

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 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. This handbook includes changes required by Public Law 107-135, the Department of Veterans Health Care Programs Enhancement Act of 2001.
- 3. RELATED DOCUMENTS:** VHA Directive 1020, and VHA Handbook 1020.2.
- 4. RESPONSIBLE OFFICE:** The Health Care Staff Development and Retention Office (HCSDRO/10A2D) is responsible for the contents of this Handbook. Inquiries should be directed to (504) 589-5267.
- 5. RESCISSIONS:** VHA Handbook 1020.1, dated March 24, 2000, is rescinded.
- 6. RECERTIFICATION:** This document is scheduled for recertification on or before the last working day of May 2007.

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Under Secretary for Health

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EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) PROCEDURES

1. PURPOSE

The Employee Incentive Scholarship Program (EISP) helps the Veterans Health Administration (VHA) meet its needs for qualified health care staff in occupations for which recruitment or retention is difficult. This Handbook provides specific direction and guidance for administration of EISP at VHA field facilities.

2. AUTHORITY

The Department of Veterans Affairs (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 sections 7671-7675 of Title 38, United States Code (U.S.C.), and amended by Public Law 107-135, Department of Veterans Affairs Health Care Programs Act of 2001. Under this authority, VA may award scholarships to employees pursuing degrees or training in health care disciplines for which recruitment and retention of qualified personnel is difficult, and also to pay their reasonable expenses, such as registration, fees, books, materials and supplies. 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.

3. BACKGROUND

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--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.

4. RESPONSIBILITY

a. **Health Care Staff Development and Retention Office (HCS德罗) Responsibility.** The Director, HCS德罗, is responsible for national implementation and management of EISP. This includes:

- (1) Publishing and maintaining directives, handbooks, and supporting documentation.
- (2) Allocating funds to facilities and Veterans Integrated Service Networks (VISNs).
- (3) Executing official EISP contracts for participants.
- (4) Monitoring facility and VISN compliance with applicable directives.

(5) Evaluating program progress and effectiveness to be used in the preparation of annual reports for the Under Secretary for Health.

(6) Providing program guidance to local facilities and VISNs.

(7) Exploring the potential for enhancing the flexibility to provide innovative educational assistance to VA's health professionals.

b. **Facility Responsibility**

(1) **Facility Director.** The facility Director is responsible for local-level EISP implementation and management consistent with VA and VHA directives, and for ensuring that local policies and procedures related to this Handbook are developed and implemented with predecisional involvement of Labor-Management Partnerships. More specific facility Director responsibility includes:

(a) Establishing a Selection Committee and identifying a Program Coordinator.

(b) Publishing an open continuous announcement about educational assistance opportunities under EISP.

(c) Reviewing and approving Selection Committee applicant recommendations.

(d) Approving Facility Funding Requests and forwarding them to HCSDRO.

(e) Notifying candidates who have been approved for funding after HCSDRO allocates funds to the requesting facility.

(f) Identifying accessible, reasonably priced education and training programs (e.g., distance learning) to meet local requirements.

(g) Invoking authority as deemed appropriate under 38 U.S.C. 7405 to authorize replacement salary in limited cases where an employee 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.

(2) **Selection Committee.** The Selection Committee has responsibility for:

(a) Defining and publishing local selection criteria.

(b) Reviewing and evaluating applications.

(c) Making preliminary selections of applicants.

(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).

- (e) Preparing Facility Funding Requests for approval by the facility Director.
- (3) **Program Coordinator.** The Program Coordinator is responsible for:
 - (a) Implementing EISP locally.
 - (b) Maintaining and providing EISP application packages.
 - (c) Ensuring educational programs under consideration by applicants meet required standards.
 - (d) Providing assistance and guidance to employees during the application process.
 - (e) Reviewing applications for submission to the Selection Committee.
 - (f) Compiling relevant funding information from applicants for the Selection Committee to prepare the Facility Funding Request.
 - (g) Processing official program contracts and forwarding them to HCS DRO for signature.
 - (h) Monitoring student progress.
 - (i) Reporting student progress to HCS DRO.
 - (j) Coordinating with other appropriate services such as Human Resources Management and Financial Management.
- (4) **Applicant or Participant.** The responsibility of the applicant or participant includes:
 - (a) Completing an EISP application.
 - (b) Submitting the completed application to the Program Coordinator.
 - (c) Signing a contract if recommended for a scholarship award.
 - (d) Reporting educational progress to the Program Coordinator.
 - (e) Informing the Program Coordinator of any change in educational status impacting the terms of the contract.
 - (f) Ensuring 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.
 - (g) Satisfying all contract requirements (i.e., service obligation, liability, etc.).

(5) **Human Resources Management Service.** Human Resources Management Service must maintain a copy of the executed contract in the employee's official personnel folder.

(6) **Financial Management Service.** Financial Management Service must maintain a copy of the executed contract in the appropriate file and must ensure that award payments made to facility participants do not exceed the lesser of either the funding authorized by HCSDRO 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.

5. FUNDING

a. Funding for the EISP initiative is centralized. HCSDRO 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. An employee 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 employees as possible to obtain education or training in specified health care disciplines for which recruitment or retention is difficult. HCSDRO provides real-time staffing data and related information, as well as 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 HCSDRO 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 must be based on current or anticipated difficulties in filling health care positions, or changes in VA standards, or policies, related to the education or training of health care staff. For example, the latter allows an employee 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 employees pass a licensure or certification exam.

c. Health care facility and VISN funding requests must be submitted to HCSDRO annually, by April 30th via e-mail. **NOTE:** *Appendix C contains instructions for completing VA Form 10-0003K-1, EISP Funding Request.* Requests outside of the annual cycle are reviewed on a case-by-case basis contingent on the availability of funds.

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

(1) VISN and/or Facility Issues

(a) VISN and/or facility health care staffing needs (current and anticipated) by priority.

(b) Workload.

- (c) Length of time it takes to fill vacant positions.
- (d) Current and projected staffing levels.
- (e) Turnover.
- (f) Nature and extent of VISN and/or facility recruitment efforts.
- (g) Academic levels and interest of eligible employees.

(2) **National Issues**

- (a) Current and anticipated national VA occupational shortages.
- (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.

NOTE: HCSDRO will periodically review and refine funding criteria consistent with local and VISN needs and overall VHA goals.

6. PROGRAM ACCOUNTABILITY

EISP requires significant accountability on the part of each student and the organization, which is as follows:

a. **Student.** Student accountability includes:

- (1) Submitting an application in a timely manner,
- (2) Signing a program contract,
- (3) Maintaining an acceptable level of academic standing as determined by the educational institution in which the employee is enrolled, and
- (4) Completing a specified period of obligated service in VHA (see App. A).

b. **Facilities and VISNs.** Facilities and VISNs are accountable for the following:

- (1) Establishing a Selection Committee,
- (2) Identifying a Program Coordinator,

- (3) Publishing an open continuous announcement,
- (4) Implementing a selection process,
- (5) Processing official program contracts and forwarding them to HCSDRO for signature.
- (6) Providing guidance and support to students, and
- (7) Monitoring progress of EISP participants (see App. A).

c. **HCSDRO**. HCSDRO is responsible for:

- (1) Funding as many students as possible within available EISP resources,
- (2) Providing technical guidance to staff in VISN offices and field facilities,
- (3) Executing official program contracts, and
- (4) Monitoring employee participation in EISP.

7. ACADEMIC CURRICULA

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., Section 7401. Education and training provided under EISP must meet applicable requirements specified in the VA qualification standards that cover the occupation in which the scholarship recipient will be appointed or retained.

8. PROGRAM LENGTH

The maximum number of school years for which a scholarship may be paid to a participant of EISP is 6 school years. A participant may not receive a scholarship for more than the equivalent of 3 years of full-time coursework. Full-time coursework is defined in paragraph 9b.

9. ALLOWABLE SCHOLARSHIP EXPENSES

a. A scholarship award under the EISP covers the cost of tuition and related educational expenses (e.g., registration, fees, books, materials and supplies).

b. 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). 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 maximum amount of education that an employee may be authorized to pursue under EISP is the equivalent of 3 years of full-time coursework. The maximum EISP award amount that may be authorized for the maximum amount of coursework is \$31,080. 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 \$345.33 at the undergraduate level and \$575.56 at the graduate level. **NOTE:** *These amounts cover the cost of tuition, books and all other appropriate expenses.* Moreover, EISP payments made to participants may not exceed the lesser of either the funding authorized by HCSDRO or the amounts participants actually paid for their authorized education. 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 years. To the extent that an EISP award does not exceed any of the limitations on the amounts of coursework and funding cited in the preceding, there are no restrictions on the amounts of education and funding that may be authorized for an EISP student in a specific academic year. The maximum scholarship amount will be adjusted in direct proportion to the periodic general Federal pay increases beginning in calendar year 2002.

c. 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 subpar. 9b) by the proportion obtained in subparagraph 9c(1).

d. 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.*

10. 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 with the Department for not less than 1 year..
- b. Must have met the 1-year requirement for employment as of the date on which the employee submits an official application for an EISP award;
- c. 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;
- d. Must agree to incur a contractual service obligation as specified in paragraph 12;
- e. Must not be obligated under any other Federal program to perform service after completion of the course of education or training; and

f. Must 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.

11. ELIGIBILITY EXCLUSION

An employee is not eligible to apply to participate in EISP if the employee is obligated under any other Federal program to perform service after completion of the course of education or training.

12. 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. The amount of obligated service depends 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 covered under EISP.

b. 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 less than 3 years. Service obligation examples for a full-time student include:

(1) A full-time student who completes a portion of an academic year (e.g., 1 semester) incurs a service obligation of 3 years.

(2) A full-time student who completes 1 academic year of education or training incurs a service obligation of 3 years.

(3) A full-time student who completes 2 academic years of education or training incurs a service obligation of 3 years.

(4) A full-time student who completes 3 academic years of education or training incurs a service obligation of 3 years.

c. 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. For example:

(1) **Part-time Student. One-Quarter Time**

(a) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 1 year.

(c) A student whose academic curriculum amounts to one-quarter of a full-time student's workload and completes the requirements for a degree over the course of 6 academic years incurs a service obligation of 1 and 1/2 years.

(2) **Part-time Student. One-Half Time**

(a) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 1 and 1/2 years.

(c) A student whose academic curriculum amounts to one-half of a full-time student's workload and completes the requirements for a degree over the course of 6 academic years incurs a service obligation of 3 years.

(3) **Part-time Student. Three-Quarters' Time**

(a) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree within 1 academic year incurs a service obligation of 1 year.

(b) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree over the course of 3 academic years incurs a service obligation of 2 and 1/4 years.

(c) A student whose academic curriculum amounts to three-quarters of a full-time student's workload and completes the requirements for a degree over the course of 4 academic years incurs a service obligation of 3 years.

d. Time spent in a non-pay status that occurs during a period of obligated service under the EISP does not count toward the completion of a participant's service obligation. The period of obligated service will be extended by paid service that offsets the non-pay time. The Under Secretary for Health, or designee, may waive this requirement if the time in non-pay status amounts to less than 8 hours, and such action is considered in VA's best interest.

NOTE: *A full-time student in the program may not receive an award for more than 3 years of full-time education. With approval of the Under Secretary for Health, or designee, a part-time student in EISP may receive a scholarship award for up to a maximum of 6 years. The total part-time education must not exceed the equivalent of 3 years of full-time education.*

13. 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.

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.

(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) Participant's course completion date, or

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

(3) In the case of a participant not covered by subparagraph 13b(1) or 13b(2), the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

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

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

d. As soon as possible after a participant's service commencement date, the Under Secretary for Health, or designee, in the case of a participant who is:

(1) Not a full-time employee in VHA, must appoint the participant as such an employee.

(2) An employee in VHA, but is not serving in a position for which the participant's course of education or training prepared the participant, must assign the participant to such a position.

14. PROGRAM ANNOUNCEMENT

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

- (1) The specific type of educational opportunities that are offered by the facility;
- (2) The eligibility requirements for participation in EISP;
- (3) The selection criteria;
- (4) The application process;
- (5) The name, routing symbol, and telephone number of the local Program Coordinator; and
- (6) 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:

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

15. APPLICATION PROCESS

Employees who are interested and eligible to participate in EISP are encouraged to apply for specific educational and training opportunities that are announced at the local level. Each candidate must complete an official EISP application and submit it to the local Program Coordinator. **NOTE:** *Appendix B contains instructions and an imbedded copy of VA Form 10-0003K, EISP Application for Employees Enrolled in or Formally Accepted to an Education or Training Program. This form can also be found on the VHA Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>*

16. SELECTION PROCESS

Selections for participation in EISP are made at the local level. Facility Directors must:

- a. Ensure that candidates selected to receive EISP awards have demonstrated a high likelihood that they will be successful in completing their education and training, and in employment in such field.
- b. Identify appropriate, specific selection criteria consistent with these requirements, and EISP education and training priorities.
- c. Ensure that selections are based on merit without regard to race, creed, color, national origin, sex, age, or disability.

17. PROGRAM CONTRACT

A decision to award a scholarship under EISP cannot be finalized until an official contract is first signed by the employee and then accepted and signed by the Under Secretary for Health, or designee. **NOTE:** *Appendix E contains an imbedded copy of VA Form 10-0003K-2, EISP Scholarship Program. Contract. This form can also be found on the VHA Forms Intranet at <http://vawww.va.gov/forms/medical/searchlist.asp>.*

18. PARTICIPANT LIABILITY

a. **Liquidated Damages.** A participant in EISP, other than a participant described under subparagraph 18b, 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 agreement 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 agreement.

b. **Liability During Course of Education or Training.** Except as provided in subparagraph 18d, 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 agreement, 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/or registration requirements for VA employment in the occupation for which the education was provided.
- (5) As a part-time student, fails to maintain employment while enrolled in the course of education or training being pursued by the participant as a VA employee.

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.** Except as provided in subparagraph 18d, if a participant in EISP breaches the agreement by failing for any reason to complete the period of obligated service 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.

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 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, must be paid to the United States within the 1-year period beginning on the date of the breach of the agreement.

19. WAIVER PROVISIONS

- a. Any service or payment obligation incurred by a participant under this contract 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 by written request to the Under Secretary for Health setting forth the basis, circumstances, and causes which support the requested action. The Under Secretary for Health 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 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.
- e. Waivers or suspensions of payment obligations, when not related to subparagraph 18d and when considered in the best interest of VA, are determined, on an individual basis, by the Under Secretary for Health.
- f. Time spent in a non-pay status that occurs during a period of obligated service under EISP does not count toward the completion of a participant's service obligation. The period of obligated service will be extended by paid service that offsets the non-pay time. The Under Secretary for Health, or designee, may waive this requirement if the time in non-pay status amounts to less than 8 hours and such action is considered in the best interest of VA.

NOTE: Reference MP-4, Part 1, Chapter 8, Paragraph 8A.18, for the jurisdiction of the Committee on Waivers and Compromises in the settlement of breached training contracts and procedures to request a waiver of overpayment.

20. REPLACEMENT ASSISTANCE

a. When an employee 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 an employee 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 an employee 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. In no case will an individual facility receive replacement salary support in excess of \$50,000 in any one 12-month period. **NOTE:** *This does not preclude local facilities from totally funding the cost of replacement salary.* Decisions to authorize centralized replacement salary support is 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 employee selected to pursue education or training must be in a position that supports a critical VA mission.

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

(3) The facility must agree to pay at least 50 percent of the cost of the base salary of the employee for which a replacement is required.

(4) 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.

(b) Documentation for a current shortage needs to include information such as the:

1. Staffing levels and turnover rates;
2. Length of time to fill the particular position or the length of time that the position has been vacant;
3. 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
4. Use of special salary rates.

(c) An anticipated shortage is to be documented through a future needs assessment process. This process evaluates a variety of factors such as: projected losses in an occupation based on

retirement eligibility, planned shifts in workload for specific occupations, and employment trends at the national and local levels.

(d) To assist in documenting shortages, HCSDRO maintains a database that includes up-to-date health care staffing levels and turnover rates at the local, VISN, and national level.

21. REPORTING REQUIREMENTS

a. HCSDRO 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. **NOTE:** Refer to Appendix F. Additionally, HCSDRO must prepare an annual report on VA's Educational Assistance Programs as required by 38 U.S.C. 7632.

b. Field facilities will provide initial enrollment and semi-annual update reports as required. These reports are to be filed electronically over the Intranet. **NOTE:** Appendix G contains an imbedded copy of VA Form 10-0003K-3, Facility Semi-Annual Enrollee Progress Review Worksheet. This form is also on the VHA Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>.

22. DEFINITIONS

a. **Academic Year.** 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.** The cumulative grade point average that 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.** A signed, legally binding contract between VA and an employee who participates in EISP. It specifies the obligations of the Department and the employee.

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

e. **Eligible Employee.** An employee must meet specific eligibility requirements to participate in EISP. To be eligible for participation, an employee must:

(1) Have been continuously employed with VA for not less than 1 year.

(2) Meet the 1-year requirement for continuous employment with VA as of the date on which the employee submits an application for the EISP.

(3) Be enrolled, or accepted for enrollment, as a full-time or part-time student in a specified field of education or training.

(4) Agree to incur a contractual obligation for service as specified in paragraph 12.

(5) Not be obligated under any other Federal program to perform service after completion of the course of education or training; and

(6) 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.

f. **Full-time Enrollment.** An employee is considered full-time:

(1) In the case of undergraduate work, if they are taking 30 semester hours per undergraduate school year.

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

g. **Interest.** The calculation for the amount of funds that the United States is entitled to recover from an EISP participant who fails to complete the period of obligated service includes interest. The rate of interest in these circumstances is equivalent to the rate on loans bearing interest at the maximum prevailing rate, as determined by the Treasurer of the United States, at the time the funds are paid by the participant who breaches the contract.

h. **Part-time Enrollment.** An employee is considered a part-time student if the employee 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 an employee 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. The maximum amount of education that an employee may be authorized to pursue under EISP is the equivalent of 3 years of full-time coursework. The maximum EISP award amount that may be authorized for the maximum amount of coursework is \$31,080. 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 \$345.33 at the undergraduate level and \$575.56 at the graduate level.

NOTE: These amounts cover the cost of tuition, books and all other appropriate expenses.

Moreover, EISP payments made to participants may not exceed the lesser of either the funding authorized by HCSDRO or the amounts participants actually paid for their authorized education. 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 years. To the extent that an EISP award does not exceed any of the limitations on the amounts of coursework and funding cited in the preceding, there are no restrictions on the amounts of education and funding that may be authorized for an EISP student in a specific academic year. The maximum amount scholarship amount will be adjusted in direct proportion to the periodic general Federal pay increases beginning in calendar year 2002.

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

(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) Participant's course completion date, or

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

(3) In the case of a participant not covered by subparagraphs 23k(1) or 23k(2), the participant's service commencement date is the later of the:

(a) Participant's course completion date, or

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

l. **Service Obligation.** Each recipient of an EISP scholarship award must agree to serve as a full-time employee in VHA for a period of obligated service in an assignment or location determined by the Under Secretary for Health, or designee.

23. REFERENCES

a. Title 38, United States Code, Section 512, Sections 7401-7402, Section 7421, Sections 7601-7604, Sections 7632-7636 and Sections 7671-7675.

b. VHA Directive 1020, Employee Incentive Scholarship Program.

**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
ACCOUNTABILITY**

The following grid details minimum requirements regarding program accountability:

Student Accountability	Organizational Accountability
Accurately complete Department of Veterans Affairs (VA) Form 10-0003K, EISP Application for Employees (see App B).	Establish a Selection Committee and identify a Program Coordinator.
Submit an application for an Employee Incentive Scholarship Program (EISP) award by March 31 st . Out of cycle requests will be considered.	Publish an open continuous announcement to promote EISP.
Sign the VA Form 10-0003K-2, Employee Incentive Scholarship Program Contract (see App. E).	Implement Selection Process: <ol style="list-style-type: none"> 1. Program Coordinator reviews each application. 2. Selection Committee submits recommendations to the facility Director. 3. Facility Director approves selections and submits the VA Form 10-0003K-1, Funding Request to Health Care Staff Development and Retention Office (HCSDRO) by April 30th (see App. D). Out of cycle requests will be considered.
Provide an accurate educational status to the EISP Program Coordinator within 10 working days following the completion of each academic period (i.e., semester, quarter, etc.). For example, submit transcript or other evidence of satisfactory course completion.	Forward VA Form 10-0003K-2, Employee Incentive Scholarship Program Contract (see App. E) that has been signed by the applicant to HCSDRO for formal acceptance and signature.
Maintain an acceptable level of academic standing as determined by the educational institution in which the employee is enrolled.	Provide Guidance and Support to EISP Participants: <ol style="list-style-type: none"> 1. Contribute to each student’s written plan for a degree completion plan through first-level supervisory support and flexible working conditions. 2. Ensure that second-level review is available to explore options if the work assignment cannot support the proposed student experience.
Complete a contractual service obligation as a full-time Veterans Health Administration (VHA) employee as defined in Appendix E, Section C, paragraph 7.	Monitor Progress of EISP Participants: <ol style="list-style-type: none"> 1. Reconcile differences in student profiles contained in the Funding Request with profiles of actual students participating in the EISP. 2. Submit VA Form 10-0003K-3, Semi-Annual Student Progress Reviews to HCSDRO (see App. G) via Intranet 3. Monitor completion of service obligations.

VA FORM 10-0003K
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
APPLICATION FOR EMPLOYEES ENROLLED IN OR FORMALLY
ACCEPTED TO AN EDUCATION OR TRAINING PROGRAM

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

One needs to use Adobe Acrobat 5.5 or later to view this form. To print this form, the printer must be set to “print as image” and “fit to page.”



10-0003K.pdf

**EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
FUNDING REQUEST INSTRUCTIONS**

- 1. Purpose.** The funding request provides the facility Directors' annual EISP financial projections to the Health Care Staff Development and Retention Office (HCSDRO/10A2D) for review and determination of EISP funding allocations.
- 2. The Funding Request Process.** Completing the funding request involves five steps. They are:
 - a. Department of Veterans Affairs (VA) employees complete Sections 1 and 2 of VA Form 10-0003K, Application for Employees Enrolled in or Formally Accepted to an Education or Training Program (see App. B) and forward it to the EISP Program Coordinator.
 - b. After screening the submitted applications, the Program Coordinator will complete VA Form 10-0003K-1, Employee Incentive Scholarship Program (EISP) Funding Request (see App. D), and forward it and the applications to the Selection Committee.
 - c. Based on their review of the applications, the Selection Committee will recommend modifications to the funding request (see App. D, VA Form 10-0003K-1) as necessary.
 - d. The Program Coordinator will modify the funding request (see App. D, VA Form 10-0003K-1) based on Selection Committee recommendations and forward it to the facility Director for approval.
 - e. The facility Director will forward the completed funding request (see App. D, VA Form 10-0003K-1) to HCSDRO. The funding request is submitted annually, not later than April 30th.
- 3. Completing VA Form 10-0003K-1, (see App. D, Employee Incentive Scholarship Program (EISP) Funding Request).** Appendix D will be provided to each VA Facility in electronic format via E-mail. The Program Coordinator is responsible for completing all of the information on the form. Information to be completed by section includes:
 - a. **Section I – Facility Identifying Information.** Enter the Station Name; the Station three-digit number; the name and title of the station point of contact (POC), typically the EISP Program Coordinator; and the POC's phone number (including area code) in the appropriate cells.
 - b. **Section II – Total Number of Employees in Facility.** Enter the total number of full-time and part-time employees assigned to the facility.
 - c. **Section III – EISP Funding Request for Fiscal Year.** Enter the fiscal year in which request is submitted. Each fiscal year HCSDRO will E-mail each EISP Program Coordinator an updated version of the electronically formatted EISP Funding Request form. Complete Section III by entering one row of information for reach applicant for whom funding is requested. For each applicant, enter the information in each column as follows:

Column 1 – Station Priority. Enter the local Selection Committee’s priority for this applicant (i.e., 1 for the applicant ranked as most important to meet local requirements, 2 for the second-ranked applicant, etc.).

Column 2 – Last Name, First Name, MI. Enter the applicant’s Last Name, First Name, and MI (e.g., Jones, Larry, K.).

Column 2A – Current Occupation. Enter the applicant’s current occupation.

Column 3 – Degree Sought. Enter the type of degree the applicant intends to complete. Abbreviate where possible (i.e., Bachelor of Science (BS), Master of Science (MS), Doctor of Philosophy (PhD), etc.).

Column 4 – Degree Description. Describe the nature of the Degree Sought (Column 3) by providing more detailed information about the occupation, discipline, specialty or area of concentration that the education will prepare the employee to pursue. For example, an employee may seek a BS or MS degree in preparation for a position as a physician assistant. In this case, physician assistant should be entered in Column 4.

Column 5 – Estimated Total Education Costs. **Do not enter data in this column.** Either <Tab> or use the mouse or directional arrows to move to Column 6. This column is automatically be filled by a macro that totals the amounts entered in Columns 6 through 9.

Column 6 – Estimated Total Sept. 2000 – Aug. 2001. Enter the total estimated education expense for this applicant for the September 2000 through August 2001 school year.

Column 7 – Estimated Total Sept. 2001 – Aug. 2002. Enter the total estimated education expense for this applicant for the September 2001 through August 2002 school year.

Column 8 – Estimated Total Sept. 2002 – Aug. 2003. Enter the total estimated education expense for this applicant for the September 2002 through August 2003 school year.

Column 9 – Estimated Total Sept. 2003 – Aug. 2004. Enter the total estimated education expense for this applicant for the September 2003 through August 2004 school year.

Column 10 – Justification for Award. Local and national staffing issues must be considered in making effective EISP funding decisions. In Column 10, enter a statement to justify awarding an EISP scholarship to each applicant listed in Column 2. Examples of factors that need to be considered in justifying a scholarship award are listed in paragraph 5d of this handbook. Though the electronic format for completing this form accommodates lengthy justifications, they may be brief insofar as they are adequate. Each facility is to maintain detailed documentation to substantiate any statements made in Column 10. HCS DRO may request separate, detailed documentation to resolve concerns affecting decisions on requests for EISP funding.

EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) FUNDING REQUEST										
<i>Directions: Complete this Funding Request and forward it to the Health Care Staff Development and Retention Office (HCSDRO/10A2D), by April 30th of each year. The entire file should be forwarded electronically via E-mail to 10A2GST@mail.va.gov. If you are unable to E-mail the completed file, please fax it to (504) 589-5914. For questions or comments, contact HCSDRO at (504) 589-5267.</i>										
SECTION I – FACILITY IDENTIFYING INFORMATION										
Station Name:					Station No.					
Station POC:					Station Phone:					
Title:										
SECTION II – TOTAL NUMBER OF EMPLOYEES IN FACILITY:										
SECTION III – Fiscal Year in which request is submitted:										
Funding Request for Scholarship Program. Complete one row for each individual enrollee.										
Column 1	Column 2	Column 2A	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10
Station Priority	Last Name, First Name, MI	Current Occupation	Degree Sought	Degree Description	Est. Total Education Costs Do Not Enter Data	Est. Total Sept. 2000 Aug. 2001	Est. Total Sept. 2001 Aug. 2002	Est. Total Sept. 2002 Aug. 2003	Est. Total Sept. 2003 Aug. 2004	Justification for Award
					\$0.00					

**VA FORM 10-0003K-2
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP) CONTRACT**

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K-2, follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://vaww.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

One needs to use Adobe Acrobat 5.5 or later to view this form. To print this form, the printer must be set to “print as image” and “fit to page.”



10-0003K-2.pdf

ANNUAL EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM REPORTING

The following describes the information that will be compiled by the Health Care Staff Development and Retention Office (HCSDRO) for the Employee Incentive Scholarship Program (EISP). This information will be reported annually by November 30th for the previous fiscal year to the Under Secretary for Health.

Section 1. Summary Degree Information by Fiscal Year. This section reports on employees grouped by academic degree level pursued as percentages of the total EISP. Calculations include annual numerical and percent changes by level of degree pursued. Information is aggregated from actual enrollment information submitted to HCSDRO.

Section 2. Funding Summary (Actual and Projected). This section reports the amount of funding used, allocated, and projected by fiscal year for 5 fiscal years (current fiscal year, 2 prior fiscal years, and 2 future fiscal years.) Calculations include annual funding, allocation, and projection totals with numerical and percent changes, and variances. Data is aggregated from the HCSDRO participant files and the annual EISP Funding Requests (see App. D).

Section 3. Educational Assistance Program Systems Reporting. This section reports information on the types of education and training EISP participants are enrolled in, delineated by owner categories of traditional or non-traditional. Information will include educational institution associations, and numbers and types of participants. Report structure and content may vary as responses are accumulated. Data is aggregated from the HCSDRO participant files.

May 6, 2002

VHA HANDBOOK 1020.1

APPENDIX G

VA FORM 10-0003K-3
EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM (EISP)
FACILITY SEMI-ANNUAL ENROLLEES PROGRESS REVIEW WORKSHEET

An embedded copy of Department of Veterans Affairs (VA) Form 10-0003K-3, follows. This form can also be found on the Veterans Health Administration (VHA) Forms Intranet at <http://www.va.gov/forms/medical/searchlist.asp>. This is to be used for local reproduction. Since this is a low use form, it will not be stocked by the Forms and Publications Depot.

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10-0003K-3.pdf