

1 S.89

2 Introduced by Senators Hooker, Clarkson, Hardy, Lyons, Perchlik, Pollina and

3 Ram

4 Referred to Committee on

5 Date:

6 Subject: Education; student loan debt relief; Workforce Development

7 Educational Loan Benefit Program

8 Statement of purpose of bill as introduced: This bill proposes to create the  
9 Workforce Development Educational Loan Benefit Program under which  
10 educational scholarships and student loan forgiveness shall be provided to  
11 individuals who work in a job as a doctor, nurse, or teacher, including  
12 childcare educators, in the State.

13 An act relating to the creation of the Workforce Development Educational  
14 Loan Benefit Program for doctors, nurses, and teachers, including childcare  
15 educators

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

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

18 § 2870. WORKFORCE DEVELOPMENT EDUCATIONAL LOAN

19 BENEFIT PROGRAM

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

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

3           (2) “Eligible job” means a job as a doctor, nurse, or teacher, including  
4           childcare educators, in the State.

5           (3) “Eligible school” means an approved postsecondary education  
6           institution, as defined under section 2822 of this chapter, that is located in  
7           Vermont, or an institution or organization offering certificate training or  
8           continuing education programs that is located in Vermont.

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

11          (5) “Loan forgiveness” means the cancellation and forgiveness under  
12          this section of loans.

13          (6) “Loans” means education loans guaranteed, made, financed,  
14          serviced, or otherwise administered by the Corporation under this subchapter  
15          for attendance at an eligible school.

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

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

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

8       (c) The scholarship and loan forgiveness benefits provided under the  
9       Program shall be paid on behalf of the eligible individual by the Corporation,  
10       subject to the appropriation of funds by the General Assembly specifically for  
11       this purpose.

12       (d) Eligibility for scholarships. To be eligible for a scholarship under the  
13       Program, an individual, whether a resident or nonresident, shall satisfy all of  
14       the following requirements:

15               (1) be enrolled at an eligible school in a program that leads to an  
16               undergraduate, graduate, or training certificate or degree or other credential  
17               recognized by the Corporation;

18               (2) continually demonstrate satisfactory academic progress by  
19               maintaining a 3.5 grade point average or better or the equivalent as determined  
20               by the Corporation if the eligible school does not use grade point averages;

21               (3) have used any available gift aid;

1           (4) have executed a contract with the Corporation committing the  
2           individual to work in an eligible job;

3           (5) have executed a promissory note obligating the individual to repay  
4           the individual's scholarship benefit, in whole or in part, if the individual fails  
5           to complete the period of service required in subsection (f) of this section; and

6           (6) have completed the Program's application form, the free application  
7           for federal student aid (FAFSA), and the Vermont grant application each  
8           academic year of enrollment in accordance with a schedule determined by the  
9           Corporation.

10          (e) Eligibility for loan forgiveness. To be eligible for loan forgiveness  
11          under the Program, an individual shall satisfy all of the following  
12          requirements:

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

16           (2) had an overall 3.5 grade point average or better or the equivalent as  
17           determined by the Corporation if the eligible school does not use grade point  
18           averages from the eligible school;

19           (3) work in an eligible job; and

20           (4) be a resident of Vermont.

21          (f) Service commitment.

1           (1) Scholarships. For each two years of service in an eligible job, an  
2           eligible individual shall be entitled to a full academic year of full scholarship  
3           benefit under the Program. If an eligible individual fails to serve in an eligible  
4           job for a period that would entitle the individual to the full scholarship benefit  
5           received by the individual, other than for good cause as determined by the  
6           Corporation, then the individual shall reimburse the Corporation a pro rata  
7           portion of the scholarship paid under the Program pursuant to the terms of the  
8           interest-free reimbursement promissory note signed by the individual at the  
9           time of entering the Program.

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

13           (g) Adoption of policies, procedures, and guidelines. The Corporation  
14           shall adopt policies, procedures, and guidelines necessary to implement the  
15           provisions of this section.

16           (h) Reports. On or before January 15 of each year, the Corporation shall  
17           report data and other relevant factors, including the costs of the Program to  
18           date, to the Governor and the House and Senate Committees on Education.  
19           The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the  
20           reports to be made under this subsection.

- 1      Sec. 2. EFFECTIVE DATE
- 2      This act shall take effect on passage.