

Department of Veterans Affairs  
**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) AGREEMENT**

Initiatives covered under EISP include:

**National Nursing Education Initiative (NNEI) and VA National Education for Employees Program (VANEETP)**

This Agreement is executed in support of participation in the following scholarship program:  EISP  NNEI  VANEETP

**SECTION A** - The Department of Veterans Affairs (VA) Employee Incentive Scholarship Program (EISP) was established by Title VIII of Public Law 105-368 (the "Department of Veterans Affairs Health Care Personnel Incentive Act of 1998") and codified at sections 7671-7675 of Title 38, United States Code. The National Nursing Education Initiative (NNEI) and VA National Education for Employees Program (VANEETP) are specific initiatives derived from this authority.

**SECTION B** - Obligation of the Under Secretary for Health. Subject to availability of funds appropriated by the Congress of the United States for the Employee Incentive Scholarship Program, the Under Secretary for Health agrees to :

1. Provide the undersigned employee with an EISP award consisting of the payment of tuition and reasonable educational expenses as authorized by 38 U.S. C. 7671-7675.
2. Ensure that each employee selected to participate in EISP is an eligible Veterans Health Administration (VHA) employee who, as of the date on which the employee submits an application for participation in EISP, has been continuously employed in a full-time or part-time permanent position by the VHA for not less than one year immediately preceding submission of the application.
3. Appoint the employee, in accordance with VHA Directive 1020, Employee Incentive Scholarship Program, to a position providing health services. This will be accomplished as soon as possible after the employee completes the EISP sponsored education or training and meets all the applicable qualification requirements for appointment to the position.

**SECTION C** - Obligation of the Employee. In consideration of payments under EISP, the employee agrees to :

1. Accept the EISP award provided by the Under Secretary for Health under Section B1 of this agreement.
2. Pursue education or training in a field leading to appointment or retention in a Title 38 or Hybrid-Title 38 position listed in 38 U.S.C., Section 7401 in a health care discipline for which recruitment or retention of qualified personnel is difficult. This education or training must be approved by the Under Secretary for Health for participation in EISP.
3. Maintain full-time or part-time enrollment until completion of the course of study for which the scholarship award is provided.
4. Maintain an acceptable level of academic standing as determined by the educational institution, while enrolled in the course of study for which the scholarship award is provided.
5. Maintain an acceptable level of work performance and conduct prior to beginning their service obligation period.
6. Maintain VA employment while enrolled in the course of education or training for which the scholarship is provided.

7. Notify the Program Coordinator in writing, of any of the following changes within 10 days: change in name, address, telephone number, plan of study, academic standing, academic enrollment status, employment status, or facility transfers, or employment status.

8. Complete all coursework within a maximum of three years after enrollment for full-time students and a maximum of six years after enrollment for part-time students.

9. Ensure that EISP program officials have access to educational or training institution official transcripts and other information and documents required to assess the academic standing, status, and progress of the scholarship recipient.

10. Serve a period of obligated service. All full-time and part-time employees who enroll in EISP must serve a period of obligated service as full-time employees in the Veterans Health Administration (VHA). A full-time student will incur a service obligation of three years, regardless of the amount of education received under EISP. 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 in the approved course of academic training. However, in no event will the requirement for obligated service under EISP be less than one year or greater than three years.

11. Serve the period of obligated service by providing health services in full-time clinical practice of the profession for which trained or in another health-care position in an assignment and location in VHA as determined by the Under Secretary of Health. The beginning date for the period of obligated service varies depending on the type of education or training received by the EISP participant. This is further explained in VHA Directive 1426.01, Employee Incentive Scholarship Program.

**SECTION D** - Breach of EISP/NNEI Award. If a participant:

1. Fails to accept payment or instructs the educational institution to which the scholarship payments are to be made not to accept payments under this agreement, the participant (other than a participant under paragraph 2 of this section) shall, in addition to the service or other obligations incurred under this agreement, pay to the United States the sum of \$1,500 as liquidated damages. Payment of this amount must be made within one year of the date on which the participant fails to accept payment of the EISP award or instructs the school not to accept payment.

2. Fails to maintain an acceptable level of academic standing in the course of study for which the award is provided; is dismissed from the educational institution for disciplinary reasons; voluntarily terminates the course of study or program for which the award was granted; fails to become licensed in the occupation for which the education and training was provided, or fails to meet any applicable licensure

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requirement in the case of any other health-care personnel who provide either direct patient-care services incident to direct patient-care services, during a period of time determined under regulations prescribed by the Secretary; or, fails to maintain employment, while enrolled as a student in the course of training being pursued under EISP as a VHA employee the participant shall, instead of performing the service obligation incurred under this agreement, repay to the United States all funds paid to the participant under this agreement. Payment of this amount must be made within one year from the date academic training terminates.

3. Fails to maintain an acceptable level of work performance or conduct prior to beginning their service obligation period. The participant is terminated from the scholarship program without liability and the participant's actions do not trigger any of the liability terms noted in Section D.

4. Fails to maintain VA employment while enrolled as a full-time or part-time student in the course of education or training for which the scholarship award is provided.

5. Breaches the agreement by failing for any reason to complete such participant's period of obligated service, the United States shall be entitled to recover from the participant an amount of triple damages determined in accordance with the following formula:

**$A=3\Phi ((t-s)/t)$  in which**

"A" is the amount the United States is entitled to recover;  
"Φ" is the sum of:

- (a.) The amounts paid under this subchapter, to or on behalf of the participant; and
- (b.) The interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the treasurer of the United States.

"t" is the total number of months in the participant's period of obligated service, including any additional period of obligated service in accordance with 38 U.S.C., Section 7673 (c)(2).

"s" is the number of months of such period served by the participant in accordance with 38 U.S.C., Section 7673.

The amount the United States is entitled to recover shall be paid within one year of the date the Under Secretary for Health determines that the participant has failed to begin or complete the period of obligated service. The amount the United States is entitled to recover may be offset against any salary, wages, accrued leave or retirement annuity which the participant is owed at the time the participant was terminated or failed to complete the required obligated service.

**SECTION E - Cancellation, Suspension, and Waiver of Obligation**

1. Any service or payment obligation incurred under this agreement will be cancelled upon the death of the participant
2. The Under Secretary for Health may waive or suspend the participant's service or payment obligation incurred under this agreement if:

- a. Compliance by the participant with the terms and conditions of the agreement is impossible due to circumstance beyond the control of the participant, or
- b. In cases not related to paragraph 2.a., when considered in the best interest of the Department of Veterans Affairs. Such decisions will be made by the Under Secretary for Health on an individual basis.

**SECTION F - Consent To Release Information.**

The undersigned employee authorizes the educational institution to release to VA information regarding their student account and education during application for EISP, while participating in the program, and should any liability arise from program participation and become recoverable by the United States. The employee understands this authorization is voluntary and may be revoked at any time. However, the employee understands that if this authorization is voluntarily withdrawn after the award of the scholarship, the employee will be in breach of agreement and liable for damages in accordance with the provisions of 38 U.S.C., Section 7675.

**SECTION G - General Provisions.**

The Under Secretary for Health or authorized representative must accept this agreement before it becomes effective. The regulations issued by the Under Secretary for Health to implement EISP are incorporated into and made a part of this agreement. I have read and understand the above agreement.

**I have read and understand the above agreement. I agree to comply with the published statutes, regulations, and policies governing the Employee Incentive Scholarship Program and to be subject to any changes in program policy.**

The period of obligated service for this agreement is:

\_\_\_\_\_ Years      \_\_\_\_\_ Months      \_\_\_\_\_ Days  
for service in the occupation of:

\_\_\_\_\_  
Service Obligation Occupation

\_\_\_\_\_  
Applicant Name (Printed or typed)

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Under Secretary for Health, Veterans Health Administration or authorized representative

\_\_\_\_\_  
Date