
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 394 Session of
2021

INTRODUCED BY SCHWANK, FONTANA, SANTARSIERO, COSTA AND COMITTA,
MARCH 11, 2021

REFERRED TO LAW AND JUSTICE, MARCH 11, 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 police academy loan and
6 stipend assistance.

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

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

12 ARTICLE XXII-C

13 POLICE ACADEMY LOAN AND STIPEND ASSISTANCE

14 SUBARTICLE A

15 PRELIMINARY PROVISIONS

16 Section 2201-C. Scope of article.

17 This article provides loan and stipend assistance for police
18 academy instruction to residents of this Commonwealth who are
19 part of a group of individuals who have been historically
20 underrepresented to increase diversity in law enforcement in

1 this Commonwealth.

2 Section 2202-C. Definitions.

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

6 "Agency." The Pennsylvania Higher Education Assistance
7 Agency.

8 "Certification." As defined in 37 Pa. Code § 203.1 (relating
9 to definitions).

10 "Commission." The Municipal Police Officers' Education and
11 Training Commission.

12 "Disqualifying criminal offense." As defined in 37 Pa. Code
13 § 203.1.

14 "Eligible individual." An individual who:

15 (1) is part of a group of individuals who have
16 historically been underrepresented; and

17 (2) meets the requirements of 37 Pa. Code § 203.11
18 (relating to qualifications).

19 "Guarantor." An insurance company or not-for-profit
20 guarantor that provides default coverage and loss prevention
21 services to an offeror of unsecured student loans.

22 "Offeror." An institution that makes unsecured loans to
23 students in cooperation with the agency.

24 "Police academy program." A basic police training course
25 that complies with the requirements of 37 Pa. Code Ch. 203
26 (relating to administration of the program) and offered by a
27 training school or academy.

28 "Program." The Pennsylvania Police Academy Loan Assistance
29 Program established under section 2211-C.

30 "Training school or academy." A training school or academy

1 that is certified by the commission to provide basic police
2 training courses.

3 "Work requirement for officers." Postcertification and full-
4 time employment in law enforcement for a law enforcement agency
5 in this Commonwealth. The term does not include volunteer
6 service or employment before graduation.

7 SUBARTICLE B

8 PENNSYLVANIA POLICE ACADEMY LOAN ASSISTANCE

9 Section 2211-C. Pennsylvania Police Academy Loan Assistance
10 Program.

11 The Pennsylvania Police Academy Loan Assistance Program is
12 established within the Pennsylvania Higher Education Assistance
13 Agency. The agency shall establish and administer the program
14 in accordance with this article to provide financial assistance
15 to eligible individuals who acquire certification and to recruit
16 the individuals to serve in law enforcement in this
17 Commonwealth.

18 Section 2212-C. Loan guarantor services.

19 (a) Administration.--The agency shall administer loan
20 guarantor services under the program on a Statewide basis. The
21 agency shall utilize funds in the Police Academy Loan Assistance
22 Account established under section 2231-C to provide loan
23 guarantor services for the purpose of encouraging eligible
24 individuals to attend a police academy program.

25 (b) Services.--The loan guarantor services under subsection
26 (a) shall provide for all of the following:

27 (1) Life of loan services.

28 (2) Contracting for insurance with a guarantor, approved
29 by the agency, which offers a low-cost loan with competitive
30 interest rates and loan fees to eligible individuals.

1 (3) Predetermining the eligibility of individuals who
2 receive a loan from an offeror to attend a police academy
3 program that is insured by a guarantor.

4 (4) Evaluating the benefit package of a guarantor for
5 adequacy, accessibility and availability of funds necessary
6 to provide adequate loss prevention.

7 (c) Applications.--An eligible individual may apply to an
8 offeror for a loan under the program to attend a police academy
9 program. A loan issued under the program shall:

10 (1) be guaranteed by an approved guarantor through a
11 contract with the agency; and

12 (2) provide reduced interest rates and loan fees to
13 eligible individuals compared to loans made for the same
14 purpose that are not guaranteed under the program.

15 (d) Coverage.--A loan issued under the program shall cover
16 up to 100% of the actual cost of tuition and fees for a police
17 academy program.

18 (e) Failure to repay.--If a loan recipient under the program
19 fails to repay the loan, the agency shall collect the loan in
20 accordance with any of the following:

21 (1) Section 4.3 of the act of August 7, 1963 (P.L.549,
22 No.290), referred to as the Pennsylvania Higher Education
23 Assistance Agency Act.

24 (2) A process established by the loan guarantor.

25 (3) Any other collection procedure or process deemed
26 appropriate by the agency.

27 Section 2213-C. Loan forgiveness services.

28 (a) Administration.--The agency shall administer loan
29 forgiveness services for eligible individuals under the program.
30 The agency may provide loan forgiveness as specified under

1 subsection (b) for eligible individuals under the program who
2 enter into a contract with the agency to agree to serve in law
3 enforcement in this Commonwealth.

4 (b) Forgiveness.--The agency may forgive federally insured
5 loans under the program and administered by the agency in
6 accordance with the following:

7 (1) The agency may forgive 100% of the loan if the loan
8 recipient enters into a contract with the agency that
9 requires the loan recipient, upon completing a police academy
10 program and receiving a certification from the commission, to
11 serve in law enforcement in this Commonwealth for a period of
12 not less than seven consecutive years.

13 (2) Loan forgiveness provided under the program shall be
14 forgiven over a period of seven years at an annual rate of
15 14.29% of the award and shall be made from funds appropriated
16 for the purpose of loan forgiveness under this section.

17 (c) Contracts.--The contract entered into with the agency
18 under subsection (b) (1) shall be considered a contract with the
19 Commonwealth and shall include the following terms:

20 (1) Within six months after completing a police training
21 program and receipt of certification from the commission, the
22 loan recipient shall serve in law enforcement in this
23 Commonwealth according to the terms of the loan forgiveness
24 award.

25 (2) The loan recipient shall agree to serve in law
26 enforcement on a full-time basis.

27 (3) The loan recipient shall permit the agency to
28 determine compliance with the work requirement for officers
29 and all other terms of the contract.

30 (4) Upon the loan recipient's death or total or

1 permanent disability, the agency shall nullify the service
2 obligation of the loan recipient.

3 (5) If the loan recipient is convicted of, or pleads
4 guilty or no contest to, a disqualifying criminal offense or
5 if the commission revokes the loan recipient's certification
6 pursuant to 37 Pa. Code § 203.14 (relating to revocation of
7 certification), the agency may terminate the loan recipient's
8 eligibility for loan forgiveness and demand repayment of the
9 amount of the loan forgiveness as of the date of the
10 conviction, guilty plea, no contest plea or revocation of
11 certification.

12 (6) If the loan recipient fails to begin or complete the
13 obligations under the contract, the loan recipient shall pay
14 to the agency the amount of the loan forgiveness received
15 under the terms of the contract.

16 (7) If the loan recipient provides a false information
17 or misrepresentation on a loan application or verification of
18 loan service, the loan shall be considered in default and the
19 time of default shall be determined by the agency.
20 Notwithstanding 42 Pa.C.S. § 8127 (relating to personal
21 earnings exempt from process), the agency may seek
22 garnishment of wages in order to collect the amount of the
23 loan forgiveness after a default of the loan under this
24 paragraph.

25 SUBARTICLE C

26 PENNSYLVANIA POLICE ACADEMY STIPENDS

27 Section 2221-C. Stipends to loan recipients.

28 (a) Establishment.--The agency shall provide educational
29 stipends under the program to loan recipients who attend a
30 police academy program.

1 (b) Amount.--A loan recipient may receive a stipend under
2 the program of up to \$600 per week during enrollment and
3 attendance at a training school or academy for no more than 28
4 weeks.

5 Section 2222-C. Eligibility for stipends.

6 To be eligible for a stipend under the program, a loan
7 recipient shall meet all of the following criteria:

8 (1) Have received a loan under the program.

9 (2) Be enrolled in and attending a police academy
10 program.

11 (3) Enter into a contract with the agency as provided
12 under section 2224-C.

13 Section 2223-C. Payment and availability of stipends.

14 (a) Payments.--A stipend under the program shall be paid to
15 an eligible individual who has submitted an application to the
16 agency for the stipend and has received an approval of the
17 application by the agency. An eligible individual may not
18 receive a stipend under the program for more than 28 weeks
19 during the period of enrollment in a police academy program.

20 (b) Availability.--If the agency determines that the amount
21 available for stipends under the program in any year is
22 insufficient to provide stipends in the amount and duration
23 specified under section 2221-C(b), the agency may take any of
24 the following actions:

25 (1) Place a cap on the number of recipients eligible to
26 receive stipends.

27 (2) Adjust the amount of the stipends.

28 Section 2224-C. Stipend contracts.

29 (a) Eligibility.--To be eligible for a stipend under the
30 program, an eligible individual shall enter into a contract with

1 the agency that requires the eligible individual, upon
2 successful completion of a police academy program and receipt of
3 certification from the commission, to serve in law enforcement
4 in this Commonwealth for a period of not less than seven
5 consecutive years.

6 (b) Terms of contract.--The contract entered into with the
7 agency under subsection (a) shall be considered a contract with
8 the Commonwealth and shall include the following terms:

9 (1) The stipend recipient shall enroll in, attend and
10 successfully complete a police academy program.

11 (2) Within six months after successful completion of the
12 police academy program and receipt of certification from the
13 commission, the stipend recipient shall serve in law
14 enforcement on a full-time basis in this Commonwealth for a
15 period of not less than seven consecutive years.

16 (3) The stipend recipient shall permit the agency to
17 determine compliance with the work requirement for officers
18 and all other terms of the contract.

19 (4) Upon the stipend recipient's death or total or
20 permanent disability, the agency shall nullify the service
21 obligation of the stipend recipient.

22 (5) If the stipend recipient is convicted of, or pleads
23 guilty or no contest to, a disqualifying criminal offense or
24 the commission revokes the stipend recipient's certification
25 under 37 Pa. Code § 203.14 (relating to revocation of
26 certification), the agency may terminate the stipend
27 recipient's service in the program and demand repayment of
28 the total amount of the stipend payments as of the date of
29 the conviction, guilty plea, no contest plea or revocation.

30 (6) If a stipend recipient fails to begin or complete

1 the obligations under the contract, the stipend recipient
2 shall pay to the agency the amount of the stipend received
3 under the terms of the contract.

4 (7) If the stipend recipient provides false information
5 or a misrepresentation on a stipend application or
6 verification of stipend payments, the stipend shall be
7 considered in default. Notwithstanding 42 Pa.C.S. § 8127
8 (relating to personal earnings exempt from process), the
9 agency may seek garnishment of wages in order to collect the
10 amount of stipend payments in default.

11 Section 2225-C. Adjustment of stipend amounts.

12 Beginning January 1, 2022, and every two years thereafter,
13 the agency may adjust, by submitting a notice to the Legislative
14 Reference Bureau for publication in the Pennsylvania Bulletin,
15 the amounts of the stipends under the program by an amount equal
16 to the percentage change in the Consumer Price Index in the
17 preceding two years if agency finds sufficient funds are
18 appropriated and available to pay for the adjusted stipends.

19 SUBARTICLE D

20 POLICE ACADEMY LOAN ASSISTANCE ACCOUNT

21 Section 2231-C. Police Academy Loan Assistance Account.

22 The Police Academy Loan Stipend Account is established within
23 the General Fund to receive funds appropriated for purposes
24 specified under this subarticle. Money in the account is
25 appropriated on a continuing basis to the agency for the
26 program.

27 SUBARTICLE E

28 MISCELLANEOUS PROVISIONS

29 Section 2241-C. Tax applicability.

30 Loan forgiveness repayments received by a loan recipient

1 under section 2213-C and stipends received by a stipend
2 recipient under section 2221-C shall not be considered taxable
3 income for purposes of Article III of the act of March 4, 1971
4 (P.L.6, No.2), known as the Tax Reform Code of 1971.

5 Section 2242-C. Report.

6 (a) Compilation.--The agency shall compile a report by
7 December 31, 2022. The report shall include information
8 regarding the operation of the program, including all of the
9 following:

10 (1) The number and amount of loan guarantees and loan
11 contracts executed for loan recipients.

12 (2) The number and amount of loan forgiveness contracts
13 executed for loan recipients.

14 (3) The number of defaulted loan forgiveness contracts,
15 reported by cause.

16 (4) The number and amount of stipends and stipend
17 contracts executed for stipend recipients.

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

20 (b) Submission.--The agency shall submit the report to all
21 of the following:

22 (1) The Governor.

23 (2) The chair and minority chair of the Appropriations
24 Committee of the Senate.

25 (3) The chair and minority chair of Education Committee
26 of the Senate.

27 (4) The chair and minority chair of the Law and Justice
28 Committee of the Senate.

29 (4) The chair and minority chair of the Appropriations
30 Committee of the House of Representatives.

1 (5) The chair and minority chair of the Education
2 Committee of the House of Representatives.

3 (6) The chair and minority chair of the Judiciary
4 Committee of the House of Representatives.

5 Section 2243-C. Appeals.

6 The provisions of this article shall be subject to 22 Pa.
7 Code Ch. 121 (relating to student financial aid).

8 Section 2244-C. Regulations.

9 The agency shall promulgate regulations and adopt procedures
10 necessary to administer the provisions of this article.

11 Section 2245-C. Funding requirements.

12 Loan guarantor payments, loan forgiveness repayments and
13 stipends under the program shall be made only to the extent that
14 funds are appropriated for that purpose and are sufficient to
15 cover administration of the program. The receipt of a loan, a
16 loan forgiveness payment or stipend under the program shall not
17 constitute an entitlement derived from the Commonwealth or a
18 claim on any funds of the Commonwealth.

19 Section 2. This act shall take effect immediately.