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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 874 Session of  
2023

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INTRODUCED BY DILLON, TARTAGLIONE, KANE, FONTANA, SCHWANK,  
COSTA, BREWSTER AND COMMITTA, AUGUST 16, 2023

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REFERRED TO EDUCATION, AUGUST 16, 2023

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AN ACT

1 Providing for Commonwealth support for a Mental Health and  
2 Intellectual Disability Staff Member Loan Forgiveness Program  
3 and an Alcohol and Drug Addiction Counselor Loan Forgiveness  
4 Program; and imposing duties on the Pennsylvania Higher  
5 Education Assistance Agency.

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

8 Section 1. Short title.

9 This act shall be known and may be cited as the Mental Health  
10 and Intellectual Disability Staff Member Loan Forgiveness  
11 Program and Alcohol and Drug Addiction Counselor Loan  
12 Forgiveness Program Act.

13 Section 2. Findings and declaration of purpose.

14 The General Assembly finds and declares that:

15 (1) Community-based mental health, intellectual  
16 disability and alcohol and drug addiction treatment services  
17 offer lifelong supports and opportunities for a meaningful  
18 quality of life, in fulfillment of Federal and State laws.

19 (2) Treatment of alcohol and other drug addiction is a

1 crucial investment in health care, in the stability of  
2 families and in protecting the public safety.

3 (3) A qualified and stable work force is the key to  
4 quality community mental health and intellectual disability  
5 services and to quality alcohol and drug addiction counseling  
6 services.

7 (4) The pool of qualified staff members has diminished.

8 (5) The number of college students planning to enter the  
9 mental health and intellectual disability profession or the  
10 alcohol and drug addiction counseling profession appears to  
11 be inadequate to meet the need for staff members in this  
12 Commonwealth.

13 (6) Demand from industry and other opportunities attract  
14 potential staff members away from these professions.

15 (7) Payment of a portion of student loans for mental  
16 health and intellectual disability staff members or alcohol  
17 and drug addiction counselors serves the important public  
18 purpose of encouraging new staff members to pursue careers in  
19 this Commonwealth.

20 Section 3. Definitions.

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

24 "Agency." The Pennsylvania Higher Education Assistance  
25 Agency.

26 "Counselor." A counselor assistant, counselor or clinical  
27 supervisor who qualifies for the Alcohol and Drug Addiction  
28 Counselor Loan Forgiveness Program.

29 "Licensed alcohol and drug addiction treatment facility." An  
30 alcohol or drug addiction treatment facility licensed by the

1 Department of Drug and Alcohol Programs to provide addiction  
2 treatment services.

3 "Qualified counselor applicant." A person applying for the  
4 Alcohol and Drug Addiction Counselor Loan Forgiveness Program  
5 who meets the following criteria:

6 (1) Is a resident of this Commonwealth.

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

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

12 (4) Has successfully completed the first six months of  
13 full-time employment as a counselor at a licensed alcohol and  
14 drug addiction treatment facility and remains in good  
15 standing with the facility.

16 (5) Has borrowed through and has a current outstanding  
17 balance with guaranteed Stafford or consolidation loan  
18 programs administered by the agency.

19 "Qualified staff member applicant." A person applying for  
20 the Mental Health and Intellectual Disability Staff Member Loan  
21 Forgiveness Program who meets all of the following criteria:

22 (1) Is a resident of this Commonwealth.

23 (2) Has successfully completed a two-year or four-year  
24 academic degree or diploma or graduate-level academic degree  
25 or diploma at an accredited college or university.

26 (3) Has been hired as a full-time staff member by a  
27 county mental health or intellectual disability service  
28 agency within this Commonwealth through a merit or civil  
29 service system approved by the Secretary of Human Services or  
30 by a private provider that is under contract with either a

1 county within this Commonwealth to provide mental health or  
2 intellectual disability services or the Department of Human  
3 Services to provide behavioral health rehabilitation services  
4 to individuals with developmental disabilities.

5 (4) Has successfully completed the first six months of  
6 full-time employment as a staff member at a county mental  
7 health or intellectual disability service agency within this  
8 Commonwealth or a private provider under contract with either  
9 a county within this Commonwealth or the Department of Human  
10 Services and remains in good standing with the service agency  
11 within this Commonwealth or private provider.

12 (5) Performs staff duties at a county mental health or  
13 intellectual disability service agency within this  
14 Commonwealth or at a private provider within this  
15 Commonwealth that is under contract with either a county to  
16 provide mental health or intellectual disability services or  
17 the Department of Human Services to provide behavioral health  
18 rehabilitation services to individuals with developmental  
19 disabilities.

20 (6) Has borrowed through and has a current outstanding  
21 balance with the guaranteed Stafford or consolidation loan  
22 programs administered by the agency.

23 (7) Agrees to work in the field for not less than four  
24 years.

25 "Recipient." An individual who enters into a contract under  
26 section 5 or 6.

27 "Staff member." A caseworker, direct support professional,  
28 therapist, program coordinator or director who qualifies for the  
29 Mental Health and Intellectual Disability Staff Member Loan  
30 Forgiveness Program.

1 Section 4. Establishment.

2 The Mental Health and Intellectual Disability Staff Member  
3 Loan Forgiveness Program and the Alcohol and Drug Addiction  
4 Counselor Loan Forgiveness Program are established within the  
5 agency to aid in the payment of a portion of student loans for  
6 mental health and intellectual disability staff members or  
7 alcohol and drug addiction counselors employed within this  
8 Commonwealth.

9 Section 5. Mental Health and Intellectual Disability Staff  
10 Member Loan Forgiveness Program.

11 (a) Components.--Components shall be as follows:

12 (1) A qualified staff member applicant who is selected  
13 for the Mental Health and Intellectual Disability Staff  
14 Member Loan Forgiveness Program in accordance with this act  
15 shall be eligible for payment by the agency of a portion of  
16 the debt incurred by the qualified staff member applicant  
17 through the guaranteed Stafford or consolidation loan  
18 programs administered by the agency for the education  
19 necessary to be a mental health or intellectual disability  
20 professional in this Commonwealth if the qualified staff  
21 member applicant enters into a contract with the agency that  
22 requires the recipient to remain employed as a full-time  
23 mental health or intellectual disability professional in this  
24 Commonwealth for a period of two consecutive years.

25 (2) The agency may forgive a proportional part of the  
26 qualified staff member applicant's loan so that the loan may  
27 be entirely forgiven over four years of full-time staff work.  
28 No more than \$6,250 shall be forgiven in any year, and not  
29 more than \$25,000 shall be forgiven for any qualified staff  
30 member applicant.

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

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

6           (i) The recipient shall agree to be employed by a  
7 county mental health or intellectual disability service  
8 agency located within this Commonwealth or by a private  
9 provider of mental health or intellectual disability  
10 services for a period of not less than four years in the  
11 field.

12           (ii) The recipient shall permit the agency to  
13 determine compliance with the work requirement and the  
14 other terms of the contract.

15           (iii) Upon the recipient's death or total or  
16 permanent disability, the agency shall nullify the  
17 service obligation of the recipient.

18           (iv) If the recipient is convicted of or pleads  
19 guilty or no contest to a felony, the agency shall have  
20 the authority to terminate the recipient's service in the  
21 program and demand repayment of the amount of the loan as  
22 of the date of the conviction.

23           (v) Recipients who fail to begin or complete the  
24 obligations contracted for shall pay to the agency the  
25 amount of the loan received under the terms of the  
26 contract under this section. Providing false information  
27 or misrepresentation on an application or verification of  
28 service shall be deemed a default. Determination as to  
29 the time of the default shall be made by the agency.

30       (b) Limitations.--A loan forgiveness award under this act

1 shall not be made for a loan that is in default at the time of  
2 the application. Loan forgiveness provided under the provisions  
3 of this act shall not be concurrently awarded to an individual  
4 in receipt of another Commonwealth-provided loan forgiveness  
5 program.

6 Section 6. Alcohol and Drug Addiction Counselor Loan  
7 Forgiveness Program.

8 (a) Components.--Components shall be as follows:

9 (1) A qualified counselor applicant who is selected for  
10 the Alcohol and Drug Addiction Counselor Loan Forgiveness  
11 Program in accordance with this act shall be eligible for  
12 payment by the agency of a portion of the debt incurred by  
13 the qualified counselor applicant through the guaranteed  
14 Stafford or consolidation loan programs administered by the  
15 agency for the education necessary to be an alcohol and drug  
16 addiction counseling professional in this Commonwealth if the  
17 qualified counselor applicant enters into a contract with the  
18 agency that requires the recipient to remain employed as a  
19 full-time alcohol and drug addiction counseling professional  
20 in this Commonwealth for a period of two consecutive years.

21 (2) The agency may forgive a proportional part of the  
22 qualified counselor applicant's loan so that the loan may be  
23 entirely forgiven over four years of full-time staff work. No  
24 more than \$6,250 shall be forgiven in any year, and not more  
25 than \$25,000 shall be forgiven for any qualified counselor  
26 applicant.

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

29 (4) The contract entered into with the agency under  
30 paragraph (1) shall be considered a contract with the

1 Commonwealth and shall include the following terms:

2 (i) The recipient shall agree to be employed by a  
3 licensed alcohol and drug addiction treatment facility  
4 located within this Commonwealth for a period of not less  
5 than four years in the field.

6 (ii) The recipient shall permit the agency to  
7 determine compliance with the work requirement and all  
8 other terms of the contract.

9 (iii) Upon the recipient's death or total or  
10 permanent disability, the agency shall nullify the  
11 service obligation of the recipient.

12 (iv) If the recipient is convicted of or pleads  
13 guilty or no contest to a felony, the agency shall have  
14 the authority to terminate the recipient's service in the  
15 program and demand repayment of the amount of the loan as  
16 of the date of the conviction.

17 (v) Recipients who fail to begin or complete the  
18 obligations contracted for shall pay to the agency the  
19 amount of the loan received under the terms of the  
20 contract under this section. Providing false information  
21 or misrepresentation on an application or verification of  
22 service shall be deemed a default. Determination as to  
23 the time of the default shall be made by the agency.

24 (b) Limitation.--A loan forgiveness award under this act  
25 shall not be made for a loan that is in default at the time of  
26 the application. Loan forgiveness provided under the provisions  
27 of this act shall not be concurrently awarded to an individual  
28 in receipt of another Commonwealth-provided loan forgiveness  
29 program.

30 Section 7. Tax applicability.



1 Loan forgiveness repayments by a student shall not be  
2 considered taxable income for purposes of Article II of the act  
3 of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of  
4 1971.

5 Section 8. Annual report.

6 (a) Development of report.--The agency shall publish a  
7 report by October 1, 2023, and every year thereafter for the  
8 immediately preceding fiscal year. The report shall include  
9 information regarding the operation of the Mental Health and  
10 Intellectual Disability Staff Member Loan Forgiveness Program  
11 and the Alcohol and Drug Addiction Counselor Loan Forgiveness  
12 Program, including:

13 (1) The number and amount of mental health and  
14 intellectual disability staff member and alcohol and drug  
15 addiction counselor contracts executed and renewed for mental  
16 health and intellectual disability staff member loan  
17 forgiveness applicants and alcohol and drug addiction  
18 counselor loan forgiveness applicants.

19 (2) The number of defaulted mental health and  
20 intellectual disability staff member and alcohol and drug  
21 addiction counselor contracts, reported by cause.

22 (3) The number of full-time staff employees of mental  
23 health and intellectual disability service agencies, the  
24 number of full-time staff employees of private providers and  
25 the number of full-time staff employees of licensed alcohol  
26 and drug addiction facilities participating in the program,  
27 reported by type of institution attended, including four-year  
28 educational institutions, community colleges and independent  
29 two-year colleges.

30 (4) The number and type of enforcement actions taken by

1 the agency.

2 (b) Submission.--The annual report under subsection (a)  
3 shall be submitted to the Governor, the chair and minority chair  
4 of the Appropriations Committee of the Senate, the chair and  
5 minority chair of the Appropriations Committee of the House of  
6 Representatives, the chair and minority chair of the Education  
7 Committee of the Senate, the chair and minority chair of the  
8 Education Committee of the House of Representatives, the chair  
9 and minority chair of the Health and Human Services Committee of  
10 the Senate and the chair and minority chair of the Human  
11 Services Committee of the House of Representatives.

12 Section 9. Appeals.

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

15 Section 10. Loan forgiveness awards.

16 (a) Qualified recipients.--Recipients of loan forgiveness  
17 awards under this act shall be those qualified staff member  
18 applicants or qualified counselor applicants who are working in  
19 and who have received a satisfactory rating from:

20 (1) a county office of mental health or intellectual  
21 disability service within this Commonwealth;

22 (2) a private provider within this Commonwealth under  
23 contract with a county within this Commonwealth or the  
24 Department of Human Services; or

25 (3) a licensed alcohol and drug addiction treatment  
26 facility.

27 (b) Documentation required.--Mental health or intellectual  
28 disability staff members or alcohol and drug addiction  
29 counselors shall submit such documentation of eligibility as the  
30 agency may require, including documentation to indicate full-

1 time employment, as full-time employment is defined by a county  
2 office, a private provider or a licensed alcohol or drug  
3 addiction treatment facility. The documentation shall be  
4 presented to the agency in the form of a letter from the  
5 applicant's employer stating that the applicant is employed by  
6 the mental health or intellectual disability service provider or  
7 a licensed alcohol and drug addiction treatment facility and  
8 that the applicant performs the applicant's duties in a  
9 satisfactory manner.

10 Section 11. Funding.

11 Loan forgiveness awards under this act may be made to the  
12 extent that funds are appropriated by the General Assembly and  
13 are sufficient to cover the administration of the programs. In  
14 the event that funding is insufficient to fully fund  
15 administration, recipients and all eligible applicants, priority  
16 shall be given to renewal recipients. After the renewal  
17 recipients are fully funded, the agency shall utilize a random  
18 lottery system for determining which applicants receive loan  
19 forgiveness awards.

20 Section 12. Responsibility of agency.

21 The agency shall administer programs established by this act  
22 and shall adopt regulations, policies, procedures and forms as  
23 are necessary and consistent with the provisions of this act.

24 Section 13. Effective date.

25 This act shall take effect in 60 days.