

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2198 Session of
2021

INTRODUCED BY PISCIOTTANO, D. WILLIAMS, HILL-EVANS, SCHLOSSBERG
AND HOHENSTEIN, DECEMBER 22, 2021

REFERRED TO COMMITTEE ON EDUCATION, DECEMBER 22, 2021

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," providing for student loan
6 forgiveness.

7 This act may be referred to as the Skill Up Pennsylvania Act.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The act of March 10, 1949 (P.L.30, No.14), known
11 as the Public School Code of 1949, is amended by adding an
12 article to read:

13 ARTICLE XX-L

14 STUDENT LOAN FORGIVENESS PROGRAM

15 Section 2001-L. Definitions.

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

19 "Benefit recipient." An eligible individual who receives an
20 education benefit under the program.

1 "Department." The Department of Education of the
2 Commonwealth.

3 "Education benefit." The amount of student loan forgiveness
4 received by a benefit recipient.

5 "Eligible individual." An individual who:

6 (1) Is a resident of this Commonwealth.

7 (2) Holds an undergraduate degree from an institution of
8 higher education.

9 (3) Currently has student loans.

10 (4) Meets income eligibility criteria established in
11 section 2002-L(c).

12 "Institution of higher education." Includes any of the
13 following:

14 (1) A community college operating under Article XIX-A.

15 (2) A university within the State System of Higher
16 Education established under Article XX-A.

17 (3) An institution designated as "State-related" by the
18 Commonwealth.

19 (4) The Thaddeus Stevens College of Technology, the
20 Pennsylvania College of Technology or any other postsecondary
21 school, including a career and technical college, vocational
22 school, trade school or other similar institution, which
23 awards academic degrees or professional certifications.

24 "Program." The Student Loan Forgiveness Program established
25 under section 2002-L.

26 "Secretary." The Secretary of Education of the Commonwealth.
27 Section 2002-L. Student Loan Forgiveness Program.

28 (a) Establishment.--The Student Loan Forgiveness Program is
29 established.

30 (b) Administration.--The department shall administer the

1 program for the purpose of providing education benefits for
2 benefit recipients.

3 (c) Loan forgiveness.--The department shall provide
4 education benefits for the purposes of forgiving a portion of
5 the benefit recipient's student loans, based on the following
6 schedule:

7 (1) \$5,000 for benefit recipients with an annual gross
8 income of less than \$50,000.

9 (2) \$4,000 for benefit recipients with an annual gross
10 income of at least \$50,000 but less than \$60,000.

11 (3) \$3,000 for benefit recipients with an annual gross
12 income of at least \$60,000 but less than \$65,000.

13 (4) \$2,000 for benefit recipients with an annual gross
14 income of at least \$65,000 but less than \$70,000.

15 (5) \$1,000 for benefit recipients with an annual gross
16 income of at least \$70,000 but less than \$75,000.

17 (d) Death or disability.--Upon the benefit recipient's death
18 or total or permanent disability, the department shall not be
19 required to provide an education benefit under the program.

20 (e) Termination due to felony.--The department may terminate
21 an education benefit and demand repayment of the education
22 benefit if the benefit recipient is convicted of or pleads
23 guilty or no contest to a felony.

24 Section 2003-L. Tax applicability.

25 Education benefits received under this article shall not be
26 considered taxable income for purposes of Article II of the act
27 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
28 1971.

29 Section 2004-L. Annual reporting.

30 (a) General requirement.--By September 1, 2022, and each

September 1 thereafter, the department shall prepare a report regarding the operation of the program for the immediately preceding fiscal year.

(b) Contents.--A report under this section shall include information regarding the operation of the program, including:

(1) The number and amount of education benefits provided in each income category.

(2) The number of benefit recipients participating in the program in each income category.

(3) The number and type of enforcement actions taken by the department regarding the implementation of the program.

(c) Submittal.--The department shall submit a report under this section to the following:

(1) The Governor.

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

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

(4) The chairperson and minority chairperson of the Education Committee of the Senate.

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

Section 2005-L. Funding for program.

(a) Appropriation.--The sum of \$100,000,000 is appropriated to the department from money received by the Commonwealth under the American Rescue Plan Act of 2021 (Public Law 117-2, 135 Stat. 4), for the purpose of providing education benefits to benefit recipients.

(b) Sufficiency of money.--Education benefits under this article shall be made only to the extent that money is

1 appropriated for the program and is sufficient to cover the
2 administration of the program.

3 (c) Entitlement not established.--Student loan forgiveness
4 under this article shall not constitute an entitlement derived
5 from the Commonwealth or a claim on any money of the
6 Commonwealth.

7 Section 2006-L. Rules and regulations.

8 The department shall adopt or promulgate any necessary rules
9 or regulations to administer this article.

10 Section 2. This act shall take effect in 90 days.