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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 2685 Session of  
2020

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INTRODUCED BY BOBACK, MADDEN, MILLARD, POLINCHOCK, MURT,  
YOUNGBLOOD, HANBIDGE, DELLOSO, PASHINSKI, PYLE, CIRESI,  
SCHWEYER, READSHAW, HILL-EVANS, DeLUCA AND DONATUCCI,  
JULY 14, 2020

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REFERRED TO COMMITTEE ON EDUCATION, JULY 14, 2020

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AN ACT

1 Providing for the Student Loan Forgiveness for Nurses Program  
2 and imposing duties on the Pennsylvania Higher Education  
3 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 Student Loan  
8 Forgiveness for Nurses Act.

9 Section 2. Declaration of purpose.

10 The General Assembly declares that the purpose of this act is  
11 to provide an incentive for individuals to pursue higher  
12 education and training in nursing in 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 under the program.

4 "Eligible individual." An individual who meets all of the  
5 criteria under section 4(c).

6 "Program." Student Loan Forgiveness for Nurses Program  
7 established under section 4(a).

8 "Qualified health care facility." Any of the following  
9 facilities:

- 10 (1) Assisted living facilities.
- 11 (2) Personal care homes.
- 12 (3) Long-term care nursing facilities.
- 13 (4) Home care agencies.
- 14 (5) Home health agencies.
- 15 (6) Hospice agencies.
- 16 (7) Hospitals.

17 Section 4. Student Loan Forgiveness for Nurses Program.

18 (a) Establishment.--The Student Loan Forgiveness for Nurses  
19 Program is established within the agency.

20 (b) Administration.--The agency shall administer the program  
21 for the purpose of providing student loan forgiveness for  
22 eligible individuals who enter into an agreement with the agency  
23 as provided under subsection (d).

24 (c) Qualifications.--To qualify for the program, an  
25 applicant must meet all of the following criteria:

- 26 (1) Be employed as a registered nurse, certified  
27 registered nurse practitioner or clinical nurse specialist.
- 28 (2) Be a resident of this Commonwealth.
- 29 (3) Hold an undergraduate academic degree or graduate  
30 level academic degree from an accredited college or

1 university.

2 (4) Have been hired as a full-time employee of a  
3 qualified health care facility in this Commonwealth.

4 (5) Have successfully completed the first six months of  
5 full-time employment as an employee of a qualified health  
6 care facility in this Commonwealth.

7 (d) Loan forgiveness.--The agency shall forgive 50% of an  
8 eligible individual's student loans, not to exceed \$100,000, if  
9 the eligible individual enters into an agreement with the agency  
10 to remain employed at a qualified health care facility in this  
11 Commonwealth for a period of three years.

12 (e) Agreement provisions.--The agreement under subsection  
13 (d) shall include the following terms:

14 (1) The award recipient shall agree to be employed at a  
15 qualified health care facility in this Commonwealth for a  
16 period of no less than three years.

17 (2) The award recipient shall permit the agency to  
18 determine compliance with the work requirement and all other  
19 terms of the contract.

20 (3) Upon the award recipient's death or total or  
21 permanent disability, the agency shall not be required to  
22 provide student loan forgiveness under the program.

23 (4) The agency may terminate student loan forgiveness  
24 and demand repayment of the amount of student loans forgiven  
25 if:

26 (i) the award recipient is convicted of or pleads  
27 guilty or no contest to a felony; or

28 (ii) the State Board of Nursing has determined that  
29 the award recipient has committed an act of gross  
30 negligence in the practice of nursing or has suspended or

1            revoked the award recipient's license to practice.

2            (5) An award recipient who fails to begin or complete  
3            the obligations contracted for shall pay to the agency the  
4            amount of the loan received under the terms of the contract.  
5            Providing false information or misrepresentation on an  
6            application or verification of service shall be deemed a  
7            default. Determination as to the time of the default shall be  
8            made by the agency. The award recipient and the agency shall  
9            make every effort to resolve conflicts in order to prevent a  
10           breach of the agreement.

11           (f) Agreement enforcement.--Notwithstanding 42 Pa.C.S. §  
12           8127 (relating to personal earnings exempt from process), the  
13           agency may seek garnishment of wages of an award recipient who  
14           fails to comply with the agreement under subsection (d) for the  
15           amount of student loan forgiveness provided to the award  
16           recipient.

17           Section 5. Tax applicability.

18           Student loan forgiveness received under this act shall not be  
19           considered taxable income for purposes of Article III of the act  
20           of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
21           1971.

22           Section 6. Annual report.

23           (a) Development of report.--By September 1, 2021, and each  
24           September 1 thereafter, the agency shall compile a report  
25           regarding the operation of the program for the immediately  
26           preceding fiscal year. The report shall include the following  
27           information:

28                    (1) The number and amount of student loan forgiveness  
29                    agreements executed and renewed for eligible individuals.

30                    (2) The number of defaulted student loan forgiveness

1 agreements and the cause for the defaults.

2 (3) The number of eligible individuals participating in  
3 the program.

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

6 (b) Submission.--The agency shall submit the report under  
7 subsection (a) to the following individuals:

8 (1) The Governor.

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

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

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

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

17 (6) The chairperson and minority chairperson of the  
18 Health and Human Services Committee of the Senate.

19 Section 7. Funding.

20 Student loan forgiveness payments under this act shall be  
21 made only to the extent that funds are appropriated for the  
22 program and are sufficient to cover administration of the  
23 program. Student loan forgiveness under this act shall not  
24 constitute an entitlement derived from the Commonwealth or a  
25 claim on any funds of the Commonwealth.

26 Section 8. Regulations.

27 The agency shall promulgate regulations necessary to  
28 administer this act.

29 Section 9. Effective date.

30 This act shall take effect in 90 days.