution attended, including four-year educational

1 institutions, community colleges and independent two-year
2 colleges.

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

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

16 Section 6. Appeals.

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

19 Section 7. Loan forgiveness awards.

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

30 Section 8. Funding.

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

9 Section 9. Responsibility of agency.

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

13 Section 10. Effective date.

14 This act shall take effect in 60 days.