

1 H.114

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 Vermont postsecondary schools or at educational institutions  
9 in states that have executed a reciprocity agreement with Vermont.

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

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

13 Sec. 1. FINDINGS

14 The General Assembly finds that:

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

18 (2) Vermont ranks second to last in the nation for affordable education,  
19 according to the Vermont Community Foundation. The rising costs of higher  
20 education have been outpacing Vermont family income for years, and the

1 average student loan debt among Vermonters is one of the highest in the  
2 nation.

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

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

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

17 Sec. 2. 16 V.S.A. § 2822 is amended to read:

18 § 2822. DEFINITIONS

19 As used in this chapter:

20 \* \* \*





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

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

16 (c) Vermont resident students enrolled at the Medical College of the  
17 University of Vermont or enrolled in a program in Vermont or in a state that  
18 has executed a reciprocity agreement with Vermont leading to the degree of  
19 Doctor of Veterinary Medicine shall be eligible to apply for an incentive grant  
20 and shall be subject to the provisions of subsection (b) of this section. In  
21 addition, veterinary students shall be eligible for grants not to exceed twice the

1 amount of the average grant award made to full-time undergraduate students in  
2 the previous year under subsection (a) of this section.

3 \* \* \*

4 § 2846. NONDEGREE GRANTS

5 (a) The Corporation may establish grant programs for residents pursuing  
6 nondegree education and training opportunities in Vermont or in a state that  
7 has executed a reciprocity agreement with Vermont who do not meet the  
8 definition of student in subdivision 2822(3) of this title, and who may not meet  
9 the requirements of this subchapter. Nondegree grants may be used at  
10 institutions that are not approved postsecondary education institutions,  
11 provided these institutions operate primarily or exclusively in Vermont or  
12 operate in a state that has executed a reciprocity agreement with Vermont.

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

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

18 Subchapter 4. Honor Scholarships

19 § 2851. ESTABLISHMENT

20 Vermont Honor Scholarships are hereby established for secondary school  
21 seniors who plan to attend an approved postsecondary education institution

1 that operates primarily or exclusively in Vermont, or an institution in a state  
2 that has executed a reciprocity agreement with Vermont.

3 \* \* \*

4 § 2854. AMOUNT; NUMBER; DISBURSEMENT

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

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

9 (c) The Scholarship shall be disbursed to the approved postsecondary  
10 education institution that operates primarily or exclusively in Vermont or to an  
11 institution in a state that has executed a reciprocity agreement with Vermont at  
12 which the recipient enrolls.

13 Sec. 5. TRANSITION

14 Notwithstanding Secs. 3 and 4 of this act:

15 (1) A student may qualify for an incentive grant under 16 V.S.A.  
16 chapter 87, subchapter 3 if, on or before July 1, 2017, he or she is currently  
17 enrolled at and attending an approved postsecondary education institution  
18 outside Vermont or has accepted an offer of admission as a full-time or  
19 part-time student outside Vermont, even though that state has not executed a  
20 reciprocity agreement with Vermont, provided that the student meets all other  
21 requirements in 16 V.S.A. chapter 87, subchapter 3.

1           (2) A resident may qualify for a nondegree grant under 16 V.S.A.  
2           § 2846 in order to pursue a nondegree education and training opportunity  
3           outside Vermont if he or she began pursuing that opportunity on or before  
4           July 1, 2017, even though that state has not executed a reciprocity agreement  
5           with Vermont, provided that the resident meets all other requirements in  
6           16 V.S.A. § 2846.

7           (3) A student may be awarded a Vermont Honor Scholarship under  
8           16 V.S.A. chapter 87, subchapter 4 if, on or before July 1, 2017, he or she has  
9           enrolled in an approved postsecondary education institution in a state that has  
10          not executed a reciprocity agreement with Vermont, provided that the student  
11          meets all other requirements in 16 V.S.A. chapter 87, subchapter 4.

12          Sec. 6. EFFECTIVE DATE

13          This act shall take effect on July 1, 2017.