

1 H.423

2 Introduced by Representative Rachelson of Burlington

3 Referred to Committee on

4 Date:

5 Subject: Education; secondary education; VSAC; portability

6 Statement of purpose of bill as introduced: This bill proposes to require that
7 the Vermont Student Assistance Corporation award grants and scholarships
8 solely for use at the Vermont State Colleges, at the University of Vermont, or
9 at educational institutions in states that have executed a reciprocity agreement
10 with Vermont.

11 An act relating to portability of Vermont Student Assistance Corporation
12 grants and scholarships

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 Sec. 1. FINDINGS

15 The General Assembly finds that:

16 (1) While Vermont has one of the highest secondary school graduation
17 rates in the United States, it persistently trails the rest of the nation in the
18 percentage of Vermont high school graduates proceeding directly to college.

19 (2) Vermont ranks second to last in the nation for affordable education,
20 according to the Vermont Community Foundation. The rising costs of higher

1 education have been outpacing Vermont family income for years, and the
2 average student loan debt among Vermonters is one of the highest in the
3 nation.

4 (3) Vermont State appropriations to its public colleges and university,
5 per capita, are well below the national average. Low levels of State support
6 mean higher levels of institutional costs covered by tuition, increasing the
7 financial burden on Vermont students and their families.

8 (4) Vermont is one of only two states that allows total portability of its
9 State grants and scholarships, so that Vermonters may currently use these
10 awards at any accredited U.S. postsecondary institution in any of the United
11 States. Other states, including most New England states, limit portability to
12 states with which they have reciprocity agreements. Some states do not permit
13 any portability of state grant funds.

14 (5) In 2008, according to the Vermont Student Assistance Corporation,
15 about 35 percent of grant recipients chose schools outside Vermont,
16 representing 28 percent of State grant dollars. Some of these schools are in
17 states that have a reciprocal grant policy.

1 Sec. 2. 16 V.S.A. chapter 87, subchapter 3 is amended to read:

2 Subchapter 3. Incentive Grants

3 § 2841. ESTABLISHMENT; RULES

4 (a) A need-based grant program is hereby established to aid students who
5 need financial assistance and;

6 (1) are pursuing undergraduate studies and ~~give~~ giving promise of
7 completing satisfactorily a degree program; at the Vermont State Colleges, the
8 University of Vermont, or an institution in a state that has executed a
9 reciprocity agreement with Vermont; or

10 (2) who have been accepted for admission to ~~an approved postsecondary~~
11 ~~education institution~~ the Vermont State Colleges, the University of Vermont,
12 or an institution in a state that has executed a reciprocity agreement with
13 Vermont for undergraduate studies.

14 (b) The Board may establish rules, regulations, and standards for the
15 awards under this subchapter.

16 § 2842. ELIGIBILITY

17 (a)(1) To qualify for an incentive grant for the first year of undergraduate
18 study, a student must;

19 (A) be in attendance at ~~an approved postsecondary education~~
20 ~~institution~~ the Vermont State Colleges, the University of Vermont, or an

1 institution in a state that has executed a reciprocity agreement with
2 Vermont; or

3 (B) be accepted for admission and be enrolled as a full-time or
4 part-time student at ~~such an institution~~ the Vermont State Colleges, the
5 University of Vermont, or an institution in a state that has executed a
6 reciprocity agreement with Vermont.

7 (2) For each year following the first year of undergraduate study, the
8 student must have been certified by the institution attended to be in good
9 standing and to give promise of satisfactory completion of a course of study
10 leading to a degree or diploma.

11 (b) Any qualified person may apply for an incentive grant in addition to
12 any other scholarship aid.

13 * * *

14 § 2844. AMOUNT RECEIVED; PRORATION

15 (a) Each undergraduate student who qualifies for an incentive grant shall
16 apply on forms provided by the Corporation. The Corporation may consider
17 the student for an incentive grant if the student meets the need-based eligibility
18 standards established by the Board. These standards shall give due
19 consideration to all relevant factors affecting the student's need, including the
20 adjusted gross income and other sources of income of the student's parents; the
21 adjusted gross income and other sources of income of a nondependent student;

1 the assets of parents and students; the number of a parent's or nondependent
2 student's children who are students enrolled in approved postsecondary
3 education institutions at the same time; and any unusual circumstances that
4 affect the family financial strength. Incentive grants shall be awarded on a
5 rolling basis to eligible applicants based upon established need, and in total
6 amount shall not exceed the funds made available from legislative
7 appropriation or other sources. In no case shall a student's award be larger
8 than that needed to attend the ~~approved postsecondary education~~ institution of
9 the student's choice.

10 (b) The Corporation may prorate incentive grants on the basis of semesters,
11 other recognized portions of a school year, or course load.

12 (c) Vermont resident students enrolled at the Medical College of the
13 University of Vermont or enrolled in a program in Vermont or in a state that
14 has executed a reciprocity agreement with Vermont leading to the degree of
15 Doctor of Veterinary Medicine shall be eligible to apply for an incentive grant
16 and shall be subject to the provisions of subsection (b) of this section. In
17 addition, veterinary students shall be eligible for grants not to exceed twice the
18 amount of the average grant award made to full-time undergraduate students in
19 the previous year under subsection (a) of this section.

20 * * *

1 § 2846. NONDEGREE GRANTS

2 (a) The Corporation may establish grant programs for residents pursuing
3 nondegree education and training opportunities in Vermont or in a state that
4 has executed a reciprocity agreement with Vermont who do not meet the
5 definition of student in subdivision 2822(3) of this title, and who may not meet
6 the requirements of this subchapter. Nondegree grants may be used at
7 institutions that are not approved postsecondary education institutions, so long
8 as these institutions operate primarily or exclusively in the State of Vermont or
9 operate in a state that has executed a reciprocity agreement with Vermont. In
10 this section, “operate” means to establish, keep, or maintain any facility or
11 location from or through which education or training is offered or given, or
12 educational or training degrees are offered or granted. The term includes
13 contracting with any person to perform any such act.

14 (b) The Corporation may adopt rules or establish policies, procedures,
15 standards, and forms for nondegree grants, including the requirements for
16 applying for and using the grants and the eligibility requirements for the
17 institutions where the grants may be used.

1 Sec. 3. 16 V.S.A. chapter 87, subchapter 4 is amended to read:

2 Subchapter 4. Honor Scholarships

3 § 2851. ESTABLISHMENT

4 Vermont Honor Scholarships are hereby established for secondary school
5 seniors who plan to attend ~~an approved postsecondary education institution~~ the
6 Vermont State Colleges, the University of Vermont, or an institution in a state
7 that has executed a reciprocity agreement with Vermont.

8 * * *

9 § 2854. AMOUNT; NUMBER; DISBURSEMENT

10 (a) Each Vermont Honor Scholarship shall be an equal amount and no less
11 than \$1,000.00 as determined by the Board.

12 (b) Each secondary school, or a border school serving Vermont secondary
13 school students, may nominate a senior for a Vermont Honor Scholarship.

14 (c) The Scholarship shall be disbursed to the ~~approved postsecondary~~
15 ~~education institution~~ Vermont college or university or to the institution in a
16 state that has executed a reciprocity agreement with Vermont at which the
17 recipient enrolls.

18 Sec. 4. TRANSITION

19 Notwithstanding Secs. 2 and 3 of this act:

20 (1) A student may qualify for an incentive grant under 16 V.S.A.
21 chapter 87, subchapter 3 if, prior to July 1, 2015, he or she is currently enrolled

1 at and attending an approved postsecondary education institution outside
2 Vermont or has accepted an offer of admission as a full-time or part-time
3 student outside Vermont, even though that state has not executed a reciprocity
4 agreement with Vermont, provided that the student meets all other
5 requirements in 16 V.S.A. chapter 87, subchapter 3.

6 (2) A resident may qualify for a nondegree grant under 16 V.S.A.
7 § 2846 in order to pursue a nondegree education and training opportunity
8 outside Vermont if he or she began pursuing that opportunity prior to July 1,
9 2015, even though that state has not executed a reciprocity agreement with
10 Vermont, provided that the resident meets all other requirements in 16 V.S.A.
11 § 2846.

12 (3) A student may be awarded a Vermont Honor Scholarship under
13 16 V.S.A. chapter 87, subchapter 4 if, prior to July 1, 2015, he or she has
14 enrolled in an approved postsecondary education institution in a state that has
15 not executed a reciprocity agreement with Vermont, provided that the student
16 meets all other requirements in 16 V.S.A. chapter 87, subchapter 4.

17 Sec. 5. EFFECTIVE DATE

18 This act shall take effect on July 1, 2015.