

# Vermont Educational Loan Repayment Program for Nurses (RN and LPN)

## 2023 PROGRAM OVERVIEW and PARTICIPANT ELIGIBILITY

The purpose of this state loan repayment program is to increase access to health and dental care in underserved communities and to address the health professional shortages that cause disparities in access to health care in Vermont.

Category	Eligibility Standard
Description Up to \$15,000 in state funds annually	Funded by state and local funds. AHEC, on behalf of the state, shall make loan repayment awards in exchange for service commitments by eligible health care professionals. Recipient must have outstanding educational debt acquired in the pursuit of an undergraduate or graduate degree from an accredited college or university that exceeds the amount of the loan repayment award.
Award Amount	Up to \$15,000 in state funds per year. State awards may be enhanced by employer or community matching funds. Awards go directly to pay educational loans (lender will be requested to apply payment directly to loan principal to have the greatest impact on debt reduction).  Current educational loan debt must exceed \$10,000.
Tax Liability	The federal Affordable Care Act passed on March 23, 2010, treats debt repayment under the Vermont Educational Loan Repayment Program for Healthcare Professionals as exempt for income tax purposes.
Prioritization for Awards	Program objectives/selection criteria are established annually by the Vermont Department of Health in consultation with AHEC, in accordance with Vermont laws, and the federal Public Health Service Act, to strategically respond to the most pressing health care workforce needs in the state. Priorities are those areas which are underserved with special consideration for Vermont’s most rural, underserved, and undersupplied areas (see federally designated Health Professional Shortage Areas (HPSAs) at <a href="http://hpsafind.hrsa.gov">http://hpsafind.hrsa.gov</a> ). Other factors <i>may</i> include local goals for improved service through workforce recruitment/retention; applicant educational loan debt level; number of hours per week that applicant works; serving as a preceptor to Vermont health professions students; or other awarding parameters.
Prioritization for Awards: Data-driven	Applicants are encouraged to review available data about Vermont’s nursing workforce prior to completing an application. These data inform the state’s prioritization for awards. <ul style="list-style-type: none"> <li>• <a href="https://www.healthvermont.gov/health-statistics-vital-records/health-care-systems-reporting/health-care-workforce">https://www.healthvermont.gov/health-statistics-vital-records/health-care-systems-reporting/health-care-workforce</a> (Source: VDH)</li> <li>• Health Professional Shortage Area (HPSA) designations and scores: <a href="http://hpsafind.hrsa.gov">http://hpsafind.hrsa.gov</a></li> </ul>
Citizenship	Recipient must be legally authorized to work in the U.S.
State of Residence	Recipient must be a Vermont resident; must serve the people of Vermont.
Eligible Specialties	Nursing specialties which have an identified shortage of RNs and LPNs and/or difficulty recruiting and retaining RNs and LPNs.
Eligible Nurses <b>Grad/completion date of most current nursing degree (LPN, RN) must be on or after April 1, 2001</b>	Employment as a nurse (RN or LPN) at an eligible work site. Based on identified state priorities and program funding, eligibility is prioritized to nurses delivering direct care in nursing homes, long-term care, home health, state public health, mental health/behavioral health, substance abuse settings, hospital operating rooms (ORs), and hospital post anesthesia care units (PACUs). Public health nurses employed by the State of Vermont, in various roles and community settings. Vermont K-12 public school nurses are eligible.
Eligible Nurses: Hours	Vermont K-12 public school nurses must work a minimum average of 20 hours per week during the academic year, August to June, in accordance with the published school calendar. Public health nurses, employed by the State of Vermont, must work a minimum average of 20 hours per week for a 45-week minimum; participants who take more than 7.14 weeks of leave in a service year (for any reason), fail to meet the 45-week minimum. All other eligible nurses must practice a minimum of 20 direct patient care clinical hours per week at the specified eligible worksite during the year of service and at least 45 weeks per year; participants who take more than 7.14 weeks of leave in a service year (for any reason), fail to meet the 45-week minimum.  Award decisions factor average clinical hours per week and awards vary on full-time vs. part-time status.

<p>Educational Debt <b>Current debt must exceed \$10,000.</b></p> <p>Those eligible for PSLF are encouraged to enroll: (<a href="http://www.studentaid.gov">www.studentaid.gov</a>)</p>	<p>Educational debt is verified. Loan(s) must be in good standing. The current loan balance must be greater than the total amount of educational loan repayment award (see minimum award amount). Qualifying debt are educational loans obtained through a U.S. student loan program and may not include any loans consolidated with another person or borrowed for another person’s educational pursuit, nor may they include mortgage, car, credit card, personal, family, business, or any other type of non-educational loan.</p> <p>If awarded funds, each recipient is encouraged to continue making their own monthly payment(s) in addition to this award to further reduce overall educational debt; the recipient’s own debt reduction effort is viewed favorably in future applications. A goal of this program is to work in a partnership between the recipient, the State of Vermont, U.S. Department of Health and Human Services, and communities/practices/employers/foundations to reduce educational debt; these funds are a direct investment in Vermont’s workforce and achieving debt reduction must be demonstrated to show impact and ensure the program’s continuation.</p>
<p>Finances</p>	<p>Applicant must not: have any federal judgment liens; have defaulted on any federal payment obligations including student loans; have any federal or non-federal debt written off as uncollectible; have received a waiver of any federal payment obligation.</p>
<p>Ineligible Nurses</p>	<p>Those not listed as “eligible nurses.” Other ineligible nurses: per diem; temporary nurses; contracted nurses; and traveling nurses; individuals whose citizenship may limit their ability to fulfill the service obligation of this program; nurses with a current contractual service obligation with the federal government, state, employer, or other entity, including loan repayment contractual obligation from other sources, unless that service obligation will be completely satisfied before this program’s contract has been signed. Note: certain provisions in employment contracts can create a service obligation (e.g., an employer offers a bonus in return for the nurse’s agreement to work at that facility for a certain period of time or pay back the bonus). Individuals who have loans through the federal Health Resources and Services Administration are not eligible. Individuals with a breach of contract for a previous service obligation are not eligible</p>
<p>Eligible Work Sites</p>	<p>Vermont K-12 public schools, healthcare facilities (e.g., hospitals, free clinics (paid employees only), nursing homes, home health, mental health, substance use disorder, and health department) located in Vermont or an accredited hospital within 10 miles of the Vermont border that have an identified shortage of RNs and LPNs and/or difficulty recruiting and retaining RNs and LPNs. Hospital eligibility is prioritized to psychiatric, substance use disorder care nurses, hospital operating room (OR) nurses, and hospital post anesthesia care (PACU) nurses.</p>
<p>Ineligible Work Sites</p>	<p>Those not listed as “eligible work sites.” Planned Parenthood health centers, primary care practices (out-patient/urgent care) are ineligible except those practices designated as Federally Qualified Health Centers (FQHCs), and Rural Health Centers (RHC).</p>
<p>Eligible Work Sites: Patient Policies</p>	<p>Accepts patients with coverage under Medicare, Medicaid, Vermont’s Children’s Health Insurance Program (Dr. Dinosaur), or other state-funded health care benefit programs.</p>
<p>Ineligible Work Sites: Patient Policies</p>	<p>Practice sites/practitioners that charge patient membership/enrollment fees (under any name, i.e., health fee, direct-to-patient fee, concierge fee, etc.) are not eligible practice sites/practitioners for the VT Educational Loan Repayment (ELR) Program. A high priority for the VT ELR Program is to increase access for Medicaid, rural, vulnerable, and underserved patient populations; membership fees are a barrier for this program’s primary target population.</p>
<p>Reapplication &amp; Lifetime Maximum</p> <p><b>Up to 60,000 maximum state funds over 4 years</b></p>	<p>Recipients will have 1-year service commitments. Employment will be verified prior to disbursement of funds.</p> <p>May receive loan repayment funds for maximum of four years per individual. Must reapply annually.</p>
<p>Service Obligation Period</p>	<p>Contracts are for 1 year (12 months) of service. One year of service per year of funding. The service period will be defined in the award contract and cannot start prior to a fully executed contract or work start date, whichever is later. No credit for practice prior to executed contract. No credit for practice while in school or training. No credit during a leave of absence. Recipients who take a leave of absence (for any reason) are required to extend the service contract end date.</p>

<p>Service Obligation Worksite</p> <p><b>A new job opportunity does not “cancel” this obligation</b></p>	<p>An award is for one specific worksite and timeframe as defined in the contract. Awards/contracts are not transferable. Changing worksites during a service obligation is rarely authorized except for internal worksite transfers within the same organization. A request for a worksite transfer exception must be made prior to changing worksites. Participants who voluntarily resign from their worksite(s) or are terminated by their worksite(s) for cause may be placed in breach of contract.</p> <p>*If you want flexibility to change jobs at any time, this program <b>is not</b> a fit for you.</p>
<p>Award Cancellation or Contract Termination</p>	<p>Award offers can be cancelled without penalty prior to a fully executed (i.e., signed) contract and/or prior to disbursement.</p> <p>The award and service contract are cancelled in its entirety in the event of a participant’s death.</p> <p>Contracts may have service and repayment obligations waived or postponed (temporary leave) if there occurs incapacity of the participant due to serious illness. Decisions are at the discretion of the program.</p> <p>Contract termination due to extenuating, unforeseen and documented circumstances may be requested by a participant, in writing, and with repayment of loan repayment funds disbursed under that contract. The contract termination will not be effective unless the participant submits a written request, the request is approved by the program, and the participant repays all loan repayment funds paid under the contract within 30 days.</p> <p>Awards are dependent on funding from the State of Vermont and/or U.S. Department of Health and Human Services. Should the program funding be withdrawn or reduced prior to award disbursement, the agreement will be terminated or revised.</p> <p>Temporary leave (up to one year) may be granted, and the service period amended (i.e., extended) if compliance with the obligation is temporarily impossible or an extreme hardship.</p> <p>Changes in employment after a contract has been executed and a disbursement made may result in a breach of service obligation.</p>
<p>Breach of Service Obligation</p> <p><b>This is serious.</b></p> <p><b>The financial penalties are significant. Think carefully before entering a service contract.</b></p> <p><b>If you want flexibility to change jobs at any time, this program <u>is not</u> a fit for you.</b></p>	<p>A breach of service can occur after a service contract has been fully executed (i.e., signed), and a disbursement made.</p> <p>If the participant fails to begin or complete service following a fully executed contract and the disbursement of funds, the participant will incur a debt to the State in an amount not less than the damages that would be owed under the NHSC Loan Repayment default provision. See <a href="https://nhsc.hrsa.gov/">https://nhsc.hrsa.gov/</a></p> <p>Participant must repay as defined in the service contract, plus interest and collection costs. The interest rate is the maximum legal prevailing rate, as determined by the Treasurer of the United States, from the date of the breach.</p> <p>Applicants are ineligible if they have ever breached or received a waiver of a prior service obligation to the federal/state/local government or other entity, even if they subsequently satisfied the repayment obligation.</p> <p>Breach of service obligations are reported to funders and may result in reduced funding to the program. A breach of service has serious consequences for the individual as well as the VT State Educational Loan Repayment program.</p>