
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 120 Session of
2017

INTRODUCED BY KAUFER, READSHAW, FEE, DRISCOLL, TAYLOR, MURT,
DAVIS, MULLERY, McNEILL, WATSON, BOBACK, SIMMONS, SAYLOR,
CUTLER AND COOK, FEBRUARY 3, 2017

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 3, 2017

AN ACT

1 Establishing the Loan Forgiveness for Counselors Program within
2 the Pennsylvania Higher Education Assistance Agency and
3 providing for powers and duties of the Pennsylvania Higher
4 Education Assistance Agency.

5 The General Assembly of the Commonwealth of Pennsylvania
6 hereby enacts as follows:

7 Section 1. Short title.

8 This act shall be known and may be cited as the Loan
9 Forgiveness for Counselors Act.

10 Section 2. Purpose.

11 The purpose of this act is to provide an incentive to
12 Pennsylvania students to pursue higher education and careers in
13 counseling to meet the demand for quality addiction counseling
14 services in this Commonwealth.

15 Section 3. Definitions.

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

1 "Agency." The Pennsylvania Higher Education Assistance
2 Agency.

3 "Counselor." An individual who provides individual and group
4 counseling for chemical dependency in a licensed drug and
5 alcohol treatment facility.

6 "Eligible applicant." A qualified individual who meets the
7 following criteria:

8 (1) Is a resident of this Commonwealth.

9 (2) Has successfully completed a two-year or four-year
10 academic degree or diploma or graduate level academic degree
11 or diploma at an accredited college or university.

12 (3) Has been hired as a full-time counselor by a
13 licensed alcohol and drug addiction treatment facility.

14 "Licensed alcohol and drug addiction treatment facility." An
15 alcohol or drug addiction treatment facility licensed by the
16 Department of Drug and Alcohol Programs to provide addiction
17 treatment services.

18 "Program." The Loan Forgiveness for Counselors Program
19 established by this act.

20 Section 4. Loan Forgiveness for Counselors Program.

21 (a) Establishment.--The Loan Forgiveness for Counselors
22 Program is established with the Pennsylvania Higher Education
23 Assistance Agency. The agency shall administer the program for
24 eligible applicants on a Statewide basis. The agency may provide
25 loan forgiveness as provided in subsection (b) for recipients of
26 loans who by contract with the agency agree to provide addiction
27 counseling services in this Commonwealth.

28 (b) Loan forgiveness.--Agency-administered, Federally
29 insured student loans for higher education provided to an
30 eligible applicant may be forgiven by the agency as follows:

1 (1) The agency may forgive a proportional part of the
2 loan, not to exceed \$35,000, if a loan recipient enters into
3 a contract with the agency that requires the recipient to
4 provide four years of full-time staff work. No more than
5 \$8,750 shall be forgiven in any year.

6 (2) Loan forgiveness awards made under paragraph (1)
7 shall be forgiven over a period of four years at an annual
8 rate of 25% of the award and shall be made from funds
9 appropriated for this purpose.

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

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

15 (i) The recipient shall agree to be employed by a
16 licensed alcohol and drug addiction treatment facility
17 located within this Commonwealth for a period of not less
18 than four years.

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

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

25 (iv) If the recipient is convicted of or pleads
26 guilty or no contest to a felony, the agency may
27 terminate the recipient's service in the program and
28 demand repayment of the amount of the loan as of the date
29 of the conviction.

30 (v) Loan recipients who fail to begin or complete

1 the obligations contracted for shall pay to the agency
2 the amount of the loan received under the terms of the
3 contract under this section. Providing false information
4 or misrepresentation on an application or verification of
5 service shall be deemed a default. Determination as to
6 the time of the default shall be made by the agency.

7 (c) Contract enforcement.--Notwithstanding 42 Pa.C.S. § 8127
8 (relating to personal earnings exempt from process), the agency
9 may seek garnishment of wages for the collection of damages
10 provided for in subsection (b) (4) (v).

11 Section 5. Tax applicability.

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

16 Section 6. Annual report.

17 (a) Development of report.--The agency shall publish a
18 report by September 1 each year for the immediately preceding
19 fiscal year. The report shall include information regarding the
20 operation of the program, including:

21 (1) The number and amount of counselor loan forgiveness
22 contracts executed and renewed for eligible applicants.

23 (2) The number of defaulted counselor loan forgiveness
24 contracts reported by cause.

25 (3) The number of counselors participating in the
26 program reported by institution attended.

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

29 (b) Submission.--The annual report shall be submitted to:

30 (1) The Governor.

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

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

5 (4) The chairperson and minority chairperson of the
6 Public Health and Welfare Committee of the Senate.

7 (5) The chairperson and minority chairperson of the
8 Appropriations Committee of the House of Representatives.

9 (6) The chairperson and minority chairperson of the
10 Education Committee of the House of Representatives.

11 (7) The chairperson and minority chairperson of the
12 Human Services Committee of the House of Representatives.

13 Section 7. Regulations.

14 The agency shall adopt regulations and procedures necessary
15 to carry out the purposes of this act.

16 Section 8. Funding.

17 Loan forgiveness repayments shall be made only to the extent
18 that funds are appropriated for that purpose and are sufficient
19 to cover administration of the program. The receipt of a loan
20 under this act shall not constitute an entitlement derived from
21 the Commonwealth or a claim on any fund of the Commonwealth.

22 Section 9. Effective date.

23 This act shall take effect in 90 days.