

**LEGISLATIVE REFERENCE BUREAU**

AMENDMENTS TO HOUSE BILL NO. 1324

Sponsor:

Printer's No. 1783

1 Amend Bill, page 1, lines 1 through 8, by striking out all of  
2 said lines and inserting

3 Amending Title 51 (Military Affairs) of the Pennsylvania  
4 Consolidated Statutes, in military educational programs,  
5 further providing for definitions, for eligibility, for  
6 grants, for amount of grants, for limitations, for recouplement  
7 of grant payments, for regulations, for administration and  
8 for Educational Assistance Program Fund and providing for a  
9 military family education program; and making editorial  
10 changes.

11 Amend Bill, page 1, lines 11 through 17; pages 2 through 22,  
12 lines 1 through 30; by striking out all of said lines on said  
13 pages and inserting

14 Section 1. Sections 3201, 3202(a) introductory paragraph and  
15 (1), (b) and (c) introductory paragraph, (4) and (5) and 3204 of  
16 Title 51 of the Pennsylvania Consolidated Statutes are amended  
17 to read:

18 § 3201. Definitions.

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

22 "Agency." The Pennsylvania Higher Education Assistance  
23 Agency.

24 "Annual tuition rate." The in-State tuition rate, including  
25 a technology tuition fee, established or approved by May 1 of  
26 each year by the Board of Governors of the State System of  
27 Higher Education.

28 "Approved institution of higher learning." An educational  
29 institution offering a post-secondary program of education  
30 located in this Commonwealth and approved by the [Pennsylvania  
31 Higher Education Assistance Agency] agency.

32 "Approved program of education." A [degree-] degree-granting  
33 or certificate-granting curriculum [or course of study], course  
34 of study or training program required for entrance into a  
35 specific career to be pursued on a full-time or part-time basis

1 or its equivalent as determined by the [Pennsylvania Higher  
2 Education Assistance Agency] agency, at an approved institution  
3 of higher learning.

4 ["Combat zone." An area designated by Presidential executive  
5 order as a combat zone as described in section 7508 of the  
6 Internal Revenue Code of 1986 (Public Law 99-514, 26 U.S.C. §  
7 7508).]

8 "Certificate of eligibility." A certificate issued by the  
9 department that certifies a member's eligibility to receive an  
10 educational assistance grant.

11 "Costs of attendance." Allowable educational expenses, as  
12 determined by the agency, that are consistent with the  
13 administration of the act of January 25, 1966 (1965 P.L.1546,  
14 No.541), referred to as the Higher Education Scholarship Law.

15 "Educational assistance." A benefit earned which shall be  
16 granted to an eligible member who has complied with all of the  
17 requirements provided for under this subchapter.

18 "Eligible member." A member of the Pennsylvania National  
19 Guard who meets the criteria specified in section 3202 (relating  
20 to eligibility) and who has been awarded a certificate of  
21 eligibility under section 3203 (relating to certification of  
22 eligibility).

23 "Full-time student." [A student] An eligible member enrolled  
24 in an approved institution of higher learning pursuing an  
25 approved program of education equal to or greater than [15] 12  
26 credit hours per semester or its equivalent that is recognized  
27 by the [Pennsylvania Higher Education Assistance Agency] agency  
28 as a full-time course of study.

29 "Fund." The Educational Assistance Program Fund.

30 "Part-time student." [A student] An eligible member enrolled  
31 in an approved institution of higher education pursuing an  
32 approved program of education of less than [15] 12 credit hours  
33 per semester or its equivalent that is recognized by the  
34 [Pennsylvania Higher Education Assistance Agency] agency as a  
35 part-time course of study.

36 "Program." The Educational Assistance Program [established  
37 in this subchapter].

38 ["Qualified resident." An individual who has been a bona  
39 fide resident of this Commonwealth prior to the time an  
40 application for a grant is made. The Pennsylvania Higher  
41 Education Assistance Agency shall make the final decision on  
42 whether an applicant is a qualified resident.]

43 "Promissory note." A written contract signed by a member of  
44 the Pennsylvania National Guard in which the member promises to  
45 repay the awarded grant amount.

46 "Technology tuition fee." A separate tuition fee established  
47 by the Board of Governors of the State System of Higher  
48 Education for rendering technology resources and services to  
49 enhance student learning experiences.

50 § 3202. Eligibility.

51 (a) General rule.--A member of the Pennsylvania National

1 Guard [member] is eligible to receive [a public service  
2 educational] an educational assistance grant under this  
3 subchapter if the member meets all of the following eligibility  
4 criteria:

5 [(1) The member is a qualified resident of this  
6 Commonwealth.]

7 \* \* \*

8 (b) Additional eligibility criteria for full-time [student  
9 assistance] educational assistance grants.--In addition to the  
10 eligibility criteria specified in subsection (a), [a student] an  
11 eligible member must meet the following eligibility criteria to  
12 qualify for a full-time [student assistance] educational  
13 assistance grant:

14 (1) The member does not possess a baccalaureate degree.

15 (2) The member accepts an obligation to serve in the  
16 Pennsylvania National Guard for a period of six years [from  
17 the date of entry into the program by enlistment,  
18 reenlistment, extension of enlistment or execution of a  
19 service commitment.] and has not accepted an obligation under  
20 Subch. A.1 (relating to Military Family Education Program)  
21 for the same six-year period.

22 (3) The member has enrolled as a full-time student in an  
23 approved program of education at an approved institution of  
24 higher learning.

25 (4) The member is not receiving a Reserve Officer  
26 Training Corps (ROTC) Scholarship, excluding a Guaranteed  
27 Reserve Forces Duty Scholarship.

28 (c) Discharge for disability incurred in the line of duty.--  
29 A [Pennsylvania National Guard] member who is discharged for  
30 medical disability after September 11, 2001, shall remain  
31 eligible to receive [a public service educational] an  
32 educational assistance grant under this subchapter if the member  
33 meets all of the following eligibility criteria:

34 \* \* \*

35 (4) The former member received an [honorable] other than  
36 dishonorable discharge for medical reasons.

37 (5) The former member [had] accepted an obligation to  
38 serve in the Pennsylvania National Guard [for a minimum  
39 period of service established by the Adjutant General] and  
40 was qualified to [have fulfilled such] fulfill the service  
41 obligation but for the medical disability that resulted in  
42 discharge.

43 \* \* \*

44 § 3204. Grants.

45 (a) General rule.--From the funds appropriated for the  
46 purposes of this subchapter, grants shall be provided to  
47 eligible members for the purpose of pursuing approved programs  
48 of education. An educational assistance grant shall be treated  
49 as a benefit earned by an eligible member for honorable service  
50 to the country and this Commonwealth.

51 (b) Promissory notes.--[At] Upon the receipt of the grant,

1 an eligible member shall sign a promissory note obligating the  
2 eligible member to repay the full amount of the grant[. The  
3 promissory note shall be conditional upon noncompletion of] if  
4 the eligible member fails to fulfill the service obligation  
5 under section 3207(a) (relating to recoument of grant  
6 payments).

7 Section 2. Sections 3205(a), (b), (b.1) and (c) and 3206(a)  
8 and (b)(2) and (3) of Title 51 are amended and the sections are  
9 amended by adding subsections to read:

10 § 3205. Amount of grants.

11 (a) Full-time [student assistance] educational assistance  
12 grants.--Grants awarded under this subchapter to full-time  
13 students shall be determined by the agency without regard to  
14 financial need and shall not exceed for each academic year the  
15 lesser of:

16 (1) the tuition rate of the approved institution of  
17 higher learning for the number of credit hours per semester  
18 or its equivalent for the approved program of education in  
19 which the eligible member is enrolled; or

20 (2) the annual tuition rate charged [to a resident of  
21 this Commonwealth at a member institution of the] by a State  
22 System of Higher Education institution for the [same]  
23 academic year.

24 (b) Part-time student assistance grants.--[Grants awarded  
25 under this subchapter to part-time students who do not possess a  
26 baccalaureate degree shall be determined by the agency without  
27 regard to financial need and shall not exceed for each academic  
28 year or period the lesser of:

29 (1) the tuition for the part-time course of study in  
30 which the member is enrolled; or

31 (2) two-thirds of the tuition charged to a resident of  
32 the Commonwealth at a member institution of the State System  
33 of Higher Education for the same academic year or period.]

34 Grants awarded under this subchapter to part-time students who  
35 may or may not possess a baccalaureate degree shall be  
36 determined by the agency without regard to financial need and  
37 shall not exceed for each academic year or period the lesser of:

38 (1) the tuition charged by the approved institution of  
39 higher learning for the number of credit hours per semester  
40 or its equivalent in which the eligible member is enrolled;  
41 or

42 (2) the annual tuition rate charged by a State System of  
43 Higher Education institution for the number of credit hours  
44 per semester or its equivalent in which the eligible member  
45 is enrolled for the same academic year or period.

46 [(b.1) Part-time student assistance grants for students  
47 possessing baccalaureate degrees.--Grants awarded under this  
48 subchapter to part-time students who possess a baccalaureate  
49 degree shall be determined by the agency without regard to  
50 financial need and shall not exceed for each academic year or  
51 period the lesser of:

1 (1) one-half of the tuition for the part-time course of  
2 study in which the member is enrolled; or

3 (2) one-third of the tuition charged to a resident of  
4 this Commonwealth at a member institution of the State System  
5 of Higher Education for the same academic year or period.]

6 (c) Other grants and financial aid.--

7 (1) The agency shall not reduce the amount of other  
8 agency grants or aid for which the eligible member qualifies  
9 on account of the eligible member's eligibility for or  
10 receipt of grants under this subchapter.

11 (2) Prior to making a grant under this [chapter]  
12 subchapter, the approved institution of higher learning shall  
13 first consider any Federal tuition assistance received by the  
14 eligible member and then shall award a grant under this  
15 [chapter] subchapter if the eligible member requires  
16 additional financial aid to cover the costs of attendance for  
17 an approved program of higher education. A grant under this  
18 [chapter] subchapter shall be paid or refunded to the  
19 eligible member for approved costs of attendance. Grants  
20 authorized under this [section] subchapter shall be reduced  
21 so that the total of all Federal and State military education  
22 benefits, as administered by the Pennsylvania National Guard,  
23 do not exceed 100% of the costs of attendance.

24 \* \* \*

25 (e) Limit on charges.--Eligible members attending a State  
26 System of Higher Education institution shall not be charged  
27 additional tuition above the annual tuition rate.

28 § 3206. Limitations.

29 (a) Time.--

30 (1) Except as otherwise provided in paragraph (2), no  
31 eligible member shall be eligible for full-time or part-time  
32 [student] educational assistance grants or a combination  
33 thereof under this subchapter for a total of more than five  
34 academic years or their equivalent as determined by the  
35 agency.

36 (2) [For any member who served on active duty in a  
37 combat zone, eligibility for such grants shall be extended  
38 for a period of one year or for one additional month for each  
39 month or part of month of such service, whichever is longer.]  
40 An eligible member who withdraws from a program of education  
41 due to being ordered to serve on active duty for more than 30  
42 consecutive days, including active duty for training, shall  
43 be granted an additional period of eligibility equal to the  
44 lost semester or its equivalent, whichever is longer.

45 (3) When an eligible member withdraws from a program of  
46 education as provided for under paragraph (2), the eligible  
47 member shall be granted an educational leave of absence as  
48 provided for under section 7313 (relating to educational  
49 leave of absence).

50 (b) Active duty.--

51 \* \* \*

1 (2) For eligible members who were called or ordered to  
2 active Federal service or active State duty under section 508  
3 (relating to active State duty for emergency) after September  
4 11, 2001, the deadline for making grant payments shall be  
5 extended for one additional month for each month or part of  
6 month of such service after the eligible member is discharged  
7 or released under [honorable] other than dishonorable  
8 conditions from the Pennsylvania National Guard.

9 (3) For eligible members discharged because of a  
10 disability incurred in the line of duty who are eligible  
11 under section 3202(c) (relating to eligibility), the deadline  
12 for making grant payments shall be:

13 (i) Six years after the eligible member's medical  
14 discharge for members discharged for a medical disability  
15 on or after the effective date of this paragraph unless  
16 extended under section 3202 (c) (6).

17 (ii) Six years following the effective date of this  
18 paragraph for eligible members discharged for a medical  
19 disability after September 11, 2001, and before the  
20 effective date of this paragraph unless extended under  
21 section 3202 (c) (6).

22 (c) Limit on tuition.--At no time may a State System of  
23 Higher Education institution charge an eligible member more than  
24 the in-State rate.

25 Section 3. Sections 3207, 3208, 3209 and 3210 of Title 51  
26 are amended to read:

27 § 3207. Recoupment of grant payments.

28 (a) General rule.--An eligible member who fails to meet the  
29 [requirements of this subchapter as a result of participation in  
30 this program] six-year service obligation of this subchapter or  
31 to meet other requirements established by the Adjutant General  
32 or the agency is liable to the Commonwealth for repayment of all  
33 or part of any grant payments made. The Adjutant General shall  
34 notify the agency if an eligible member fails to complete the  
35 service obligation, and the promissory note under section  
36 3204(b) (relating to grants) shall be [payment in full] repaid  
37 by the eligible member upon demand by the agency on a schedule  
38 as the agency may determine.

39 (b) Forgiveness of recoupment.--The Adjutant General [may  
40 advise] shall notify the agency [to] and the agency shall  
41 forgive recoupment of all or part of an eligible member's grant  
42 payments if the Adjutant General determines that the eligible  
43 member's failure to fulfill the six-year service obligation was  
44 the result of [the eligible member's death, discharge because of  
45 disability incurred in line of duty, discharge because of a  
46 medical determination that the eligible member is medically  
47 unfit for duty when the medical condition is outside the  
48 eligible member's control and is not due to his misconduct or  
49 discharge or release because of other compelling circumstances  
50 outside the eligible member's control.] one of the following:

51 (1) Death.



1 Sec.  
2 3210.1. Definitions.  
3 3210.2. Eligibility.  
4 3210.3. Certification of eligibility.  
5 3210.4. Military Family Education Program grants.  
6 3210.5. Amount of Military Family Education Program grants.  
7 3210.6. Limitations.  
8 3210.7. Recoupment of Military Family Education Program grant  
9 payments.  
10 3210.8. Regulations.  
11 3210.9. Administration.  
12 3210.10. Military Family Education Program Fund.  
13 § 3210.1. Definitions.

14 The following words and phrases when used in this subchapter  
15 shall have the meanings given to them in this section unless the  
16 context clearly indicates otherwise:

17 "Agency." The Pennsylvania Higher Education Assistance  
18 Agency.

19 "Annual tuition rate." The in-State tuition rate, including  
20 a technology tuition fee, established or approved by May 1 of  
21 each year by the Board of Governors of the State System of  
22 Higher Education.

23 "Approved institution of higher learning." An educational  
24 institution offering a postsecondary program of education  
25 located in this Commonwealth and approved by the agency.

26 "Approved program of education." A degree-granting or  
27 certificate-granting curriculum, course of study or training  
28 required for entrance into a specific career to be pursued on a  
29 full-time or part-time basis or its equivalent as determined by  
30 the agency, at an approved institution of higher learning.

31 "Benefit." The Military Family Education Program grant which  
32 shall be given to an eligible member's assigned family member  
33 who has complied with all of the requirements provided for under  
34 this subchapter.

35 "Certificate of eligibility." A certificate from the  
36 department that certifies a family member's eligibility for a  
37 Military Family Education Program grant.

38 "Costs of attendance." Allowable educational expenses, as  
39 determined by the agency, that are consistent with the  
40 administration of the act of January 25, 1966 (1965 P.L.1546,  
41 No.541), referred to as the Higher Education Scholarship Law.

42 "Eligible member." A member of the Pennsylvania National  
43 Guard who has completed an initial service obligation in the  
44 Pennsylvania National Guard and is eligible to reenlist in the  
45 Pennsylvania National Guard for a period of six years or, if a  
46 commissioned officer, is eligible to serve in the Pennsylvania  
47 National Guard for an additional six years.

48 "Family member." A dependent of an eligible member who is  
49 enrolled in the United States Department of Defense's Defense  
50 Enrollment Eligibility Reporting System or would be eligible to  
51 enroll in the Defense Enrollment Eligibility Reporting System if



1 the eligible member had not been discharged from the  
2 Pennsylvania National Guard.

3 "Full-time student." A family member enrolled in an approved  
4 institution of higher learning pursuing an approved program of  
5 education equal to or greater than 12 credit hours per semester  
6 or its equivalent that is recognized by the agency as a full-  
7 time course of study.

8 "Fund." The Military Family Education Program Fund  
9 established under section 3210.10 (relating to Military Family  
10 Education Program Fund).

11 "Part-time student." A family member enrolled in an approved  
12 institution of higher education pursuing an approved program of  
13 education of less than 12 credit hours per semester or its  
14 equivalent that is recognized by the agency as a part-time  
15 course of study.

16 "Promissory note." A written contract signed by a member of  
17 the Pennsylvania National Guard in which the member promises to  
18 repay the awarded Military Family Education Program grant  
19 amount.

20 "Technology tuition fee." A separate tuition fee established  
21 by the Board of Governors of the State System of Higher  
22 Education for rendering technology resources and services to  
23 enhance student learning experiences.

24 § 3210.2. Eligibility.

25 (a) General rule.--A family member is eligible to receive a  
26 Military Family Education Program grant under this subchapter if  
27 all of the following eligibility criteria are met:

28 (1) The eligible member from the Pennsylvania National  
29 Guard has been a satisfactory participant in the Pennsylvania  
30 National Guard activities for a minimum service period  
31 established by the Adjutant General or a former eligible  
32 member has received an other than dishonorable discharge.

33 (2) The eligible member accepted an obligation to serve  
34 in the Pennsylvania National Guard for a period of six years  
35 and has not accepted an obligation under Subch. A (relating  
36 to Educational Assistance Program) for the same six-year  
37 period.

38 (3) The eligible member has assigned the benefit to the  
39 family member.

40 (4) The family member has enrolled as a student in an  
41 approved program of education at an approved institution of  
42 higher learning.

43 (5) If the family member is a spouse of an eligible  
44 member or former eligible member, then the spouse shall  
45 enroll in an approved program of education not more than six  
46 years after the eligible member or former eligible member's  
47 date of separation, medical discharge or death and the  
48 obligation stated under paragraph (2) has been fulfilled. The  
49 Adjutant General may for good cause extend the six-year  
50 deadline in cases of extenuating circumstances.

51 (6) When an eligible member is ordered to serve on

1 active duty for more than 30 consecutive days, including  
2 active duty for training, a family member who is the spouse  
3 may withdraw from a program of education and shall be granted  
4 an educational leave of absence as provided for under section  
5 7313 (relating to educational leave of absence).

6 (b) Discharge for disability incurred in the line of duty.--  
7 A family member of an eligible member who is discharged for  
8 medical disability shall remain eligible to receive a Military  
9 Family Education Program grant under this subchapter if the  
10 former eligible member's medical disability meets the following  
11 criteria:

12 (1) The medical disability was incurred in the line of  
13 duty and was not the result of misconduct.

14 (2) The medical condition giving rise to the discharge  
15 did not exist prior to the eligible member entering service  
16 in the Pennsylvania National Guard.

17 (3) The medical disability was incurred while performing  
18 authorized military duty other than basic training, advanced  
19 individual training or other equivalent initial training.

20 (4) The former eligible member received an other than  
21 dishonorable discharge for medical reasons.

22 (5) The former eligible member had accepted an  
23 obligation to serve in the Pennsylvania National Guard and  
24 was qualified to fulfill the service obligation but for the  
25 medical disability that resulted in discharge.

26 (c) Death of an eligible member.--A family member of an  
27 eligible member who died while serving the obligation required  
28 in subsection (a) (2) shall remain eligible to receive a Military  
29 Family Education Program grant under this subchapter if the  
30 deceased eligible member met the following eligibility criteria  
31 at the time of death:

32 (1) The deceased eligible member was eligible for an  
33 other than dishonorable discharge.

34 (2) The deceased eligible member had accepted an  
35 obligation to serve in the Pennsylvania National Guard and  
36 was qualified to fulfill the service obligation but for the  
37 eligible member's death.

38 (3) Upon an eligible member's death, if the eligible  
39 member has not assigned the family member or family members  
40 to receive the Military Family Education Program grant as  
41 provided for under this subchapter, the surviving spouse or  
42 the administrator or executor of the estate shall designate  
43 the family member or family members to receive the Military  
44 Family Education Program grant.

45 § 3210.3. Certification of eligibility.

46 The department shall provide the agency with a certificate of  
47 eligibility for each eligible family member that applies for a  
48 Military Family Education Grant.

49 § 3210.4. Military Family Education Program grants.

50 (a) General rule.--From the funds appropriated for the  
51 purposes of this subchapter, Military Family Education Program

1 grants shall be provided to eligible family members for the  
2 purpose of pursuing an approved program of education. A Military  
3 Family Education Program grant shall be treated as a benefit  
4 earned by an eligible member for honorable service to the  
5 country and this Commonwealth.

6 (b) Promissory note.--Prior to entry into the Military  
7 Family Education Program the eligible member shall sign a  
8 promissory note obligating the eligible member to repay the full  
9 amount of the family member's Military Family Education Program  
10 grant if the eligible member fails to satisfactorily fulfill the  
11 eligible member's obligation. The promissory note shall become  
12 payable upon noncompletion of the service obligation under  
13 section 3210.7(a) (relating to recoupment of Military Family  
14 Education Program grant payments).

15 § 3210.5. Amount of Military Family Education Program grants.

16 (a) Full-time Military Family Education Program grant.--  
17 Military Family Education Program grants awarded under this  
18 subchapter to full-time students shall be determined by the  
19 agency without regard to financial need and shall not exceed for  
20 each academic year the lesser of:

21 (1) the tuition rate of the approved institution of  
22 higher learning for the number of credit hours per semester  
23 or its equivalent for the approved program of education in  
24 which the family member is enrolled; or

25 (2) the annual tuition rate charged by a State System of  
26 Higher Education institution for the academic year.

27 (b) Part-time Military Family Education Program grants.--  
28 Military Family Education Program grants awarded under this  
29 subchapter to part-time students who may or may not possess a  
30 baccalaureate degree shall be determined by the agency without  
31 regard to financial need and shall not exceed for each academic  
32 year or period the lesser of:

33 (1) the tuition charged by the approved institution of  
34 higher learning for the number of credit hours per semester  
35 or its equivalent in which the family member is enrolled; or

36 (2) the annual tuition rate charged by a State System of  
37 Higher Education institution for the number of credit hours  
38 per semester or its equivalent in which the family member is  
39 enrolled for the same academic year or period.

40 (c) Other grants and financial aid.--

41 (1) The agency shall not reduce the amount of other  
42 agency grants or aid for which the family member qualifies on  
43 account of the family member's eligibility for or receipt of  
44 a Military Family Education Program grant under this  
45 subchapter.

46 (2) Prior to making a Military Family Education Program  
47 grant under this subchapter, the approved institution of  
48 higher learning shall first consider any Federal tuition  
49 assistance received by the family member and then shall award  
50 a Military Family Education Program grant under this  
51 subchapter if the family member requires additional financial

1 aid to cover the costs of attendance for an approved program  
2 of higher education. A Military Family Education Program  
3 grant under this subchapter shall be paid or refunded to the  
4 family member for approved costs of attendance. Military  
5 Family Education Program grants authorized under this section  
6 shall be reduced so that the total of all Federal and State  
7 military education benefits, as administered by the  
8 Pennsylvania National Guard, does not exceed 100% of the  
9 costs of attendance.

10 (d) Adjustments.--If the agency and the Adjutant General  
11 determine that the amount appropriated for the Military Family  
12 Education Program in any year will be insufficient to provide  
13 Military Family Education Program grants in the amounts set  
14 forth in this section to all family members, the agency and the  
15 department may reduce the maximum amount of the Military Family  
16 Education Program grants proportionately or set a limit on the  
17 number of participants to ensure that sums expended do not  
18 exceed appropriations.

19 (e) Limit on charges.--Family members attending a State  
20 System of Higher Education institution shall not be charged  
21 additional tuition above the annual tuition rate.

22 (f) Limit on tuition.--At no time may a State System of  
23 Higher Education institution charge a family member more than  
24 the in-State rate.

25 § 3210.6. Limitations.

26 (a) General rule.--No eligible member shall be permitted to  
27 assign more than five academic years or their equivalent, as  
28 determined by the agency.

29 (b) Assignment of benefit.--An eligible member may assign a  
30 portion of the entire benefit or the entire benefit by the  
31 number of credit hours per semester or its equivalent, as  
32 determined by the agency, to one or more family members, as the  
33 case may be.

34 § 3210.7. Recoupment of Military Family Education Program grant  
35 payments.

36 (a) General rule.--An eligible member who fails to meet the  
37 six-year service obligation of this subchapter or to meet other  
38 requirements established by the Adjutant General or the agency  
39 is liable to the Commonwealth for repayment of all or part of  
40 Military Family Education Program grant payments made. The  
41 Adjutant General shall notify the agency if an eligible member  
42 fails to complete the service obligation and the promissory note  
43 under section 3210.4(b) (relating to Military Family Education  
44 Program grants) shall be repaid by the eligible member upon  
45 demand of the agency on a schedule as the agency may determine.

46 (b) Forgiveness of recoupment.--Upon notification by the  
47 Adjutant General, the agency shall forgive recoupment of all or  
48 part of a family member's Military Family Education Program  
49 grant payments if the Adjutant General determines that the  
50 eligible member's failure to fulfill the six-year service  
51 obligation is the result of one of the following:

1           (1) The eligible member's death. If all provisions in  
2 section 3210.2(c) (relating to eligibility) are not met, the  
3 Military Family Education Program grant shall be repaid by  
4 the family member or family members who used the benefit upon  
5 demand of the agency on a schedule as the agency may  
6 determine.

7           (2) The eligible member's discharge because of  
8 disability incurred in the line of duty.

9           (3) The eligible member's discharge because of a medical  
10 determination that the eligible member is medically unfit for  
11 duty when the medical condition is outside the eligible  
12 member's control and is not due to the eligible member's  
13 misconduct.

14           (4) The existence of other compelling circumstances that  
15 warrant forgiveness.

16 § 3210.8. (Reserved).

17 § 3210.9. Administration.

18           (a) Appropriation and administrative costs.--The General  
19 Assembly shall appropriate funds to pay full-time and part-time  
20 Military Family Education Program grants under this subchapter.  
21 A portion of the funds appropriated may be used to pay the costs  
22 of the administration of this subchapter.

23           (b) Limitation.--Administrative costs for the fiscal year in  
24 which the Military Family Education Program is enacted, and each  
25 fiscal year thereafter, shall not exceed 3.5% of the total  
26 amount of funds appropriated.

27           (c) Initial use of funds.--Initial funding for the first 12-  
28 month period from the effective date of this subchapter may be  
29 used for administration and development of technological support  
30 applications.

31 § 3210.10. Military Family Education Program Fund.

32           (a) Establishment.--The Military Family Education Program  
33 Fund is established as a special nonlapsing fund in the State  
34 Treasury.

35           (b) Appropriation.--All money deposited into the fund and  
36 the interest the fund accrues are appropriated to the department  
37 on a continuing basis to be used for the purposes provided for  
38 under this subchapter.

39           (c) Administrative action prohibited.--No administrative  
40 action shall prevent the deposit of money into the fund in the  
41 fiscal year in which the money is received.

42           (d) Use.--The fund may only be used for the purposes  
43 provided for under this subchapter and no money in the fund may  
44 be transferred or diverted to any other purpose by  
45 administrative action.

46       Section 5. This act shall take effect as follows:

47           (1) The addition of 51 Pa.C.S. § 3210.2(a)(1) and (2)  
48 shall take effect July 1, 2019.

49           (2) The addition of 51 Pa.C.S. § 3210.2(a)(3), (4) and  
50 (5) shall take effect August 1, 2020.

51           (3) The remainder of this act shall take effect

1 immediately.