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1 **VT Strong Scholars – potential addition to S.220**

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3 Sec. 39. 16 V.S.A. chapter 90 is redesignated to read:

4 CHAPTER 90. FUNDING OF POSTSECONDARY INSTITUTIONS

5 EDUCATION

6 Sec. 40. 16 V.S.A. § 2888 is added to read:

7 § 2888. VERMONT STRONG SCHOLARS PROGRAM

8 (a) Program creation. There is created a postsecondary loan forgiveness
9 program to be known as the Vermont Strong Scholars Program designed to
10 forgive a portion of Vermont Student Assistance Corporation (the Corporation)
11 loans in order to encourage Vermonters to select majors that prepare them for
12 jobs that are critical to the Vermont economy, to enroll and remain enrolled in
13 a Vermont public postsecondary institution, and to live in Vermont upon
14 graduation.

15 (b) Academic majors; projections.

16 (1) Annually, on or before November 15, the Secretary of Commerce
17 and Community Development (the Secretary), in consultation with the
18 Vermont State Colleges, the University of Vermont, the Corporation, the
19 Commissioner of Labor, and the Secretary of Education, shall identify eligible
20 postsecondary majors, projecting at least four years into the future, that:

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1 (A) are offered by the Vermont State Colleges, the University of
2 Vermont, or Vermont independent colleges (the eligible institutions); and

3 (B) lead to jobs the Secretary has identified as critical to the Vermont
4 economy.

5 (2) The Secretary shall prioritize the identified majors and shall select a
6 similar number of associate's degree and bachelor's degree programs. A major
7 shall be identified as eligible for this Program for no fewer than two years.

8 (3) Based upon the identified majors, the Secretary of Administration
9 shall annually provide the General Assembly with the estimated cost of the
10 Corporation's loan forgiveness awards under the Program during the
11 then-current fiscal year and each of the four following fiscal years.

12 (c) Eligibility. An individual shall be eligible for loan forgiveness under
13 this section if he or she:

14 (1) was classified as a Vermont resident by the eligible institution from
15 which he or she was graduated;

16 (2) is a graduate of an eligible institution;

17 (3) was a first-time, full-time, degree-seeking student while enrolled in
18 the eligible institution;

19 (4) was awarded an associate's or bachelor's degree in a field identified
20 pursuant to subsection (b) of this section;

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1 (5) completed the associate’s degree within **three** years or the bachelor’s
2 degree within **five** years;

3 (6) is employed in Vermont in a field or specific position closely related
4 to the **identified** degree during the period of loan forgiveness; and

5 (7) is a Vermont resident throughout the period of loan forgiveness.

6 (d) Loan forgiveness.

7 (1) An eligible individual shall have his or her postsecondary loan from
8 the Corporation forgiven as follows:

9 (A) for an individual awarded an associate’s degree by an eligible
10 institution, in an amount equal to the tuition rate for 15 credits at the
11 Community College of Vermont during the individual’s final semester of
12 enrollment, to be prorated over the three years following graduation; and

13 (B) for an individual awarded a bachelor’s degree by an eligible
14 institution, in an amount equal to the in-state tuition rate at the Vermont State
15 Colleges during the individual’s final year of enrollment, to be prorated over
16 the five years following graduation;

17 (2) Loan forgiveness may be awarded on a prorated basis to an
18 otherwise eligible Vermont resident who transfers to and is graduated from an
19 eligible institution.

20 (e) Program management and funding. The Secretary shall develop all
21 organizational details of the Program consistent with the purposes and

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1 requirements of this section, including the identification of eligible major
2 programs and eligible jobs. The Secretary may contract with the Corporation
3 for management of the Program. The Secretary may adopt rules pursuant to
4 3 V.S.A. chapter 25 necessary to implement the Program. The availability and
5 payment of loan forgiveness awards under this section are subject to funding
6 available to the Corporation for the awards.

7 (f) Fund creation.

8 (1) There is created a special fund to be known as the Vermont Strong
9 Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5. The Fund shall
10 be used and administered solely for the purposes of this section. The Secretary
11 may draw warrants for disbursements from the Fund in anticipation of receipts.
12 Any remaining balance at the end of the fiscal year shall be carried forward in
13 the Fund.

14 (2) The Fund shall consist of sums to be identified by the Secretary from
15 any source accepted for the benefit of the Fund and interest earned from the
16 investment of Fund balances.

17 **(effective July 1, 2014)**