

**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM**

- 1. REASON FOR ISSUE:** This Veterans Health Administration (VHA) Directive is issued to implement the Department of Veterans Affairs (VA) Employee Incentive Scholarship Program (EISP) as authorized in Title 38 United States Code (U.S.C). §§7631 to 7636 and 7671 to 7675.
- 2. SUMMARY OF CHANGES:** This Directive sets forth the regulations and policy for VHA to implement EISP.
- 3. RELATED ISSUES:** VHA Handbook 1020.
- 4. RESPONSIBLE OFFICE:** The Healthcare Retention and Recruitment Office (HRRO/10A2D) is responsible for the contents of this Directive. Questions may be referred to (504) 565-4900.
- 5. RESCISSIONS:** VHA Directive 1020, dated May 5, 2002.
- 6. RECERTIFICATION:** The document is scheduled for recertification on/or before the last working day of May 2015.

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DISTRIBUTION: E-mailed to the VHA Publications Distribution List 05/18 /2010

## EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM

**1. PURPOSE:** This Veterans Health Administration (VHA) Directive implements the Department of Veterans Affairs (VA) Employee Incentive Scholarship Program (EISP).

### 2. BACKGROUND

a. The EISP helps VHA meet its needs for qualified health care staff in occupations for which recruitment or retention is difficult. The EISP authorizes VA to award scholarships equivalent to 3 years of full-time coursework. This Directive provides specific direction for administration of all components of the EISP (including the National Nursing Education Initiative (NNEI) and VA National Education for Employees Program (VANEED) at VHA field facilities.

b. Over the years, VA has experienced many difficulties in competing with private sector organizations for scarce health care staff. Some of these difficulties affect the system at large while the impact from others is at regional or community levels. More recently, VA's health care system has undertaken the most significant transformation in its history with a transition from a hospital, bed-based system to an ambulatory care-based system with primary care as the focus of patient treatment in both outpatient and inpatient settings. The success of this transition depends, in part, on achieving an appropriate mix of health care staff. Educational assistance, such as that afforded under the EISP, is an excellent recruitment and retention tool that can help VA achieve this goal. Additionally, VHA has established specific initiatives to address identified nursing workforce needs. The NNEI provides a substantial recruitment incentive for diploma and associate degree nurses to obtain a baccalaureate degree and for baccalaureate prepared nurses to obtain an advanced degree. To meet identified critical workforce needs VHA also established the VANEED to provide education and replacement salary funding for employees enrolled in Licensed Practical or Registered Nurse (RN) programs and for other eligible occupations determined to be of high priority in workforce succession planning.

**3. AUTHORITY:** The Secretary of Veterans Affairs has delegated authority to the Under Secretary for Health to issue regulations implementing the Health Professionals Education Assistance Program (HPEAP), 38 U.S.C., Chapter 76, in accordance with 38 U.S.C. §§ 501, 512, and 7421. This Directive constitutes VA's regulations implementing the EISP component of HPEAP. For purposes of these regulations, the term "employee" refers to a VA employee who has not been approved to participate in the EISP. The term "participant" refers to a VA employee who has been approved to participate in the program.

**4. POLICY:** It is VHA policy to establish and implement EISP as authorized in title 38 U.S.C. §§ 7671 to 7675. *NOTE: The program requirements are described in paragraphs 5a through 5k. VHA Handbook 1020 contains specific implementation procedures for the program.*

**5. RESPONSIBILITIES:**

a. **Director, Healthcare Retention and Recruitment Office (HRRO) (10A2D)**. The Director, HRRO (10A2D), is responsible for national implementation and management of the EISP. This includes, but is not limited to, policy development and implementation, funding allocation, and program oversight and evaluation. As part of the latter responsibility, HRRO may suspend a facility's participation in the EISP for its failure to comply with program requirements.

b. **Facility Directors**. Facility Directors are responsible for local-level EISP implementation and management consistent with this Directive and its related Handbook, and for ensuring that local policies and procedures related to this Handbook are developed and implemented in accordance with labor obligations. Other specific responsibilities of the facility Director include:

(1) Prioritizing occupations for which recruitment and retention are difficult and publishing those occupations in an open and continuous announcement. This prioritization must be conducted in conjunction with priorities established by the VHA Workforce and Succession Plan. Additionally, this prioritization is to include assessment(s) of current and anticipated workforce needs for employees prepared at the masters and doctorate levels.

(2) When submitting a scholarship application for any of the following degree programs, providing written justification regarding the facility's need for an employee prepared with such a degree, based on the facility or Veterans Integrated Service Network (VISN) Workforce Succession Plan:

(a) Non-Clinical masters degrees (e.g., business, health care administration) for clinical staff;

(b) Advanced practice nursing degrees which prepare the RN to be a nurse practitioner (NP) or clinical nurse specialist (CNS). In these cases, the submitted justification must include a commitment from the facility to appoint the employee to a NP or CNS position as soon as possible but no later than 180 calendar days after the participant has met the qualification standards for appointment or assignment to the position; and

(c) Doctorate level degrees, except those required for entry into practice (e.g., PharmD).

(3) Publishing an open and continuous announcement about educational assistance opportunities for each component of the EISP for which the facility will accept applications.

(4) Publishing selection criteria, which at a minimum must include that:

(a) The employees have demonstrated a high likelihood that they will be successful in completing their education and training, and in employment in such field;

(b) The employees have demonstrated acceptable performance and conduct;

(c) The employees have met any specific selection criteria established by the facility;

(5) Ensuring that all selections are based on merit without regard to race, sex, color, national origin, disability, religion, age, sexual orientation, and status as a parent.

(6) Establishing a Selection Committee and identifying a Program Coordinator. The Program Coordinator for the NNEI and nursing VANEPP programs must be an RN.

(7) Reviewing and approving the Selection Committee's recommendations.

(8) Authorizing replacement salary in limited cases where a participant is unavailable to perform critical duties while pursuing education or training under EISP. In such cases, replacement salary may be used to help prevent disruption of critical health care services.

*NOTE: See paragraph 5.j.*

(9) Providing temporary funding to current participants up to the amount authorized for the award, (as noted in information provided to the program coordinator by HRRO) when at the conclusion of any fiscal year the appropriations legislation for the Department has not been signed into law and the Department is operating under a continuing resolution.

(10) Timely appointing or assigning the participant once the participant is eligible for appointment or assignment to the position in the occupation for which the EISP scholarship prepared the participant in accordance with paragraph 5.f.

c. **Eligibility.** An employee must meet the following requirements to be eligible to participate in EISP:

(1) Shall have been continuously employed in a permanent full-time or part-time appointment without a time limitation (excludes individuals serving in positions without compensation and other time-limited appointments) with the Department for not less than 1 year.

(2) Shall have met the 1-year employment requirement defined in paragraph 5.c.(1) as of the date on which the employee submits an official application for an EISP award.

(3) Shall remain in a permanent full-time or part-time appointment without a time limitation (excludes individuals serving in positions without compensation and other time-limited appointments) for the duration of the education or training program for which EISP or NNEI funding is provided.

(4) Shall have been accepted to, or enrolled in, an authorized education or training program as of the date the official application for an EISP award is submitted by the employee.

(5) Shall sign an agreement in which the participant agrees to fulfill the service obligation as specified in the agreement in exchange for receipt of the scholarship. *NOTE: See paragraph 5.f.*

(6) Shall not be obligated under any other Federal program to perform service after completion of the course of education or training.

(7) Shall have a record of employment that demonstrates a high likelihood that the employee will be successful in completing the education and training, and in employment in such field.

*NOTE: The local Selection Committee will review applications and ensure that all selections are based on merit. Selection criteria are established at the local facility level, at a minimum the employee must have demonstrated acceptable performance and conduct.*

(8) Shall meet or exceed performance requirements for current position. Additionally, participants who receive less than satisfactory performance evaluations or sustained disciplinary or adverse action of any kind prior to beginning their service obligation period will be terminated from the program for failing to maintain a record of employment that demonstrates a high likelihood that they will be successful in completing the education and training, and in employment in such field. *NOTE: There is no statutory authority under this program to assess financial liability based on this termination action alone. If, however, the participant is also dismissed from the educational institution for disciplinary reasons, or if the participant meets any of the other terms of paragraph 5.h.(2), VA has authority to assess financial liability and recoup the amount VA paid to or on behalf of the participant under the program.*

(9) Shall meet or exceed the minimum academic grade point average established by HRRO in order to be eligible to participate in the VANEPP program. Participants in the VANEPP program must maintain or exceed the minimum academic grade point average established by HRRO throughout their education or training program.

(10) In the case of NNEI, shall be an RN who is appointed to an occupation code series 0610 position and who otherwise meets all other eligibility criteria. Nurses serving in positions without compensation and other time-limited appointments are not eligible to participate in the NNEI.

(11) Shall not be an employee who previously participated in the EISP (including VANEPP and NNEI) and who breached his or her EISP obligations or agreement for any reason. Such employees are not eligible to apply for another EISP award. This includes employees who breached their obligations under the program and who subsequently received a waiver of liability under the program.

(12) Shall be accepted to, or enrolled in, an academic program that prepares the individual to be appointed to one of the following positions for which recruitment and retention of qualified personnel is difficult:

- (a) Physician;
- (b) Dentist;
- (c) Podiatrist;
- (d) Pharmacist;
- (e) Licensed practical and/or vocational nurse;

- (f) Expanded-function dental auxiliary;
- (g) RN;
- (h) Certified RN anesthetist;
- (i) Physician assistant;
- (j) Optometrist;
- (k) Physical therapist;
- (l) Occupational therapist;
- (m) Certified respiratory therapy technician;
- (n) Registered respiratory therapist;
- (o) Psychologist;
- (p) Social worker;
- (q) Nuclear medicine technologist;
- (r) Dietitian;
- (s) Occupational therapy assistant/aide;
- (t) Physical therapy assistant/aide;
- (u) Medical technologist;
- (v) Diagnostic radiologic technologist/technician;
- (w) Therapeutic radiologic technologist/technician;
- (x) Medical instrument technician;
- (y) Pharmacy technician/aide;
- (z) Audiologist;
- (aa) Speech pathologist;
- (bb) Orthotist or prosthetist;
- (cc) Medical records administrator and specialist;

- (dd) Prosthetic representative;
- (ee) Medical records technician;
- (ff) Biomedical engineer;
- (gg) Chiropractor;
- (hh) Dental Technologist; which means Dental Hygienist and Dental Assistant/Aide;
- (kk) Kinesiotherapist, formerly titled Corrective Therapist; and
- (ll) Blind Rehabilitation Specialist/Blind Rehabilitation Outpatient Specialist.

d. **Funding**

(1) Funding for the EISP initiative is centralized with funds distributed by HRRO as Special Purpose Funds. HRRO is responsible for managing the funding process consistent with available funds, overall VHA goals, and identified health care staffing needs. Scholarships are awarded based on the availability of funds and Department need. A participant may receive funds to cover the full or partial cost of tuition and related educational expenses. Award payments made to participants shall be the funding amount authorized by HRRO or the actual costs of the authorized education program to the participant, whichever is less. Coordinators are to use receipts and other appropriate documentation to validate the amount of funds disbursed to each participant and also to confirm the actual tuition, fees, and book costs incurred by the participant.

(2) VISNs and facilities must submit funding requests to HRRO identifying health care staffing needs that can be appropriately met by using the EISP. Typically, funding requests originate at the health care facility level. However, VISNs are to submit funding requests when they plan to coordinate and support the infrastructure for innovative, accessible and cost-effective education, or else plan to coordinate training programs that are consistent with VISN strategic staffing goals and affect several facilities.

(3) A participant may not receive a scholarship for more than the equivalent of 3 years of full-time coursework. Three years of full-time coursework is defined as 90 semester hours at the undergraduate level and 54 semester hours at the graduate level. This maximum limitation is not subject to amendment. **NOTE:** See paragraph. 5.g. A participant's education or training program must be completed within 6 years.

(4) The Fiscal Year 2010 maximum EISP award amount that may be authorized for the maximum amount of coursework is \$37,494,80. The maximum amount of funding that may be authorized for each semester hour of coursework in an EISP participant's academic program is \$416.61 at the undergraduate level and \$694.35 at the graduate level. The maximum scholarship award amount will be increased in direct proportion to each Federal pay increase for those awards that are obligated in the same fiscal year that such an increase in pay takes effect. **NOTE:** The general Federal pay increase does not include locality pay.

(5) A scholarship award under EISP covers the cost of tuition and related educational expenses. This includes, but is not limited to, registration, fees, books (including computer software that is identified as required text for the course), materials and supplies, medical equipment (such as a stethoscope) if required for the course, graduation fees, liability insurance required by the school, uniforms, shoes, and lab coats required by the school, and a one-time payment of a computer allowance not to exceed \$500.00. *NOTE: The computer allowance is limited to prospective computer purchases by employees whose applications for EISP funding have been approved for Fiscal Year 2010. This provision does not authorize VA to reimburse participants for computer purchases they made prior to the effective date of this Directive.*

(6) EISP scholarship funds may not be used for:

(a) Computer equipment beyond that noted in paragraph 5.d.(5).

(b) Computer applications software that is not required text for a specific class.

(c) Computer access (such as broadband and internet fees) and supplies such as printer ink, paper, and file storage devices (such as discs and jump drives).

(d) Participant's travel expenses, including parking.

(e) Training courses specifically designed to assist a participant to pass a licensure or certification exam.

(f) Licensure exam fee.

(g) Living expenses.

(h) Tutoring costs.

(i) Courses completed prior to approval of the EISP agreement.

(j) Expenses incurred in applying for admission to the academic institution's educational or training program.

e. **Academic Program and Licensing Requirements**

(1) Academic curricula covered under this initiative include education and training programs in a field leading to appointment or retention in a title 38 or Hybrid title 38 position listed in 38 U.S.C. § 7401. Education and training provided under the EISP shall meet applicable requirements specified in VA's qualification standards that cover the occupation in which the participant will be appointed, assigned, or retained. All academic institutions shall be accredited by the Council for Higher Education Accreditation and the professional accrediting body identified in the VA qualification standards as required (without waiver) for the occupation in which the participant will be appointed, assigned, or retained.



(2) The maximum number of credit hours and the requirements for completion of academic program is included in paragraph 5.d(3).

(3) In all cases (including all NNEI participants), a participant must satisfy all applicable licensure or certification requirements, meet all VA qualification standards, and be eligible for appointment or assignment to a position in the occupation for which the EISP scholarship was awarded as soon as possible but no later than 180 calendar days after the date on which the educational institution conferred the participant's EISP-sponsored degree or certificate. Once participants meet the requirements of this paragraph, they must notify their program coordinators in writing or by email within 3 working days of their eligibility for appointment and/or assignment to their new position and provide documentation to support that they met these requirements in a timely manner.

f. **Service Obligation**

(1) All EISP participants, whether full-time or part-time employees, are required to serve in a full-time VHA position for a period of obligated service. The date for the beginning of a participant's obligated service is the later of the participant's course completion date or when the participant meets any applicable licensure, certification, or registration requirement and when assigned or appointed to a full-time clinical position in the occupation for which the EISP award prepared the participant. The amount of obligated service owed by the participant will depend on two factors: the employee's status as a student (i.e., full-time or part-time), and the total amount of education or training funded by the EISP.

(2) All NNEI participants, whether full-time or part-time employees, are required to serve in a full-time VHA position in occupation code series 0610 for their entire period of obligated service. The service commencement date for a NNEI participant begins on the day the RN is appointed or assigned to a permanent full-time position in the occupational code series 0610. The service commencement date for a NNEI participant in an academic or training program leading to credentialing as a NP or a CNS begins on the day the participant is assigned to a full-time NP or CNS position.

(3) The Director must appoint or assign an eligible EISP and NNEI participant to a position in the 7401 occupation for which the EISP-sponsored education or training prepared the participant as soon as possible but no later than 180 calendar days from the date the participant becomes eligible for such appointment or assignment. NNEI participants receiving scholarships for NP and CNS programs must be assigned to NP and CNS positions as soon as possible but no later than 180 days from the date they become eligible for assignment to such positions. If unable to place any EISP or NNEI participant within this timeframe, the facility Director must request support from the VISN to identify (within 90 calendar days of being contacted by the facility Director) a suitable position at another VA facility that is mutually acceptable to the participant and VA. If the participant is appointed or assigned to a position at a facility that is different from the facility identified in the approved application (i.e., the facility that originally selected the participant for participation in the program), then the facility identified in the approved application must pay for the participant's relocation expenses. Failure by VA to appoint or assign (within the time requirements noted in this paragraph) an eligible EISP and NNEI participant to a position in the 7401 occupation for which the EISP-sponsored education or

training prepared the participant will result in cancellation of the service and payment obligation for that participant.

(4) EISP participants (including NNEI participants, with the exception of participants in NP and CNS degree programs) who are currently appointed to a title 38 or Hybrid 38 occupation and awarded an EISP scholarship for an advanced degree in that same occupation are not guaranteed a change in position assignment based on their completion of the degree program. For example, a registered nurse who is awarded an NNEI scholarship for a masters degree in nursing with a nursing administration focus is not guaranteed a management position. **NOTE:** *It is required that NNEI participants, recommended by the facility for advanced practice programs (specifically nurse practitioners and clinical nurse specialists), fulfill their period of obligated service in the position of nurse practitioner or clinical nurse specialist. See VHA Handbook 1020, paragraph 21.d.*

(5) The participant who is a full-time student shall agree to serve as a full-time VHA employee for a period of 1 calendar year for each school year or part thereof, for which the participant was provided a scholarship under the EISP, but for not less than 3 years.

(6) The obligated service for a part-time student is pro-rated. The service obligation is based on the proportion of the number of credit hours carried by the student in any school year to the number of credit hours required to be carried by a full-time student as defined in this handbook. However, in no event will the requirement for obligated service for a part-time student under the EISP be less than 1 year or greater than 3 years of full-time employment.

(7) A participant who is in non-pay status for more than 30 consecutive days during the participant's period of obligated service will have his or her period of obligated service extended by the number of days that the participant was in non-pay status. However, time served by the participant in non-pay status for 30 consecutive days or less will be counted toward the participant's obligated service requirement.

(8) Service in Other Agencies. EISP participants who are members of the National Guard, or in the Military Reserve and who involuntarily ordered to serve on active duty in the Armed Forces, may use their active duty service to fulfill all or part of their EISP service obligation, provided that all of following conditions are met:

(a) The service commencement date under the EISP program precedes the participant's orders for active duty;

(b) The active duty assignment is in the occupation for which the EISP award was awarded (e.g. a participant who received an EISP award to become an RN shall have a military active duty assignment as an RN); and

(c) The employee consents to fulfilling the EISP service obligation period while in active military duty status.

**NOTE:** *For purposes of the EISP and this Directive, the term "active duty" excludes active duty for training and all periods of active duty for which the participant has volunteered.*

### **g. Application and Amendment Provisions**

(1) An employee who is interested and eligible to participate in the EISP or the NNEI is encouraged to apply for specific educational and training opportunities that are announced at the local level. To do so, the employee must complete an official EISP or NNEI application and submit it to the local Program Coordinator.

(2) Application packets approved by the medical facility Director and submitted to HRRO must, at a minimum, include evidence of unconditional acceptance or enrollment in an accredited (as noted in paragraph 5.e.(1)) academic institution and an approved academic plan of study.

*NOTE: Unconditional acceptance is defined as acceptance in the academic program with no existing qualifying conditions such as (but not limited to) completion of pre-requisite course(s), presence of a grade point average that places the person in a probation status, and/or placement on a waiting list for available student positions in the school.* Additional supporting documentation will be submitted as identified by HRRO. Application packets must be submitted to HRRO by close of business on the last day of the application cycle.

(3) A decision to award a scholarship under EISP or NNEI cannot be finalized until an official EISP agreement is first signed by the employee and then accepted and signed by the Under Secretary for Health, or designee.

(4) EISP participants, either directly or through their EISP coordinators, may request HRRO to amend provisions in their original EISP application or approved EISP agreement relating to the participant's program completion date (provided the requested change does not exceed the maximum length of participation described in paragraph 5.d.[3]), funding amounts, name change, facility location change, or curriculum or plan of study. All requests for amendments must include supporting documentation, as identified in procedures provided by HRRO, and must be submitted within the timeframes identified by HRRO. Approval of amendments shall be contingent on the participant's ability to otherwise comply with program requirements specified in this Directive and Handbook 1020. Approval of requests for additional funding is contingent on available scholarship monies. Requests for retrospective funding (for education expenses of completed courses) will not be approved.

### **h. Participant Liability**

(1) **Liquidated Damages.** A participant in EISP, other than a participant described under paragraph 5.h.(4), who fails to accept payment, or instructs the educational institution in which the participant is enrolled not to accept payment, in whole or in part, of a scholarship award under the EISP is liable to the United States for liquidated damages in the amount of \$1,500. Such liability is in addition to any period of obligated service or other obligation or liability under the EISP.

(2) **Liability during Course of Education or Training.** Except as provided in paragraph 5.h.(4), a participant in EISP is liable to the United States for the amount which has been paid to, or on behalf of the participant, under the EISP, if the participant:

(a) Fails to maintain an acceptable level of academic standing in the educational institution in which the participant is enrolled.

(b) Is dismissed from the educational institution for disciplinary reasons.

(c) Voluntarily terminates the course of education or training in such institution before completing the education or training.

(d) Fails to become licensed or fully meet any applicable licensure, certification or registration requirements for VA employment in the occupation for which the education was provided.

(e) In the case of a participant who is a part-time student, fails to maintain VHA employment in a permanent full-time or part-time position while enrolled in the course of education or training being pursued by the participant as a VA employee. Employment in a time-limited appointment (e.g., positions without compensation and other time-limited appointments) does not constitute VA employment for purposes of this liability provision.

(f) With respect to a NNEI participant who is a part-time student, fails to maintain VHA employment in a permanent full-time or part-time occupation code series 0610 position while enrolled in the course of education or training being pursued by the participant as a VA employee. Employment in a VHA time-limited appointment (e.g., positions without compensation and other time-limited appointments) does not constitute VHA employment for purposes of this liability provision.

### (3) **Liability during Period of Obligated Service**

(a) **EISP:** Except as provided in paragraph 5.h.(4), if a participant in EISP fails for any reason to complete the period of obligated service incurred under the program and EISP agreement (including failure to accept an appointment to a full-time position in the occupation for which the EISP award prepared the participant), the United States is entitled to recover an amount equal to the amounts of all award funds paid to the participant, plus interest, multiplied times three, and prorated for months of service completed under the obligation.

(b) **NNEI:** Except as provided in paragraph 5.h.(4), if a participant in the NNEI fails for any reason to complete the period of obligated service incurred under the program and EISP agreement (including failure to accept an appointment to a full-time position in occupation code series 0610), the United States shall be entitled to recover an amount equal to the amounts of all award funds paid to the participant, plus interest, multiplied times three, and prorated for the months of service completed under the obligation.

**NOTE:** *A participant's voluntary change in employment status, such as voluntary resignation, retirement, change in occupation, change from a title 38 or Hybrid 38 position to a title 5 position, or conversion to part-time status during the participant's period of service obligation, will constitute a breach of the participant's service obligation under the Program and his or her EISP agreement, and the participant will incur financial liability in accordance with paragraph 5.h.(3).*

(4) **Limitation on Liability for Reductions-In-Force.** Liability does not arise in the case of a participant who is separated due to a staffing adjustment or reduction in force and meets either of the following conditions:

(a) The participant has not completed the period of obligated service.

(b) The participant is a part-time student who fails to maintain VA employment while enrolled in the course of education or training that the participant is pursuing.

(5) **Termination from Program without Financial Liability.** Financial liability does not arise in the case of a participant who meets one of the following conditions:

(a) The participant is terminated from the scholarship program as a result of having received a less than satisfactory performance evaluation or a sustained disciplinary/adverse action of any kind prior to beginning the participant's period of service obligation and the participant's actions do not trigger any of the liability provisions set forth in paragraph 5.h.(1) or (2).

(b) The participant is a full-time student who fails to maintain VHA employment while enrolled in the course of education or training that the participant is pursuing. To meet this requirement, the participant must provide to the facility coordinator official transcripts documenting continuous full time student status (as defined in this Handbook) for the 365 days prior to the date of leaving VHA employment. This documentation must be provided within 10 calendar days of the last day of VHA employment.

(6) **Collection of Debt.** Any amount of damages, which the United States is entitled to recover under information provided in this paragraph, must be paid to the United States within the 1-year period beginning on the date of the breach of the agreement. Any amounts owed to VA as the result of participant liability described in this paragraph should be collected in accordance with the policy and procedures set forth in VA Directive 4800, Debt Collection, and in the VA Handbook 4800 series.

i. **Waiver Provisions**

(1) Any service or payment obligation incurred by a participant under this program agreement will be cancelled upon the participant's death.

(2) A participant may seek a waiver or suspension of the service or payment obligation incurred under this program agreement by written request to the Under Secretary for Health setting forth the basis, circumstances, and causes which support the requested action. A request for waiver of one's payment or service obligation must be submitted to the Under Secretary for Health or designee within 1 year of the date the participant is determined to be in breach of his or her EISP obligation agreement. A participant must comply with requests for additional information from the Under Secretary for Health, or designee, in a timely manner.

*NOTE: As to requests for suspension, the Under Secretary for Health, or designee, may approve an initial request for a suspension for a period of up to 1 year. A renewal of this suspension may be granted.*

(3) The Under Secretary for Health may waive or suspend any service or payment obligation incurred by a participant whenever compliance by the participant is impossible, due to circumstances beyond the control of the participant, or whenever the Under Secretary for Health concludes that a waiver or suspension of compliance is in VA's best interest.

(4) Compliance by a participant with a service or payment obligation will be considered impossible due to circumstances beyond the control of the participant if the Under Secretary for Health determines, on the basis of such information and documentation as may be required, that the participant suffers from a physical or mental disability resulting in permanent inability to perform the service or other activities which would be necessary to comply with the obligation. The following terms and guidelines will be applied to requests for waivers on the basis of physical or mental disability.

(a) Requests for waiver due to disability retirement must include submission of VA Standard Form 50, Notification of Personnel Action, that documents the type and date of separation. A Bill of Collection will not be issued to participants approved for Disability Retirement by the Office of Personnel Management or the Social Security Administration unless and until directed by HRRO.

(b) Should a participant submit medical evidence in support of a request for waiver that calls into question the participant's ability to perform the regular duties of their current position, such evidence will be provided to the medical facility Director for consideration in determining the participant's ability to safely perform the duties of the participant's current position.

(c) Waiver requests related to time-limited medical treatment or temporary disability will not meet the requirement of permanence cited in paragraph 5.i.(4). Examples of such conditions include but are not limited to: medical conditions requiring treatment from which the participant is expected to make full recovery; medical conditions that manifest or arise after the date on which the participant breached the EISP agreement; and ongoing medical conditions that do not render the participant incapable of performing the duties of their current position. A participant's temporary inability to comply with program requirements for these and similar reasons need to be addressed through amendment procedures noted in paragraph 5.g.(4).

*NOTE: Medical evidence submitted in support of a waiver request must pertain to the participant's ability to comply with program obligations at the point in time the participant breached his or her obligations under the program.*

(5) Requests for waiver of payment and/or service obligations for reasons other than those noted in paragraph 5.i.(4) will be considered based on the totality of the documentation submitted and the demonstrated impact on the participant's ability to comply with their service or other obligation or activity under the program.

(6) An obligation of a participant for payment of damages may not be released by a discharge in bankruptcy under title 11 U.S.C. before the expiration of the 5-year period beginning on the first date the payment of such damages is due.

(7) Participants who have breached their EISP agreement during the period of obligated service, by leaving VA employment, may request suspension of their payment obligation provided the participants seeks appointment to a VHA position that meets the requirements of paragraph 5.f.(1) or (2) within 1 year of the date the participant breached their service obligation under the EISP agreement. The medical facility Director determines if it would be in the best interest of the facility to so appoint the individual and makes such a recommendation to HRRO and HRRO agrees to such an arrangement. In these cases, collection efforts will be suspended from the date the participant is appointed to the position. If the participant successfully fulfills the period of service obligation owed originally under the program, the participant will be considered to have met all program obligations, thereby extinguishing the debt owed to the U.S. Government. Additionally, all payments made by the participant prior to re-employment will be refunded to the participant.

(8) Waivers or suspensions of payment obligations, when not related to paragraph 5.i.(4) and when considered in the best interest of VA, will be determined, on an individual basis, by the Under Secretary for Health.

(9) The Under Secretary for Health grants or denies all requests for waivers of payment liability from participants who breach their service obligations and incur triple damages pursuant to paragraph 5.h.(3). The Director of HRRO grants or denies all requests for waivers from participants who breach their EISP agreements and incur liability under paragraph 5.h.(1) or (2). The decisions of the Under Secretary for Health and the Director of HRRO under this provision are final and binding; they are not subject to appeal or reconsideration.

(10) Approval of a participant's future or pending waiver request may not be agreed to as part of a negotiated resolution of any personnel or other type of administrative or legal action (e.g., EEO claim, disciplinary action, etc.) unless:

(a) HR and Regional Counsel have first consulted with VA's Assistant General Counsel for Professional Staff Group III and the Under Secretary for Health and/or Director of HRRO; and

(b) The Under Secretary for Health and/or Director of HRRO has determined that it would be in the best interest of the Department, under the circumstances of the individual case, to waive any ensuing EISP liability of the participant that would result directly from the conduct of the negotiated resolution. *NOTE: This provision is intended to address the very rare case where such a negotiation scenario may arise.*

**j. Replacement Assistance**

(1) When a participant is unavailable to perform critical duties while pursuing education or training under EISP, replacement salary may be used to help prevent disruption to health care operations. Replacement salary covers the cost of hiring a new staff member (typically on a temporary basis) to assume the duties and responsibilities of the participant who is pursuing full-time education or training. It is additional funding that is not included in the expenses allowed for a scholarship under EISP. Facility Directors are encouraged to invoke their authority, as deemed appropriate under 38 U.S.C. 7405, to authorize replacement salary in limited cases

where a participant is unavailable to perform critical duties while pursuing education or training under the EISP.

(2) Centralized replacement salary support is limited and is only authorized in unusual circumstances. **NOTE:** *This does not preclude local facilities from totally funding the cost of replacement salary.* Decisions to authorize centralized replacement salary support are made on a case-by-case basis; after all appropriate requests for scholarships have been funded. These decisions are based on the following conditions:

- (a) The participant selected to pursue education or training must be in a position that supports a critical VA mission.
- (b) The participant must agree to pursue education or training on a full-time basis and complete all program requirements within 3 academic years.
- (c) Participants in the VANEPP program must maintain or exceed the minimum academic grade point average established by HRRO. **NOTE:** *See paragraph 5.c.(9).*
- (d) The facility may be required to pay at least 50 percent of the cost of the base salary of the participant for which a replacement is required.

k. **Reporting Requirements**

(1) HRRO evaluates program effectiveness and prepares required reports to the Under Secretary for Health. These reports include the number of new and continuing EISP participants by type of academic program per year at the national, VISN and local facility levels, as well as other pertinent information necessary to assess the impact of the scholarship program on recruitment and retention.

(2) Field facilities must provide initial enrollment and semi-annual update reports as required.

(3) All VA employees are obligated to report suspected incidents of fraud, waste, abuse, or mismanagement of EISP funds to the Office of Inspector General.

**6. REFERENCES**

- a. Potolsky, Cohen, & Saylor. (2003). Academic performance of nursing students: Do prerequisite grades and tutoring make a difference? *Nursing Education Perspectives*, 24(5), 5.
- b. Seago, & Spetz. (2003). *Admission policies and attrition rates in California community college nursing programs*. Berkley, California: California Postsecondary Education Commission and the California Policy Research Center.
- c. 38 U.S.C., §§ 512, 7401-7407, 7421, 7601-7604, 7632-7636 and 7671-7675.
- d. VHA Handbook 1020, Employee Incentive Scholarship Program.



- e. VA Directive 4800, Debt Management.
- f. VA Handbook 4800 Series.