
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 143 Session of
2023

INTRODUCED BY YOUNG, HILL-EVANS, MADDEN, HOHENSTEIN, CIRESI,
KINSEY, SCHLOSSBERG, SANCHEZ, WARREN, FLEMING, PARKER,
FREEMAN, KINKEAD, KIM, KRAJEWSKI, WAXMAN, BELLMON,
SHUSTERMAN, WEBSTER, HANBIDGE, ABNEY, OTTEN, CEPEDA-FREYTIZ,
BOROWSKI, DONAHUE, MALAGARI AND HOWARD, MARCH 16, 2023

REFERRED TO COMMITTEE ON EDUCATION, MARCH 16, 2023

AN ACT

1 Establishing the Pennsylvania Teacher Loan Forgiveness Program.

2 The General Assembly of the Commonwealth of Pennsylvania

3 hereby enacts as follows:

4 Section 1. Short title.

5 This act shall be known and may be cited as the Pennsylvania
6 Teacher Loan Forgiveness Act.

7 Section 2. Definitions.

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

11 "Agency." The Pennsylvania Higher Education Assistance
12 Agency.

13 "Award." A financial award by the agency to a qualified
14 applicant under the program.

15 "Program." The Pennsylvania Teacher Loan Forgiveness Program
16 established under section 3.

1 "Qualified applicant." An individual who:

2 (1) Is a current resident of this Commonwealth.

3 (2) Currently holds a valid teaching certification
4 issued by the Department of Education.

5 (3) Has successfully completed a four-year academic
6 degree or diploma or graduate level academic degree or
7 diploma at an accredited college or university.

8 (4) Holds a current part-time or full-time teaching
9 position in a public school in this Commonwealth, during the
10 year for which the applicant is applying, and remains in good
11 standing with the school entity.

12 (5) Is a recipient of a federally insured student loan.

13 "Recipient." A qualified applicant who is selected for the
14 program and who enters into a contract with the Commonwealth
15 under the program.

16 "School entity." Any public school, including a charter
17 school or cyber charter school, intermediate unit or area career
18 and technical school, operating in this Commonwealth.

19 "Teacher." A professional employee who provides direct
20 instruction to students related to a specific subject or grade
21 level and is certificated in accordance with the qualifications
22 established by the State Board of Education.

23 Section 3. Pennsylvania Teacher Loan Forgiveness Program.

24 (a) Establishment.--The Pennsylvania Teacher Loan
25 Forgiveness Program is established in the agency.

26 (b) Minimal requirements.--The following minimal
27 requirements shall apply to awards:

28 (1) A qualified applicant who is selected for the
29 program in accordance with this act shall be eligible for
30 payment by the agency of a portion of the debt incurred by

1 the qualified applicant through the agency-administered
2 guaranteed Stafford or consolidation loan programs for the
3 education necessary to be a school teacher in this
4 Commonwealth if the recipient enters into a contract with the
5 agency that requires the recipient to remain employed as a
6 school teacher in this Commonwealth.

7 (2) The agency may forgive 25% of the loan each year up
8 to a maximum of \$10,000 per year for up to a maximum of four
9 years. No more than \$40,000 total shall be forgiven for a
10 recipient.

11 (3) The agency shall determine a proportional
12 forgiveness amount for part-time teachers based on the
13 proportion of a full year that those recipients worked.

14 (4) Payments shall be made in accordance with the
15 regulations established by the agency.

16 (5) The contract entered into with the agency under
17 paragraph (1) shall be considered a contract with the
18 Commonwealth and shall include the following terms:

19 (i) The recipient shall agree to be employed as a
20 school teacher as specified under this section by a
21 school entity located within this Commonwealth for a
22 period of no less than four consecutive years.

23 (ii) The recipient shall permit the agency to
24 determine compliance with the work requirement and all
25 other terms of the contract.

26 (iii) Upon the recipient's death or total and
27 permanent disability, the agency shall nullify the
28 service obligation of the recipient.

29 (iv) If the recipient is convicted of or pleads
30 guilty or no contest to a felony, the agency shall have

1 the authority to terminate the recipient's service in the
2 program and demand repayment of the amount of the loan as
3 of the date of the conviction.

4 (v) A recipient who fails to begin or complete the
5 obligations contracted for shall pay to the agency the
6 amount of the loan received under the terms of the
7 contract. Providing false information or
8 misrepresentation on an application or verification of
9 service shall be deemed a default. Determination as to
10 the time of the default shall be made by the agency.

11 (vi) If an individual is laid off from the school
12 entity but is rehired by a school entity within the same
13 school year or upcoming school year, the individual may
14 not lose eligibility.

15 (c) Limitations.--

16 (1) A loan forgiveness award under this act shall not be
17 made for a loan that is in default at the time of
18 application.

19 (2) Loan forgiveness provided under the provisions of
20 this act shall not be concurrently awarded to a recipient of
21 another Commonwealth-provided loan forgiveness program.

22 Section 4. Tax applicability.

23 No award received by a recipient under the program may be
24 considered taxable income for purposes of Article II of the act
25 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
26 1971.

27 Section 5. Annual report.

28 (a) Publication.--The agency shall compile a report by
29 October 1, 2024, and each year thereafter, for the immediately
30 preceding fiscal year. The report shall include information

1 regarding the operation of the program, including:

2 (1) The number and amount of contracts executed and
3 renewed for qualified applicants.

4 (2) The number of defaulted contracts, reported by
5 cause.

6 (3) The number of part-time or full-time teachers of
7 school entities participating in the program, reported by
8 type of institution attended, including four-year educational
9 institutions, community colleges and independent two-year
10 colleges.

11 (4) The number and type of enforcement actions taken by
12 the agency.

13 (b) Submission.--The annual report compiled under subsection

14 (a) shall be submitted to the Governor, the chairperson and
15 minority chairperson of the Appropriations Committee of the
16 Senate, the chairperson and minority chairperson of the
17 Appropriations Committee of the House of Representatives, the
18 chairperson and minority chairperson of the Education Committee
19 of the Senate and the chairperson and minority chairperson of
20 the Education Committee of the House of Representatives.

21 Section 6. Appeals.

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

24 Section 7. Loan forgiveness awards.

25 A recipient shall submit documentation of eligibility as the
26 agency may require, including documentation to indicate full-
27 time or part-time employment, as defined by the school entity.
28 The documentation shall be presented to the agency in the form
29 of a letter from the recipient's employer stating that the
30 recipient is employed by a school entity, whether the recipient

1 is employed full time or part time, and that the recipient
2 performs duties in a satisfactory manner.

3 Section 8. Funding.

4 Program administration under this act shall be made to the
5 extent that money is appropriated by the General Assembly and is
6 sufficient to cover the administration of the program. In the
7 event money is insufficient to fully fund administration of the
8 program and all qualified applicants, money shall be disbursed
9 pro rata among recipients. In the event the program is fully
10 funded and all qualified applicants have received the full
11 amount for which they had been contracted to receive, any
12 remaining money from the appropriation to the program shall be
13 utilized the following year for the program.

14 Section 9. Responsibility of agency.

15 The agency shall adopt regulations, policies, procedures and
16 forms as are necessary for the implementation of this act.

17 Section 10. Effective date.

18 This act shall take effect in 60 days.