

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) PROCEDURES

1. REASON FOR ISSUE. This Veterans Health Administration (VHA) Handbook provides specific direction, guidance, and procedures related to the operation of the Employee Incentive Scholarship Program (EISP) at the Department of Veterans Affairs (VA) health care facilities. The purpose of the EISP is to assist VHA in meeting its needs for qualified health care staff in occupations for which recruitment or retention is difficult.

2. SUMMARY OF CONTENTS. This Handbook provides comprehensive information about the EISP. It specifies program responsibilities at the employee, facility, Veterans Integrated Service Network (VISN) and VHA Central Office levels. It describes other important information, such as the eligibility requirements for VA employees to receive educational assistance under EISP, the application and selection processes for employees, and the funding allocation processes for facilities and VISNs. Specific initiatives within the EISP such as the National Nursing Education Initiative (NNEI) Scholarship and the VA National Education for Employees Program (VANEPP) are described. This Handbook includes, among other things, changes required by Public Law 107-135, the Department of Veterans Health Care Programs Enhancement Act of 2001 and Public Law 108-170, the Veterans Health Care, Capital Asset, And Business Improvement Act of 2003, and Public Law 108-422, the Veterans Health Programs Improvement Act of 2004.

3. RELATED ISSUES. VHA Directive 1020.

4. RESPONSIBLE OFFICE. The Healthcare Retention and Recruitment Office (HRRO/10A2D) is responsible for the contents of this Handbook. Inquiries should be directed to (504) 565-4900.

5. RESCISSIONS. VHA Handbooks 1020.1 and 1020.2 dated May 6, 2002, are rescinded.

6. RECERTIFICATION. This 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

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EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) PROCEDURES

1. PURPOSE

This Veterans Health Administration (VHA) Handbook provides specific direction, guidance, and procedures related to the operation of the Employee Incentive Scholarship Program (EISP) at The Department of Veterans Affairs (VA) health care facilities. The purpose of the EISP is to assist VHA in meeting its needs for qualified health care staff in occupations for which recruitment or retention is difficult.

2. BACKGROUND

a. The EISP helps VHA meet its needs for qualified health care staff in occupations for which recruitment or retention is difficult.

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 the 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 EISP, is an excellent recruitment and retention tool that can help VA achieve this goal. Additionally, VHA has established a specific initiative, the National Nursing Education Initiative (NNEI), to provide specific education incentives for VA nurses. Finally, the salary replacement capability of the EISP is utilized to meet identified critical workforce occupation specific goals.

3. AUTHORITY

VA EISP was established by Title VIII of Public Law 105-368, Department of Veterans Affairs Health Care Personnel Incentive Act of 1998, and codified at § 7671-7675 of title 38, United States Code (U.S.C.). Changes to this Handbook include, among others, those required by Public Law 107-135, the Department of Veterans Health Care Programs Enhancement Act of 2001 and Public Law 108-170, the Veterans Health Care, Capital Asset, And Business Improvement Act of 2003, and Public Law 108-422, the Veterans Health Programs Improvement Act of 2004.

4. SCOPE

Under this authority, VA may award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment or retention of qualified personnel is difficult.

a. EISP scholarships may be used to prepare employees for the following occupations: physician; dentist; podiatrist; pharmacist; licensed practical or vocational nurse; expanded-function dental auxiliary; an RN; certified registered nurse anesthetist, physician assistant; optometrist; chiropractor; physical therapist; occupational therapist; certified respiratory therapy

technician; registered respiratory therapist; audiologist; speech pathologist; audiologist-speech pathologist; biomedical engineer; dietitian; medical instrument technician; medical records administrator or specialist; medical records technician; medical technologist; dental technologist (which means dental hygienist and dental assistant and aide); nuclear medicine technologist; occupational therapy assistant and aide; kinesiotherapist (currently titled corrective therapist); orthotist-prosthetist; pharmacy technician and aide; physical therapy assistant and aide; prosthetic representative; psychologist; diagnostic radiologic technician and technologist; therapeutic radiologic technician and technologist; social worker and blind rehabilitation specialist and outpatient specialist.

b. Though the scope of the authority contained in EISP is substantial, it does have limitations. The details of this authority are described and exemplified in other paragraphs of this document. EISP requirements noted in this document refer to all components of the program including NNEI unless specific requirements for NNEI are given.

5. DEFINITIONS

a. **Academic Year**. An academic year is the 1-year period that begins on the date of the first day of classes for the fall session at the particular academic institution where an employee has been accepted for enrollment, or who is enrolled under EISP.

b. **Acceptable Level of Academic Standing**. Acceptable level of academic standing is the cumulative grade point average an employee must maintain to fully meet the requirements to graduate with a degree, or satisfactorily complete a training program at the academic institution in which the employee is enrolled as an EISP scholarship recipient. Academic dismissal at any point during the employee's pursuit of education or training under EISP constitutes failure to maintain an acceptable level of academic standing.

c. **Agreement**. An agreement is a signed, legally binding agreement between VA and an employee who participates in the EISP. It specifies the obligations of VA and the participant.

d. **Course Completion Date**. Course completion date is the date on which an EISP participant completes the course of education or training.

e. **Applicant**. An applicant is a VA employee who has not been approved to participate in the EISP.

f. **Full-time Enrollment**. A participant is considered full-time:

(1) In the case of undergraduate work, if the participant is taking 30 semester hours per undergraduate school year; and

(2) In the case of graduate coursework, if the participant is taking 18 semester hours per graduate school year.

g. **Participant**. A participant is a VA employee who has been approved to participate in the EISP.

h. **Part-time Enrollment**. A participant is considered a part-time student if the participant meets the criteria for being a part-time student in the school in which enrolled. The proportion of part-time enrollment (e.g., quarter-time, half-time, etc.) is calculated by dividing the number of part-time credit hours by 30 for an undergraduate program and by 18 for a graduate program.

i. **Replacement Salary**. Replacement salary covers the cost of hiring a new staff member (typically on a temporary basis) to carry out the duties and responsibilities of a participant who is unavailable to perform them while pursuing full-time education or training. Replacement salary is additional funding that is not included in the expenses that are allowed for an EISP scholarship.

j. **Scholarship**. A scholarship is a monetary award that covers the cost of a student's tuition and related educational expenses (e.g., registration, fees, books, materials and supplies). There are limitations on the amounts of coursework, funding and time to complete an academic program that may be authorized for an EISP participant.

k. **Service Commencement Date**. The service commencement date is the date on which a participant in EISP begins the period of obligated service.

l. **Service Obligation**. The service obligation is the period of time the participant provides health services in a full time clinical practice of the profession for which they have been trained.

6. RESPONSIBILITIES OF THE HEALTHCARE RETENTION AND RECRUITMENT OFFICE (HRRO)

The Director, HRRO, is responsible for national implementation and management of the EISP. This includes:

- a. Publishing and maintaining directives, handbooks, and supporting documentation;
- b. Allocating funds to facilities and VISNs;
- c. Final approval and execution of official EISP and NNEI agreements for participants as delegated by the Under Secretary for Health;
- d. Monitoring facility and VISN compliance with applicable directives. This includes conducting periodic program reviews at medical facilities to evaluate facility level compliance with requirements established in VHA Directive 1020 and VHA Handbook 1020 and procedures established by HRRO. The Director, HRRO, may suspend a facility's participation in the EISP for its failure to comply with program requirements;
- d. Evaluating program progress and effectiveness to be used in the preparation of annual reports for the Under Secretary for Health;
- e. Providing program guidance to local facilities and VISNs including protocols for managing specific program components;

f. Exploring the potential for enhancing the flexibility to provide innovative educational assistance to VA's health professionals;

g. Processing participants' requests for waiver of their service or payment obligations under the EISP and agreements, including approving or disapproving waiver requests as delegated by the Under Secretary for Health; and

h. Collaborating with VHA Service Officers and program officials on issues related to EISP program administration.

7. RESPONSIBILITIES OF THE FACILITY DIRECTOR

Facility Directors are responsible for local-level EISP implementation and management consistent with this Handbook and its related Directive, 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:

a. 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. Specifically, submission of applications for the following degree programs will require written justification based on the facility and VISN Workforce Succession Plan:

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

(2) 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 within 180 days after the participant has met the qualification standards for appointment; and

(3) Doctorate level degrees excepting those for occupations which have identified a doctorate degree as the required degree for entry into practice.

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

c. Establishing a Selection Committee and identifying a program coordinator. The NNEI coordinator shall be a RN.

d. Reviewing and approving Selection Committee applicant recommendations.

e. Committing facility resources to provide required management of the scholarship program, including monitoring of participants academic progress, and accountability for appropriate disbursement of the scholarship funds.

f. Invoking 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. In such cases, replacement salary may be used to help prevent disruption of critical health care services.

g. 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 the fiscal year the appropriations legislation for the Department has not been signed into law and continuing resolution appropriations legislation is in effect.

h. Timely appointing or assigning participants who have completed their education or training programs and who have met all applicable licensing and qualification requirements.

NOTE: See paragraph 21.d.

8. RESPONSIBILITIES OF THE NURSE EXECUTIVE (NE)

The NE is responsible for effective management of the nursing initiatives within the EISP. This includes establishing an RN coordinator for the NNEI and EISP participants in nursing academic programs.

9. RESPONSIBILITIES OF THE SELECTION COMMITTEE

The Selection Committee has responsibility for:

- a. Defining and publishing local selection criteria;
- b. Reviewing and evaluating applications;
- c. Making preliminary selection of applicants; and
- d. Prioritizing and recommending preliminary applicant selections to the facility director (based on priority levels defined in this Handbook and on the individual facility's staffing needs).

10. RESPONSIBILITIES OF THE PROGRAM COORDINATOR

The Program Coordinator is responsible for:

- a. Implementing EISP, NNEI, and VANEPP locally;
- b. Maintaining and providing EISP and NNEI application packages and all appropriate supporting documentation;
- c. Ensuring educational programs under consideration by employees interested in EISP meet required standards;
- d. Providing assistance and guidance to employees during the application process;

- e. Reviewing applications for submission to the selection committee;
- f. Submitting applications and supporting documentation as directed by HRRO;
- g. Processing official program agreements and forwarding them to HRRO for signature;
- h. Notifying employees who have been approved for funding after HRRO allocates funds to the requesting facility;
- i. Identifying accessible, reasonably priced education and training programs to meet local requirements;
- j. Monitoring participants' educational or training progress;
- k. Reporting participants' academic or training progress to HRRO;
- l. Submitting to HRRO within 90 calendar days of a participant's completion of the academic or training program the following information:
 - (1) Completion certificate;
 - (2) Copy of official transcript which includes the degree or certificate conferred; and
 - (3) Copy of Standard Form 50 Notification of Personnel Action which reflects the date the participant was appointed or assigned to a full-time position in the occupation code series for which the EISP funding was provided. This form is required only for those participants changing occupation series and for RNs who pursued NP or CNS education or training programs.
- m. Coordinating, as needed, with staff of Human Resources Management and Financial Management to meet program requirements.
- n. Submitting required reports and documents to HRRO including the Annual Review of Enrollee Progress Report, student completions, breach of agreement and reporting of excess funds. Non-compliance with required documents, reports and program monitoring may result in suspension of facility participation in the EISP and NNEI program. When a facility is suspended from participating in the EISP program, current participants at that affected station will not be prejudiced. They are to be managed by other officials designated by the VISN Director. No new EISP applications from the suspended station will be approved while the suspension is in effect. Removal from suspension status will be dependent on HRRO approval of the corrective action and implementation plans submitted by the facility.

11. RESPONSIBILITIES OF THE HUMAN RESOURCES MANAGEMENT OFFICER

The Human Resources Management Officer is responsible for:

- a. Maintaining a copy of the official EISP agreement in the employee's official personnel folder;
- b. Maintaining a copy of the notification from HRRO regarding the completion of degree program and commencement of the service obligation period;
- c. Providing program coordinators with relevant information related to program participants;
- d. Verifying an employee's status in the EISP as part of the employee clearance of station procedures, and collaborating with the financial management officer and the program coordinator to appropriately process any employee-participant who has outstanding obligations under the EISP;
- e. Complying with requirements of VHA Directive 1020, paragraph 5.i.(10) in cases where Regional Counsel and HR are considering entering into a negotiated settlement with an employee who is an EISP participant with provisions that will affect or alter (in any way) the EISP participant's obligations under the program and agreement; and
- f. Properly advising participants of their financial liability resulting from a voluntary personnel action, including resignation, retirement, change in occupation, change from title 38 or Hybrid 38 position to a title 5 position, and conversion to part-time status during the service obligation period. These actions constitute a breach of the participant's service obligation and EISP agreement, and financial liability will be assessed in accordance with paragraph 26.c.

12. RESPONSIBILITIES OF THE FINANCIAL MANAGEMENT OFFICER

The Financial Management Officer is responsible for:

- a. Maintaining a copy of the executed agreement in the appropriate file; and
- b. Ensuring that award payments made to facility participants do not exceed the lesser of either the funding authorized by HRRO or the amounts participants actually paid for the authorized education. Receipts and other appropriate documentation are to be used to validate the amount of funds disbursed to each participant.

13. RESPONSIBILITIES OF THE EMPLOYEE AND PARTICIPANT

The responsibilities of the employee and participant include:

- a. Completing an EISP or NNEI application together with all required supporting documentation;
- b. Submitting a complete application to the program coordinator;
- c. Reading, understanding, and signing the EISP agreement;

d. Reporting educational progress to the program coordinator. Participant will provide the program coordinator the grade report from the academic institution at the conclusion of each academic session (semester or quarter). Funds for the next academic session will not be disbursed to the participant until this grade report is received;

e. Informing the program coordinator of any change impacting the terms of the agreement. These changes include, but are not limited to, change in employment status, change in education plan or status, and name change. Changes may require approval from HRRO thus, the program coordinator should be notified in advance of the change whenever possible, but in all cases notification should occur within 10 days of the change;

f. Ensuring that EISP or NNEI program officials have access to educational or training institution official transcripts and other information and documents required to assess the participant's academic standing, status, and progress;

g. Meeting or exceeding performance requirements for current VA position;

h. Meeting requirements for service obligation, as described in paragraph 20;

i. Submitting to the program coordinator, within 90 days of completing the academic program, the final official transcript from the academic institution attended. The transcript must include the degree or certificate conferred and date thereof; and

j. Timely becoming eligible for retention, assignment, or appointment to the position for which the EISP-sponsored education or training program prepared the participant. **NOTE:** See paragraph 18.h.

14. FUNDING

a. 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 approved for an EISP award may receive funds to cover the full or partial cost of tuition and related educational expenses. Scholarship awards are prioritized to allow as many participants as possible to obtain education or training in specified health care disciplines for which recruitment or retention is difficult. HRRO will provide program consultation to VISN and facility directors, in an effort to help them assess the value and appropriateness of using EISP to address local staffing needs.

b. VISNs and facilities are to submit funding requests to HRRO identifying health care staffing needs that can be appropriately met through the use of EISP. Typically, funding requests originate at the health care facility level. However, VISNs are to submit funding requests when they plan to coordinate, as well as support the infrastructure for innovative, accessible and cost-effective education, or for training programs that are consistent with VISN strategic staffing goals and impact several facilities. Under such circumstances, each VISN must review and coordinate the submissions from the facilities under its jurisdiction. The requirements identified in the EISP funding request shall be based on current or anticipated

difficulties in filling health care positions as reflected in the facility and VISN workforce succession plan, or changes in VA standards, or policies, related to the education or training of health care staff. For example, the latter allows a participant to pursue education to obtain a degree consistent with changes in a qualification standard. However, it does not cover a training course specifically designed to help participants pass a licensure or certification exam.

c. Health care facility and VISN funding requests are submitted to HRRO by the last day of each application cycle.

d. Local and national staffing issues shall be considered in making effective EISP funding decisions. Factors affecting funding include, but are not limited to:

(1) VISN or Facility Issues

(a) VISN or facility health care staffing needs (current and anticipated) by priority and as reflected in the VISN and facility Workforce Succession Plan. The analysis of staffing needs will include the need for professionals prepared at advanced academic degree levels.

(b) Workload.

(c) Length of time it takes to fill vacant positions.

(d) Current and projected staffing levels.

(e) Employee turnover.

(f) Nature and extent of VISN or facility recruitment efforts.

(g) Academic levels and interest of eligible employees.

(2) National Issues

(a) Current and anticipated national VA occupational shortages as reflected in the VA Workforce Succession Plan.

(b) Health care industry staffing trends.

(c) VA workforce demographics.

(d) Top management direction (e.g., program and mission changes).

(e) Significant changes in standards and requirements affecting employment.

e. Scholarships are awarded based on availability of funds. Funding allocations will be approved based on the following descending priority order:

(1) EISP: Applicants enrolled in academic programs which provide the minimum education for entry level into the occupation; NNEI: RN (0610 series) enrolled in BSN programs,

(2) EISP: Applicants enrolled in clinical master's degree programs; NNEI: RN (0610 series) enrolled in master's degree in nursing programs,

(3) EISP: Applicants enrolled in clinical doctorate programs; NNEI: Registered nurses (0610 series) enrolled in nursing doctorate programs,

(4) EISP: Applicants enrolled in master's degree programs related to their occupation; NNEI: RN (0610 series) enrolled in doctorate programs related to nursing,

(5) EISP and NNEI: Applicants enrolled in or accepted to other educational or training programs deemed critical to VHA's mission. **NOTE:** *HRRO will periodically review and refine funding criteria consistent with local and VISN needs and overall VHA goals.*

15. ACADEMIC CURRICULA

Academic curricula covered under this initiative include education and training programs in a field leading to appointment, assignment, 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 must 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 an accrediting organization recognized by the Council for Higher Education Accreditation and the professional accrediting body identified in VA's qualification standards as required (without waiver) for the occupation in which the participant will be appointed, assigned, or retained.

16. PROGRAM LENGTH

A participant may not receive a scholarship for more than the equivalent of 3 years of full-time coursework. A participant's education or training program must be completed within 6 years. Full-time coursework is defined in paragraph 17.c.

17. ALLOWABLE SCHOLARSHIP EXPENSES

a. A scholarship award under the 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 of employees whose applications have been approved for Fiscal Year (FY)2010.* This provision does not authorize VA to reimburse participants for computer purchases made prior to the effective date of this Handbook.

b. EISP scholarship funds may not be used for:

- (1) Computer equipment beyond that noted in paragraph 17a;
- (2) Computer applications software which is not required text for a specific class;
- (3) 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);
- (4) Participant's travel expenses, including parking;
- (5) Training courses specifically designed to assist a participant to pass a licensure or certification exam;
- (6) Licensure exam fee;
- (7) Living expenses;
- (8) Tutoring costs;
- (9) Courses completed prior to approval of the EISP agreement; and
- (10) Expenses incurred during application for admission process.

c. In addition to the restriction on the amount of time to complete an EISP-sponsored academic program, there are limitations on the amounts of coursework and funding that may be authorized for an EISP participant. The FY 2010 maximum EISP award amount that may be authorized for the maximum amount of coursework is \$37,494.80. The maximum number of credit hours of coursework that an employee may be authorized to pursue under EISP sponsorship is 90 semester hours at the undergraduate level and 54 semester hours at the graduate level. 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. **NOTE:** *These amounts cover the cost of tuition, books and all other appropriate expenses.* Moreover, EISP payments made to participants shall be the amount of funding authorized by HRRO or the actual costs of the authorized education program to the participant; whichever is less. An EISP participant's authorized academic plan may include coursework that can be accomplished in as little as one academic session or may involve several academic sessions over a period up to a maximum of 6 school years. To the extent that an EISP award does not exceed any of the limitations on the amount of coursework and funding cited herein, there are no restrictions on the amount of education and funding that may be authorized for an EISP student in a specific academic year.

d. The maximum scholarship amount that can be paid to a part-time student may be calculated by following the two-step process described as follows:

- (1) Divide the total number of authorized credit hours of coursework in the part-time student's academic program by the number of credit hours for 3 years equivalent coursework (undergraduate or graduate) in a full-time academic program. **NOTE:** *For coursework that is*

credited in semester hours the denominator will be 90 for undergraduate study and 54 for graduate study.

(2) Multiply the maximum scholarship amount that is authorized for a full-time student (see paragraph 17.c.) by the proportion obtained in paragraph 17.d.(1).

e. 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.*

f. EISP scholarship funds are exempt from taxation.

18. ELIGIBILITY

An employee must meet specific eligibility requirements to participate in EISP. To be eligible for participation, each employee:

a. Must 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;

b. Applying for NNEI, must be a VA RN appointed to a position in occupation code series 0610 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) and who also meets all other eligibility requirements set forth in Directive 1020 and this Handbook;

c. Must have met the 1-year requirement for employment defined in paragraph 18.a., as of the date on which the employee submits an official application for an EISP award;

d. Must 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. **NOTE:** *See paragraph 20 for appointment requirements while in the service obligation period;*

e. Must 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;

f. Must agree to incur a service obligation, as specified in paragraph 20;

g. Must not be obligated under any other Federal program to perform service after completion of the course of education or training;

h. Must have a record of employment that demonstrates a high likelihood that the participant will be successful in completing the education and training, and in employment in such field. Should a participant receive less than satisfactory performance evaluations or

disciplinary/adverse action of any kind prior to beginning the service obligation period, the participant will be terminated from the program. **NOTE:** See paragraphs 26.a and 26.b to determine if the termination will result in payment liability. See also paragraph 26.g; and

i. Must complete, as soon as possible but no later than 180 days after the date on which the educational institution conferred the participant's EISP-sponsored degree or certificate, any applicable licensure or certification requirements, meet all VA qualification standards, and be eligible for appointment or assignment to a position in the 7401 occupation for which the EISP scholarship prepared the participant. This provision applies to all EISP and NNEI participants.

19. ELIGIBILITY EXCLUSION

An employee who previously participated in EISP and breached their obligation under the NNEI or EISP agreement for any reason is not eligible to apply for another award. This includes an employee who previously applied for, and received, a waiver of liability under the program.

20. SERVICE OBLIGATION

a. 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.

b. 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 NNEI participants begins on the day the RN is assigned or appointed to a permanent full-time position in the 0610 occupational code series. The service commencement date for a NNEI participant in an academic program leading to credentialing as a NP or a CNS begins on the day the RN is assigned to a full-time NP or CNS position.

c. 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, an RN 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.

d. The participant who is a full-time student must 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 greater than 3 years.

e. The obligated service for a part-time student is pro-rated. It 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.

f. A participant who is in non-pay status for more than 30 consecutive days during the participant's period of obligated service will have their 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.

g. **Service in Other Agencies.** EISP participants who are members of the National Guard, in the Military Reserve and are 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:

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

(2) 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).

(3) For purposes of the EISP and this Handbook, the term "active duty" excludes active duty for training and all periods of active duty for which the participant has volunteered; and

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

21. SERVICE COMMENCEMENT DATE

a. The service commencement date is the date on which a participant in EISP begins the participant's period of obligated service. **NOTE:** See paragraph 20.

b. The service commencement date varies depending on the type of education or training received by the EISP participant.

(1) In the case of a participant receiving a degree from a school of medicine, osteopathy, dentistry, optometry or podiatry, the participant's service commencement date is the date upon which the participant becomes licensed to practice medicine, osteopathy, dentistry, optometry or podiatry, as the case may be, in a state, territory, Commonwealth of the United States (i.e.,

Puerto Rico), or in the District of Columbia and when appointed to a full-time position in VHA in the occupation for which the EISP award prepared the participant. **NOTE:** See paragraph 20.

(2) In the case of a participant receiving a degree from a school of nursing, the participant's service commencement date is the later of the:

(a) Date the participant has met the educational institution's requirements for conferring the degree or certificate, or

(b) Date upon which the participant becomes licensed as a RN in a State, Territory, Commonwealth of the United States (i.e., Puerto Rico), or in the District of Columbia, and

(c) When appointed to a full-time position in VHA in the occupation for which the EISP award prepared the participant. **NOTE:** See paragraph 20.

(3) In the case of a participant not covered by paragraph 21.b.(1) or 21.b.(2), the participant's service commencement date is the later of the:

(a) Date the participant has met the educational institution's requirements for conferring the degree or certificate; or

(b) Date upon which the participant meets any applicable licensure or certification requirement, and

(c) When appointed to a full-time position in VHA in the occupation for which the EISP award prepared the participant. **NOTE:** See paragraph 20.

c. The Under Secretary for Health, or designee, shall notify the participant of the service commencement date within 60 days of that date.

d. 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 time frame, the Director must request support from the VISN to identify (within 90 calendar days of being contacted by the 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.

22. PROGRAM ANNOUNCEMENT

a. Opportunities for employees to compete for scholarship awards under EISP needs to be prominently displayed at each facility through an open and continuous announcement. At a minimum, this announcement needs to include the following program information:

- (1) The specific eligible occupations for which the facility will accept applications for EISP.
- (2) Identified restrictions on degree programs as appropriate. For example, graduate or doctorate level degrees may be limited according to needs of the facility;
- (3) The eligibility requirements for participation in EIS;.
- (4) The selection criteria;
- (5) The application process;
- (6) The name, routing symbol, and telephone number of the local Program Coordinator and
- (7) A statement emphasizing that the final decision on the award of a scholarship is contingent on the availability of EISP funds since the overall program funding process is centralized.

b. It is imperative that the educational opportunities, identified in the local program announcement are :

- (1) Directly related to occupations for which the facility or VISN has identified current or anticipated health care staffing needs,
- (2) Consistent with national program direction, and
- (3) Reflect the facility or VISN commitment to meet these staffing needs through the use of the EISP.

23. APPLICATION AND AMENDMENT PROCESS

a. Initial Application for EISP and NNEI Scholarship

(1) Each employee must complete an official EISP or NNEI application and submit it to the local program coordinator. Employees who are interested and eligible to participate in EISP or NNEI are encouraged to apply for specific educational and training opportunities that are announced at the local level. *NOTE: HRRO will ensure that all necessary forms, including applications, are available to program coordinators and employees.*

(2) Application packets must be submitted to HRRO by the last day of each application cycle.

(3) The application packet must include:

(a) A letter of unconditional acceptance to or enrollment in the academic program for which the scholarship award will be used. The letter must be issued from the specific professional program being attended;

(b) A document demonstrating the academic program meets the accreditation requirements noted in paragraph 15;

(c) An academic plan of study;

(d) A memorandum of support and a commitment to hire from the facility Director if the employee is requesting an EISP or NNEI award for any of the following: nonclinical advanced degree; advanced practice nursing degree to prepare a nurse to be a NP or CNS; or doctorate degree not required for entry into practice. The memorandum must identify how the degree will benefit VHA; and

(e) Additional requirements for employees who are previous award recipients who successfully completed their prior obligations under the program and those who are applying for salary replacement programs.

(4) Facility coordinators will follow the specific procedures identified by HRRO for application processing.

b. Amending Existing Approved Application or Approved EISP Agreement

(1) Amendments to the original application may be requested for revisions in program completion date (provided the requested change does not exceed the maximum length of participation discussed in paragraph 7.), funding revisions, name change, facility location change, or curriculum/plan of study revision.

(2) Requests for amendment of approved application may be submitted to HRRO April 1-30 and November 1-30.

(3) Requests for amendment must include supporting documentation as required by HRRO.

(4) 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.

(5) Approval of all amendment requests is contingent on compliance with program criteria specified in this Handbook.

24. SELECTION PROCESS

Recommended selections for EISP and NNEI participation are made at the local level. facility Directors must:

a. Ensure that employees selected to receive EISP and NNEI awards have demonstrated a high likelihood that they will be successful in completing their education and training, and in employment in such field. Employees for initial licensure/registration degree programs who are also requesting participation in the salary replacement program must have a minimum of a 2.5 cumulative grade point average (GPA) in the college pre-requisite course work. If accepted into VANEEP, these participants must maintain or exceed that GPA level throughout their course of study or training;

b. Identify appropriate, specific selection criteria consistent with these requirements, and EISP education and training priorities. At a minimum, criteria must include demonstrated acceptable performance and conduct; and

c. Ensure that selections are based on merit without regard to race, sex, color, national origin, disability, religion, age, sexual orientation and status as a parent.

25. PROGRAM AGREEMENT

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. HRRO will ensure that EISP and NNEI service agreements are available to program coordinators and employees.

26. PARTICIPANT LIABILITY

a. **Liquidated Damages.** A participant in EISP, other than a participant described under paragraph 26.d, 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.

b. **Liability During Course of Education or Training.** Except as provided in paragraph 26.d, 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:

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

(2) Is dismissed from the educational institution for disciplinary reasons;

(3) Voluntarily terminates the course of education or training in such institution before completing the education or training;

(4) Fails to meet any applicable licensure, certification and registration requirements for VA employment in the occupation for which the education was provided;

(5) Is a part-time student, who 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;

(6) Is a part-time student, who fails to maintain VHA employment in a permanent full-time or part-time position in occupation code series 0610 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. **NOTE:** *Liability under this subsection is in lieu of any service obligation arising under a participant's agreement.*

c. **Liability During Period of Obligated Service.**

(1) **EISP.** Except as provided in paragraph 26.d and 26.g, if a participant in EISP breaches the agreement by failing for any reason to complete the period of obligated service (including failure to accept an appointment to a full-time position in the occupation for which the EISP award prepared the participant) incurred under the agreement, 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.

(2) **NNEI.** Except as provided in paragraph 26.d and 26.g, if a participant in the NNEI breaches the agreement by failing for any reason to complete the period of obligated service (including failure to accept an appointment to a full-time 0610 occupation code series position) incurred under the agreement, 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 this paragraph.*

d. **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:

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

(2) 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.

e. **Period of Payment for Damages.** Any amount of damages which the United States is entitled to recover, under information provided in this paragraph, shall be paid to the United States within the 1-year period beginning on the date of the breach of the agreement.

f. **Collection of Debt.** 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.

g. **Termination from Program without Liability.** Liability does not arise in the case of a participant who meets one of the following conditions:

(1) The participant is terminated from the scholarship program as a result of receiving less than satisfactory performance evaluations or sustained disciplinary/adverse action of any kind prior to beginning their service obligation period and the participant's actions do not trigger any of the liability terms of paragraph 26.a or 26.b.

(2) The participant is a full-time student who fails to maintain VA employment while enrolled in the course of education or training that the participant is pursuing. To meet this condition, 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 VA employment. This documentation must be provided within 10 calendar days of the last day of VA employment.

27. WAIVER AND SUSPENSION PROVISIONS

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

b. A participant may seek a waiver or suspension of the service or payment obligation incurred under this program or agreement by written request to the Under Secretary for Health setting forth the basis, circumstances, and causes which support the requested action. Requests for waiver of 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 their EISP obligation and/or agreement. A participant must comply with requests for additional information from the Under Secretary for Health, or designee, in a timely manner. The Under Secretary for Health, or designee, may approve an initial request for a suspension for a period of up to 1 year. ***NOTE: A renewal of this suspension may be granted.***

c. 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 the VA's best interest.

d. 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 guidelines are applied to waivers requested for physical or mental disability:

(1) Requests for waiver due to disability retirements will include submission of VA Standard Form 50 Notification of Personnel Action that documents 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;

(2) Should an employee submit medical evidence in support of a request for waiver that calls into question the employee's ability to perform regular duties of the employee's current position, such evidence will be provided to the medical center Director for consideration in determining the employee's ability to safely perform the duties of the current position;

(3) Waiver requests related to time-limited medical treatment or temporary disability will not meet the requirement of permanence cited above in paragraph 25.d. Examples of such treatment or 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 and arise after the date on which the employee breached the EISP agreement; and ongoing medical conditions that do not render the participant incapable of performing the duties of the participant's current position. A participant's temporary inability to comply with program requirements for these and similar reasons should be addressed through amendment procedures noted in paragraph 23.b. *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.*

e. Requests for waiver of payment and or service obligations for reasons other than noted in paragraph 27.d will be considered based on the totality of documented impact on the participant's ability to comply with the services or other activities of the obligation.

(1) Only the Under Secretary for Health of VHA has authority to grant waivers for participants incurring triple damages liability under paragraph 26.c.

(2) Only the Director, HRRO has authority to grant waivers for participants incurring liability in the amount of liquidated damages or amount provided under the program to the participant, in accordance with paragraph 26.a. or 26.b.

(3) Decisions to approve and disapprove waiver requests are final and binding determinations. They are not subject to reconsideration or appeal.

(4) No other individual than those identified above has authority to grant waivers of liability under the EISP.

(5) Approval of a participant's 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 the requirements in VHA Directive 1020, paragraph 5.i.(10) are met.

f. An obligation of a participant for payment of damages may not be released by a discharge in bankruptcy under Title 11 USC before the expiration of the 5-year period beginning on the first date the payment of such damages is due. In the event a participant presents evidence of bankruptcy, the fiscal officer should consult with Regional Counsel to determine the appropriate course of action and file participant's debt with the appropriate bankruptcy court.

g. Participants who have breached the agreement during the period of obligated service by leaving VA employment may request suspension of their payment obligation, if the participant seeks appointment to a VHA position that meets the requirements of paragraph 26.c.(1) or (2) within 1 year of the date the participant breached his or her service obligation under the EISP agreement; the facility Director determines 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.

h. Waivers or suspensions of payment obligations, when not related to paragraph 27.d and when considered in the best interest of VA, are determined, on an individual basis, by the Under Secretary for Health.

28. REPLACEMENT ASSISTANCE

a. 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 a 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 EISP.

b. Centralized replacement salary support is limited and is only authorized in unusual circumstances. 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:

(1) The participant selected to pursue education or training must be in a position that supports a critical VA mission;

(2) The participant must agree to pursue education or training on a full-time basis and complete all program requirements within 3 academic years;

(3) The participant enrolled in initial degree programs (excluding vocational education programs) must meet and maintain the minimum grade point average established by HRRO, as discussed in paragraph 24.a;

(4) The facility may be required to pay at least 50 percent of the cost of the base salary of the employee for which a replacement is required;

(5) There must be a documented critical need that includes evidence of a current or anticipated shortage in the occupation for which the replacement salary is requested. Documentation for a current shortage needs to include information such as the:

(a) Staffing levels and turnover rates;

(b) Length of time to fill the particular position or the length of time that the position has been vacant;

(c) Nature and extent of efforts to recruit candidates for the position including the use of paid advertising, attendance at recruitment forums and job fairs, and any assistance requested from and provided by the VA Placement Service, and

(d) Use of special salary rates.

29. REPORTING REQUIREMENTS

a. 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.

b. Each participating facility must submit the Annual Enrollee Progress Review report as required by HRRO.

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

30. 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. Title 38, United States Code, 512, Sections 7401-7407, Section 7421, Sections 7601-7604, Sections 7632-7636 and Sections 7671-7675.

- d. VA Directive 4800, Debt Management
- e. VA Handbook 4800 Series
- f. VHA Directive 1020, Employee Incentive Scholarship Program (EISP)