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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1943 Session of  
2021

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INTRODUCED BY PISCIOTTANO, DELLOSO, HILL-EVANS, SANCHEZ, BROOKS,  
INNAMORATO, LONGIETTI, A. DAVIS, DEASY, SCHLOSSBERG,  
N. NELSON, SHUSTERMAN, MERSKI, LEWIS DELROSSO, D. WILLIAMS  
AND SOLOMON, SEPTEMBER 30, 2021

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REFERRED TO COMMITTEE ON EDUCATION, SEPTEMBER 30, 2021

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AN ACT

1 Establishing the Pennsylvania Retaining Educated Workers  
2 Incentive Program (PREWIP) and imposing duties on the  
3 Pennsylvania 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 Pennsylvania  
8 Retaining Educated Workers Incentive Program (PREWIP) Act.

9 Section 2. Purpose.

10 The purpose of this act is to provide an incentive for  
11 individuals to pursue employment in a designated distressed zone  
12 of this Commonwealth.

13 Section 3. Definitions.

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

17 "Agency." The Pennsylvania Higher Education Assistance

1 Agency.

2 "Award recipient." An eligible individual who receives  
3 student loan forgiveness or an interest rate reduction under the  
4 program.

5 "Distressed zone." A geographic area of this Commonwealth  
6 that is:

7 (1) designated by the agency as eligible for the  
8 Pennsylvania Industrial Development Authority loan program;  
9 and

10 (2) experiencing population loss of more than 2% as  
11 determined by the United States Census Bureau.

12 "Eligible individual." An individual who:

13 (1) is a resident of this Commonwealth; and

14 (2) holds an undergraduate degree, diploma or trade  
15 certificate from an institution of higher education.

16 "Institution of higher education." Any of the following:

17 (1) A community college operating under Article XIX-A of  
18 the act of March 10, 1949 (P.L.30, No.14), known as the  
19 Public School Code of 1949.

20 (2) A university within the State System of Higher  
21 Education established under Article XX-A of the Public School  
22 Code of 1949.

23 (3) A State-related institution.

24 (4) The Thaddeus Stevens College of Technology.

25 "Program." The Pennsylvania Retaining Educated Workers  
26 Incentive Program (PREWIP).

27 "State-related institution." Any of the following:

28 (1) The Pennsylvania State University.

29 (2) The University of Pittsburgh.

30 (3) Temple University.

1 (4) Lincoln University.

2 (5) Any other institution designated as "State-related"  
3 by the Commonwealth.

4 (6) A branch campus of an institution specified in  
5 paragraph (1), (2), (3), (4) or (5).

6 Section 4. Pennsylvania Retaining Educated Workers Incentive  
7 Program.

8 (a) Establishment.--The Pennsylvania Retaining Educated  
9 Workers Incentive Program (PREWIP) is established in the agency.

10 (b) Administration.--The agency shall administer the program  
11 for the purposes of:

12 (1) Providing student loan forgiveness in accordance  
13 with section 5.

14 (2) Reducing the interest rate regarding student loans  
15 in accordance with section 6.

16 Section 5. Loan forgiveness.

17 (a) Authorization.--The program shall include loan  
18 forgiveness in accordance with this section for an eligible  
19 individual regarding student loans held by the Commonwealth.

20 (b) Amount.--Under the program, the agency shall forgive the  
21 student loans of an eligible individual, up to \$50,000.

22 (c) Agreement.--To qualify for loan forgiveness under the  
23 program, an eligible individual must enter into an agreement  
24 with the agency that includes notice of all the requirements and  
25 conditions under this section.

26 (d) Residency.--To qualify for loan forgiveness under the  
27 program:

28 (1) Within six months after entering into the agreement,  
29 an award recipient must establish residency in a distressed  
30 zone.

1           (2) An award recipient must maintain residency in a  
2           distressed zone for a period of at least 10 consecutive  
3           years.

4           (e) Changed criteria.--If, after an award recipient  
5           establishes residency in a distressed zone under the agreement,  
6           the zone no longer meets the criteria specified in the  
7           definition of "distressed zone" under section 3, the award  
8           recipient still qualifies for loan forgiveness if the award  
9           recipient continuously resides in the zone for a period of at  
10          least 10 consecutive years.

11          (f) Compliance.--

12           (1) An award recipient shall permit the agency to  
13           determine compliance with the residency requirement under the  
14           agreement.

15           (2) If an award recipient fails to comply with the  
16           residency requirement under the agreement, the award  
17           recipient shall reimburse the Commonwealth for the amount of  
18           student loan forgiveness received, including interest accrued  
19           as determined by the agency.

20           (3) An award recipient and the agency shall make every  
21           effort to resolve conflicts in order to prevent a breach of  
22           the agreement.

23          (g) Termination.--The agency may terminate student loan  
24          forgiveness and demand repayment by an award recipient of the  
25          amount of student loans forgiven if the award recipient is  
26          convicted of or pleads guilty or no contest to a felony.

27          (h) Limitation.--An award recipient may not receive student  
28          loan forgiveness if the award recipient:

29           (1) receives loan forgiveness from another program  
30           provided by the Commonwealth; or

1           (2) applies for a 0% interest rate offered under section  
2     6.

3     (i) Tax applicability.--Student loan forgiveness received  
4 under this section shall not be considered taxable income for  
5 purposes of Article III of the act of March 4, 1971 (P.L.6,  
6 No.2), known as the Tax Reform Code of 1971.

7     (j) Enforcement.--Notwithstanding 42 Pa.C.S. § 8127  
8 (relating to personal earnings exempt from process), the agency  
9 may seek garnishment of wages of an award recipient who fails to  
10 comply with the agreement for the amount of student loan  
11 forgiveness provided to the award recipient.

12 Section 6. Interest rate reduction on student loans.

13     (a) Authorization.--The program shall include the reduction  
14 of the interest rate in accordance with this section for an  
15 eligible individual regarding student loans held by the  
16 Commonwealth.

17     (b) Percent.--Under the program, the agency shall provide an  
18 interest rate of 0% on student loans of an eligible individual.

19     (c) Agreement.--To qualify for a 0% interest rate under the  
20 program, an eligible individual must enter into an agreement  
21 with the agency that includes notice of all the requirements and  
22 conditions under this section.

23     (d) Residency.--To qualify for a 0% interest rate under the  
24 program, within 30 days after entering into the agreement, an  
25 award recipient must establish residency in a distressed zone.

26     (e) Changed criteria.--If, after an award recipient  
27 establishes residency in a distressed zone under the agreement,  
28 the zone no longer meets the criteria specified in the  
29 definition of "distressed zone" under section 3, the award  
30 recipient still qualifies for the 0% interest rate for up to 12

1 months, after which time the interest rate on the student loans  
2 returns to the rate in effect before the award recipient entered  
3 into the agreement.

4 (f) Relocation.--If an award recipient makes plans to cease  
5 residency in the distressed zone, the award recipient shall  
6 notify the agency of the termination of the agreement, at which  
7 time the interest rate on the student loans returns to the rate  
8 in effect before the award recipient entered into the agreement,  
9 without penalty.

10 (g) Compliance.--

11 (1) An award recipient shall permit the agency to  
12 determine compliance with the residency requirement under the  
13 agreement.

14 (2) If an award recipient fails to comply with the  
15 residency requirement under the agreement, the award  
16 recipient shall reimburse the Commonwealth for the amount  
17 that the award recipient saved as a result of the 0% interest  
18 rate.

19 (3) An award recipient and the agency shall make every  
20 effort to resolve conflicts in order to prevent a breach of  
21 the agreement.

22 (h) Termination.--The agency may terminate the 0% interest  
23 rate award if the award recipient is convicted of or pleads  
24 guilty or no contest to a felony.

25 (i) Limitation.--An award recipient may not receive the 0%  
26 interest rate award if the award recipient:

27 (1) participates in another interest rate reduction  
28 program provided by the Commonwealth; or

29 (2) applies for student loan forgiveness offered under  
30 section 5.

1 (j) Enforcement.--Notwithstanding 42 Pa.C.S. § 8127  
2 (relating to personal earnings exempt from process), the agency  
3 may seek garnishment of wages of an award recipient who fails to  
4 comply with the agreement for the interest rate reduction  
5 provided to the award recipient.

6 Section 7. Annual report.

7 (a) Development.--By September 1, 2021, and each September 1  
8 thereafter, the agency shall compile a report regarding the  
9 operation of the program for the immediately preceding fiscal  
10 year.

11 (b) Contents.--A report under this section shall include the  
12 following information:

13 (1) The number and amount of agreements executed and  
14 renewed for award recipients.

15 (2) The number of eligible individuals participating in  
16 student loan forgiveness and the 0% interest rate components  
17 of the program.

18 (3) The number of defaults that occurred regarding the  
19 student loans under the program and the cause of the  
20 defaults.

21 (4) The number and type of enforcement actions taken by  
22 the agency regarding the implementation of the program.

23 (c) Submittal.--A report under this section shall be  
24 submitted to the following:

25 (1) The Governor.

26 (2) The chairperson and minority chairperson of the  
27 Appropriations Committee of the Senate.

28 (3) The chairperson and minority chairperson of the  
29 Appropriations Committee of the House of Representatives.

30 (4) The chairperson and minority chairperson of the

1 Education Committee of the Senate.

2 (5) The chairperson and minority chairperson of the  
3 Education Committee of the House of Representatives.

4 (6) The chairperson and minority chairperson of the  
5 Labor and Industry Committee of the Senate.

6 (7) The chairperson and minority chairperson of the  
7 Labor and Industry Committee of the House of Representatives.

8 Section 8. Funding for program.

9 Agreements under this act:

10 (1) Shall be made only to the extent that money is  
11 appropriated for the program and is sufficient for the  
12 implementation of the program.

13 (2) Shall not constitute an entitlement derived from the  
14 Commonwealth or a claim on any money of the Commonwealth.

15 Section 9. Rules and regulations.

16 The agency shall promulgate rules and regulations necessary  
17 for the administration and enforcement of this act.

18 Section 10. Effective date.

19 This act shall take effect in 90 days.