

# Vermont Educational Loan Repayment Program for Nurse Educators/Faculty

## 2024 PROGRAM OVERVIEW and PARTICIPANT ELIGIBILITY

The purpose of this educational 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 \$25,000 state funds annually	Funded by state funds. AHEC, on behalf of the state, shall make loan repayment awards in exchange for service commitments by eligible health care educators/faculty. 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	Applicant's current educational loan debt must exceed \$25,000. Typical awards range between \$10,000 up to \$25,000 per year. Awards go directly to pay educational loans. Lender will be requested that educational loan repayment award amounts be applied directly to principal or toward monthly payments, whichever is most advantageous for the borrower to reduce debt (a program aim) and strategically factor enrollment in PSLF. It is the awardee/borrower's responsibility to determine with their lender, and enact, whichever approach is most advantageous. For guidance about PSLF, contact your PSLF servicer.
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, and in consultation with representatives from Vermont's three schools of nursing and other designated workforce development experts to strategically respond to the most pressing health care workforce needs in the state. Factors may include local goals; nursing recruitment and retention needs of a given institution; areas and nursing specialties which are underserved, with special consideration for Vermont's most underserved areas and undersupplied specialties; applicant educational loan debt level; number of hours per week that applicant works; or other awarding parameters.
Prioritization for Awards: Data-driven	Data available from Vermont's three schools of nursing inform the state's prioritization for awards.
Citizenship	Recipient must be legally authorized to work in the U.S.
State of Residence	Per legislative statute recipient must be a Vermont resident.
Eligible Nurses	Recipient must be a nurse employed as nurse educator/faculty at a nursing program in Vermont (Norwich University, Vermont State University, or the University of Vermont).  Must hold a graduate degree in nursing from an eligible/accredited school.
Eligible Practitioners: Hours	Must work a minimum of part-time (as defined by the educational institution) as nurse educator/faculty in Vermont during the year of service.  Award amounts may vary based on full-time vs. part-time status.
Educational Debt  <b>Current debt must exceed \$25,000</b>  Those eligible for PSLF are encouraged to enroll ( <a href="http://www.studentaid.gov">www.studentaid.gov</a> )	Educational debt is verified. Loan(s) must be in good standing. The current loan balance must be greater than the total amount of an 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.  A goal of this program is to work in a partnership between the recipient, the State of Vermont, federal programs, 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.

Finances	Applicant must <u>not</u> : have any federal judgment liens; have defaulted on any federal payment obligations; have any federal or non-federal debt written off as uncollectible; have received a waiver of any federal payment obligation.
Eligible Work Sites	Post-secondary educational nursing programs in Vermont: Norwich University, Vermont State University, or University of Vermont.
Ineligible Nurses	Those not listed as "eligible." Individuals whose citizenship may limit their ability to fulfill the service obligation of this program; unpaid instructors/preceptors; those with a current contractual service obligation with the federal government, state, or other entity, including a loan repayment contractual obligation from other sources, unless that service obligation will be completely satisfied before this program's contract has been signed. Please note that certain provisions in employment contracts can create a service obligation (e.g., an employer offers a nurse 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 Department of Health and Human Services, Health Resources and Services Administration, Bureau of Health Professions are not eligible.
Reapplication & Lifetime Maximum	Must reapply annually. May receive loan repayment funds up to a maximum of six years per individual.
Service Obligation Period	One year of service as nurse educator/faculty 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. Service/teaching delivered prior to the start date of the service agreement does not count toward contractual service obligation. No credit for teaching while enrolled 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.
Service Obligation Period and Public Service Loan Forgiveness (PSLF).	If PSLF assists with loan payoff prior to the service obligation period end date, it does not alter the service obligation period. The service contract period remains active and in effect until fulfilled, regardless if the offered award is fully disbursed. Award funds are applied to outstanding loans up to the total amount of the award. For example, if a 2-year award, disbursement 2 funds cannot be disbursed if there is no remaining educational loan balance.
Service Obligation Worksite  <b>A new job opportunity does not "cancel" this obligation</b>	An award is for one specific educational institution and the time frame as defined in the service contract. Awards/contracts are not transferable. Participants who voluntarily resign from their worksite(s) or are terminated by their worksite(s) for cause will be placed in breach of contract and incur financial penalties.  *If you want flexibility to change jobs at any time, this program <u>is not</u> a fit for you.
Award Cancellation or Contract Termination	Award offers can be cancelled without penalty prior to a fully executed (i.e., signed) contract and/or prior to the first disbursement.  The award and service contract are cancelled in its entirety in the event of a participant's death.  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.  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.  After the service commitment start date, contract termination due to unforeseen extenuating circumstances may be requested by Grantee, in writing, <u>prior to the disbursement</u> of funds (see breach of service if post disbursement). The contract termination will not be effective unless the participant submits a written request to AHEC, and the request is approved (prior to disbursement).  Awards are dependent on funding from the State of Vermont. Should the program funding be withdrawn or reduced prior to award disbursement, the agreement will be terminated or revised.  Changes in employment after a contract has been executed and the first disbursement made will result in a breach of service obligation.

<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 is not 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, he/she 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="http://nhsc.hrsa.gov/">http://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>
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