

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.

17 "Qualified applicant." An individual who:

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

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

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

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

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

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

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

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

22 Section 3. Pennsylvania Teacher Loan Forgiveness Program.

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

25 (b) Components.--The following shall apply:

26 (1) A qualified applicant who is selected for the
27 program in accordance with this act shall be eligible for
28 payment by the agency of a portion of the debt incurred by
29 the qualified applicant through the agency-administered
30 guaranteed Stafford or consolidation loan programs for the

1 education necessary to be a school teacher in this
2 Commonwealth if the recipient enters into a contract with the
3 agency that requires the recipient to remain employed as a
4 school teacher in this Commonwealth.

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

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

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

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

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

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

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

27 (iv) If the recipient is convicted of or pleads
28 guilty or no contest to a felony, the agency shall have
29 the authority to terminate the recipient's service in the
30 program and demand repayment of the amount of the loan as

1 of the date of the conviction.

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

9 (vi) If a person is laid off from the school entity
10 but is rehired by a school entity within the same school
11 year or upcoming school year, they will not lose
12 eligibility.

13 (c) Limitation.--A loan forgiveness award under this act
14 shall not be made for a loan that is in default at the time of
15 application. Loan forgiveness provided under the provisions of
16 this act shall not be concurrently awarded to a recipient of
17 another Commonwealth-provided loan forgiveness program.

18 Section 4. Tax applicability.

19 No award received by a recipient under the program may be
20 considered taxable income for purposes of Article II of the act
21 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of
22 1971.

23 Section 5. Annual report.

24 (a) Publication.--The agency shall publish a report by
25 October 1, 2021, and each year thereafter, for the immediately
26 preceding fiscal year. The report shall include information
27 regarding the operation of the program, including:

28 (1) The number and amount of contracts executed and
29 renewed for qualified applicants.

30 (2) The number of defaulted contracts, reported by

1 cause.

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

7 (4) The number and type of enforcement actions taken by
8 the agency.

9 (b) Submission.--The annual report shall be submitted to the
10 Governor, the chairperson and minority chairperson of the
11 Appropriations Committee of the Senate, the chairperson and
12 minority chairperson of the Appropriations Committee of the
13 House of Representatives, the chairperson and minority
14 chairperson of the Education Committee of the Senate and the
15 chairperson and minority chairperson of the Education Committee
16 of the House of Representatives.

17 Section 6. Appeals.

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

20 Section 7. Loan forgiveness awards.

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

29 Section 8. Funding.

30 Program administration under this act shall be made to the

1 extent that money is appropriated by the General Assembly and is
2 sufficient to cover the administration of the program. In the
3 event funding is insufficient to fully fund administration of
4 the program and all qualified applicants, funds shall be
5 disbursed pro rata among recipients. In the event the program is
6 fully funded and all qualified applicants have received the full
7 amount for which they had been contracted to receive, the
8 remaining funds shall remain in the fund to be utilized in the
9 following year.

10 Section 9. Responsibility of agency.

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

13 Section 10. Effective date.

14 This act shall take effect in 60 days.