

**DEPARTMENT OF EDUCATION**  
**OFFICE OF THE SECRETARY**

Statutory Authority: 14 Delaware Code, Sections 122(b)(8), 181(15), 183, 3402(c), and 3439(b) (14  
**Del.C.** §§122(b)(8), 181(15), 183, 3402(c), & 3439(b))

**FINAL**

**ORDER**

**1218 Mental Health Services Student Loan Repayment Program**

**I. SUMMARY OF THE EVIDENCE AND INFORMATION SUBMITTED**

Pursuant to 14 **Del.C.** §§ 122(b)(8), 181(15), 183, 3402(c), and 3439(b), the Delaware Department of Education ("Department"), through the Delaware Higher Education Office ("DHEO"), proposes the adoption of 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program. The Mental Health Services Student Loan Repayment Program is a student financial assistance for higher education program that is administered by DHEO. The proposed regulation provides the eligibility criteria, application requirements, and award process for the program. The proposed regulation is consistent with House Bill 480 of the 151st General Assembly, which was signed into law on August 25, 2022. In addition, the proposed definition of Qualified Educational Loan in Section 2.0 and the substantiation requirement in subsection 4.2.3 are consistent with 26 C.F.R. § 1.127-2, the Internal Revenue Service's regulation concerning qualified educational assistance programs.

Notice of the proposed regulation was published in the *Register of Regulations* on July 1, 2023. The Department did not receive any written submittals concerning the proposed regulation.

**II. FINDINGS OF FACTS**

The Department finds that the proposed regulation is necessary to implement 14 **Del.C.** Ch. 34 and the Mental Health Services Student Loan Repayment Program, which is a student financial assistance program that DHEO administers. In addition, the Department finds that House Bill 480 of the 151st General Assembly amended 14 **Del.C.** Ch. 34 and that the proposed regulation is consistent with the statute that went into effect on August 25, 2022. The Department further finds that the proposed definition of Qualified Educational Loan in Section 2.0 and the substantiation requirement in subsection 4.2.3 are consistent with the applicable federal law.

**III. DECISION TO ADOPT THE REGULATION**

For the foregoing reasons, the Department concludes that it is appropriate to adopt 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program subject to the State Board of Education's approval. On August 10, 2023, the State Board of Education approved the adoption of 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program. Therefore, pursuant to 14 **Del.C.** §§ 122(b)(8), 181(15), 183, 3402(c), and 3439(b), 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program, attached hereto as Exhibit A, is hereby adopted.

**IV. TEXT AND CITATION**

The text of 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program adopted hereby shall be in the form attached hereto as Exhibit A and said regulation shall be cited as 14 **DE Admin. Code** 1218 Mental Health Services Student Loan Repayment Program in the *Administrative Code of Regulations* for the Department.

**V. EFFECTIVE DATE OF ORDER**

The effective date of this Order shall be ten days from the date this Order is published in the *Register of Regulations*.

**IT IS SO ORDERED** the 10th day of August, 2023.

**Department of Education**

Mark A. Holodick, Ed.D., Secretary of Education

Approved this 10th day of August, 2023.

**State Board of Education**

/s/ Shawn Brittingham, President

/s/ Rev. Provey Powell, Jr.

/s/ Deborah Stevens, Vice President

/s/ Wali W. Rushdan, II

**\*Please note: Electronic signatures ("/s/") were accepted pursuant to 6 Del.C. §12A-107(d).**

## **1218 Mental Health Services Student Loan Repayment Program**

### **1.0 Purpose**

The purpose of this regulation is to provide the eligibility criteria, application requirements, and award process for the Mental Health Services Student Loan Repayment Program pursuant to 14 Del.C. §3439(b).

### **2.0 Definitions**

The following words and terms, when used in this regulation, shall have the following meaning:

"Award" means the Delaware Higher Education Office's decision to make a loan payment on an applicant's behalf.

"Delaware Higher Education Office" or "DHEO" means the Department of Education's office which administers specific programs related to higher education, including student financial assistance programs.

"Qualified Educational Loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational expenses related to an applicant's undergraduate or graduate degree program. Reasonable educational expenses do not include tools or supplies (other than textbooks) that are retained by the recipient after the course of instruction; meals, lodging, or transportation; or education involving sports, games, or hobbies unless such education is required as part of a degree program.

### **3.0 Eligibility**

3.1 In order to be eligible for an Award under the Mental Health Services Student Loan Repayment Program, an applicant shall meet the requirements of subsections 3.1.1 and 3.1.2.

3.1.1 The applicant shall be employed full-time as a school counselor, school psychologist, or school social worker in a Delaware public school for a minimum of 1 school year.

3.1.2 The applicant shall have secured a Qualified Educational Loan prior to submitting the application.

### **4.0 Application Requirements**

4.1 The application acceptance and submission period for the Mental Health Services Student Loan Repayment Program shall be posted on the DHEO's website by December 1 of each calendar year.

4.1.1 Applications shall not be accepted outside of the posted application acceptance period under any circumstances.

4.1.2 Incomplete applications shall not be accepted or processed.

4.2 In order for an application to be considered complete, the applicant shall complete all of the requirements in subsections 4.2.1 through 4.2.3.

4.2.1 The applicant shall certify to DHEO that the applicant meets all of the eligibility requirements in Section 3.0.

4.2.2 The applicant shall provide the applicant's current employment information, lender, and loan amount to DHEO.

4.2.3 The applicant shall provide substantiation to DHEO that the Award will be used for a Qualified Educational Loan as defined in Section 2.0.

### **5.0 Awards**

5.1 The ability to make Awards each year is contingent upon the availability of funds.

5.2 If possible, DHEO shall make an Award to every applicant who satisfies the requirements of this regulation, consistent with Section 6.0 of this regulation. Awards will be determined based on the pool of eligible applicants in the given year.

5.2.1 If there are insufficient funds to make a loan payment on behalf of every applicant who satisfies the requirements of this regulation, DHEO shall give priority to applicants who have the greatest financial need as determined by DHEO.

5.2.2 To determine an applicant's financial need, DHEO shall request the applicant provide the applicant's income and total amount of Qualified Educational Loans.

5.3 DHEO shall have the sole discretion to prioritize applications and determine Awards consistent with the requirements of the Program as noted in this regulation.

- 5.4 DHEO shall make a loan payment directly to the applicant's lending agency, on behalf of the applicant, to retire a portion of the applicant's Qualified Educational Loan.
- 5.5 An Award is not renewable.
- 5.6 To be considered for a second and third Award, an applicant shall submit a new, completed application and meet all of the requirements in Section 3.0 of this regulation each year.
- 5.7 An applicant may receive only 1 Award per year and may not receive more than 3 Awards in the applicant's lifetime.

**6.0 Award Payment**

- 6.1 An Award shall not exceed \$5,000 per year.
- 6.2 If an applicant knowingly submits false information or commits fraud in connection with the application process, DHEO may reevaluate the applicant's eligibility for a loan payment and may withdraw its decision to make a loan payment on the applicant's behalf.

**27 DE Reg. 168 (09/01/23) (Final)**