

1 H.374

2 Introduced by Representatives Carroll of Bennington, Dickinson of St. Albans
3 Town, Jerome of Brandon, O'Sullivan of Burlington, and Ralph
4 of Hartland

5 Referred to Committee on

6 Date:

7 Subject: Education; student loan debt relief; Workforce Development
8 Educational Loan Benefit Program

9 Statement of purpose of bill as introduced: This bill proposes to create the
10 Workforce Development Educational Loan Benefit Program under which
11 educational scholarships and student loan forgiveness shall be provided to
12 individuals who work in a job as a doctor, physician assistant, police officer,
13 nurse, or teacher in a location of the State identified by the Vermont
14 Department of Labor that is underserved by these professions.

15 An act relating to the creation of the Workforce Development Educational
16 Loan Benefit Program for doctors, physician assistants, police officers,
17 nurses, and teachers

18 It is hereby enacted by the General Assembly of the State of Vermont:

1 Sec. 1. 16 V.S.A. § 2870 is added to read:

2 § 2870. WORKFORCE DEVELOPMENT EDUCATIONAL LOAN

3 BENEFIT PROGRAM

4 (a) Definitions. As used in this section:

5 (1) “Eligible individual” means an individual who satisfies the eligibility
6 requirements under this section for a scholarship or loan forgiveness.

7 (2) “Eligible job” means a job as a doctor, police officer, physician
8 assistant, nurse, or teacher in a location of the State identified by the Vermont
9 Department of Labor that is underserved by these professions.

10 (3) “Eligible school” means an approved postsecondary education
11 institution, as defined under Section 2822 of this chapter, that is located in
12 Vermont, or an institution or organization offering certificate training or
13 continuing education programs that is located in Vermont.

14 (4) “Gift aid” means grant or scholarship financial aid received from the
15 federal government or from the State.

16 (5) “Loans” means education loans guaranteed, made, financed,
17 serviced, or otherwise administered by the Corporation under this subchapter
18 for attendance at an eligible school.

19 (6) “Loan forgiveness” means the cancellation and forgiveness under
20 this section of loans.

1 (7) “Program” means the Workforce Development Educational Loan
2 Benefit Program created under this section.

3 (8) “Scholarship” means a scholarship awarded under this section
4 covering tuition, room, board, and the cost of required books and supplies for
5 up to full-time attendance at an eligible school.

6 (b) Program creation. The Workforce Development Educational Loan
7 Benefit Program is created and shall be administered by the Corporation. The
8 program provides scholarships to students enrolled in an eligible school who
9 commit to working in an eligible job and who meet the eligibility requirements
10 in subsection (d) of this section. The program also provides loan forgiveness
11 to individuals working in an eligible job and who meet the eligibility
12 requirements in subsection (e) of this section.

13 (c) The scholarship and loan forgiveness benefits provided under the
14 program shall be paid on behalf of the eligible individual by the Corporation,
15 subject to the appropriation of funds by the General Assembly specifically for
16 this purpose.

17 (d) Eligibility for scholarships. To be eligible for a scholarship under the
18 program, an individual, whether a resident or nonresident, shall satisfy all of
19 the following requirements:

- 1 (1) be enrolled at an eligible school in a program that leads to an
2 undergraduate, graduate, or training certificate or degree or other credential
3 recognized by the Corporation;
- 4 (2) continually demonstrate satisfactory academic progress by
5 maintaining a 3.5 grade point average or better, or the equivalent as determined
6 by the Corporation if the eligible school does not use grade point averages;
- 7 (3) have used any available gift aid;
- 8 (4) have executed a contract with the Corporation committing the
9 individual to work in an eligible job;
- 10 (5) have executed a promissory note obligating the individual to repay
11 the individual's scholarship benefit, in whole or in part, if the individual fails
12 to complete the period of service required in subsection (f) of this section; and
- 13 (6) have completed the program's application form, the free application
14 for federal student aid (FAFSA), and the Vermont grant application each
15 academic year of enrollment in accordance with a schedule determined by the
16 Corporation.
- 17 (e) Eligibility for loan forgiveness. To be eligible for loan forgiveness
18 under the program, an individual shall satisfy all of the following
19 requirements:

1 (1) graduated from an eligible school where the individual has, within
2 the past five years, been awarded an undergraduate, graduate, or training
3 certificate or degree or other credential recognized by the Corporation;

4 (2) had an overall 3.5 grade point average or better, or the equivalent as
5 determined by the Corporation if the eligible school does not use grade point
6 averages, from the eligible school;

7 (3) work in an eligible job; and

8 (4) be a resident of Vermont.

9 (f) Service commitment.

10 (1) Scholarships. For each two years of service in an eligible job, an
11 eligible individual shall be entitled to a full academic year of full scholarship
12 benefit under the program. If an eligible individual fails to serve in an eligible
13 job for a period that would entitle the individual to the full scholarship benefit
14 received by the individual, other than for good cause as determined by the
15 Corporation, then the individual shall reimburse the Corporation a pro rata
16 portion of the scholarship paid under the program pursuant to the terms of the
17 interest-free reimbursement promissory note signed by the individual at the
18 time of entering the program.

19 (2) Loan forgiveness. An eligible individual shall be entitled to an
20 amount of loan cancellation and forgiveness under this section equal to one
21 year of loans for every for two years of service in an eligible job.

1 (g) Adoption of policies, procedures, and guidelines. The Corporation
2 shall adopt policies, procedures, and guidelines necessary to implement the
3 provisions of this section.

4 (h) The Vermont Department of Labor shall maintain a list of locations in
5 Vermont that are underserved by doctors, police officers, nurses, and teachers,
6 and shall provide this list to the Corporation.

7 (i) Reports. On or before January 15 of each year, the Corporation shall
8 report data and other relevant factors, including the costs of the program to
9 date, to the Governor and the House and Senate Committees on Education.
10 The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the
11 reports to be made under this subsection.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on passage.