

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred Senate Bill No. 257
3 entitled “An act relating to miscellaneous changes to education law”
4 respectfully reports that it has considered the same and recommends that the
5 bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 * * * Portability * * *

8 Sec. 1. FINDINGS

9 The General Assembly finds that:

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

13 (2) Vermont ranks second to last in the nation for affordable education,
14 according to the Vermont Community Foundation. The rising costs of higher
15 education have been outpacing Vermont family income for years, and the
16 average student loan debt among Vermonters is one of the highest in the
17 nation.

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

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

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

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

12 § 2822. DEFINITIONS

13 As used in this chapter:

14 * * *

15 (10) “Operate” means to establish, keep, or maintain any facility or
16 location from or through which education or training is offered or given, or
17 educational or training degrees are offered or granted. The term includes
18 contracting with any person to perform any such act.

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

2 Subchapter 3. Incentive Grants

3 § 2841. ESTABLISHMENT; RULES

4 (a) As used in this subchapter, the term “eligible postsecondary education
5 institution” means an approved postsecondary education institution that
6 operates primarily or exclusively:

7 (1) in Vermont;

8 (2) outside of Vermont but within 25 miles of the Vermont border; or

9 (3) in a state that has executed a reciprocity agreement with Vermont.

10 (b) A need-based grant program is hereby established to aid students who
11 need financial assistance and:

12 (1) are pursuing undergraduate studies and ~~give~~ giving promise of
13 completing satisfactorily a degree program; at an eligible postsecondary
14 education institution; or who

15 (2) have been accepted for admission to an ~~approved postsecondary~~
16 ~~education~~ eligible postsecondary education institution for undergraduate
17 studies.

18 (c) The Board may establish rules, regulations, and standards for the
19 awards under this subchapter.

1 § 2842. ELIGIBILITY

2 (a)(1) To qualify for an incentive grant for the first year of undergraduate
3 study, a student must:

4 (A) be in attendance at an ~~approved~~ eligible postsecondary education
5 institution; or

6 (B) be accepted for admission and be enrolled as a full-time or
7 part-time student at such an institution.

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

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

14 * * *

15 § 2844. AMOUNT RECEIVED; PRORATION

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

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

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

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

21 * * *

1 § 2846. NONDEGREE GRANTS

2 (a) The Corporation may establish grant programs for residents pursuing
3 nondegree education and training opportunities who do not meet the definition
4 of student in subdivision 2822(3) of this title, and who may not meet the
5 requirements of this subchapter. Nondegree grants may be used at ~~institutions~~
6 an institution that are is not an approved postsecondary education institutions
7 institution, provided the institution operates primarily or exclusively;

8 (1) in Vermont;

9 (2) outside of Vermont but within 25 miles of the Vermont border; or

10 (3) in a state that has executed a reciprocity agreement with Vermont.

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

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

16 Subchapter 4. Honor Scholarships

17 § 2851. ESTABLISHMENT

18 Vermont Honor Scholarships are hereby established for secondary school
19 seniors who plan to attend an approved postsecondary education institution
20 that operates primarily or exclusively:

21 (1) in Vermont;

1 primarily or exclusively in a location that is more than 25 miles from the
2 Vermont border and the state in which the institution operates has not executed
3 a reciprocity agreement with Vermont, provided that the student meets all
4 other requirements in 16 V.S.A. chapter 87, subchapter 3.

5 (2) A resident may qualify for a nondegree grant under 16 V.S.A.
6 § 2846 in order to pursue a nondegree education and training opportunity at an
7 institution outside Vermont if he or she began pursuing that opportunity on or
8 before July 1, 2018, even though the institution operates primarily or
9 exclusively in a location that is more than 25 miles from the Vermont border
10 and the state in which the institution operates has not executed a reciprocity
11 agreement with Vermont, provided that the resident meets all other
12 requirements in 16 V.S.A. § 2846.

13 (3) A student may be awarded a Vermont Honor Scholarship under
14 16 V.S.A. chapter 87, subchapter 4 if, on or before July 1, 2018, he or she has
15 enrolled in an approved postsecondary education institution, even though the
16 institution operates primarily or exclusively in a location that is more than 25
17 miles from the Vermont border and the state in which the institution operates
18 has not executed a reciprocity agreement with Vermont, provided that the
19 student meets all other requirements in 16 V.S.A. chapter 87, subchapter 4.

20 **Sec. 6. USE OF PORTABILITY FUNDING BY THE CORPORATION**

1 education quality standards process and meets the requirements of subsection
2 165(b) of this title.

3 * * *

4 Sec. 8. 16 V.S.A. § 822 is amended to read:

5 § 822. SCHOOL DISTRICT TO MAINTAIN PUBLIC HIGH SCHOOLS OR
6 PAY TUITION

7 (a) Each school district shall maintain one or more approved high schools
8 in which high school education is provided for its resident students unless:

9 (1) the electorate authorizes the school board to close an existing high
10 school and to provide for the high school education of its students by paying
11 tuition to a public high school, an approved independent high school, or an
12 independent school meeting education quality standards, to be selected by the
13 parents or guardians of the student, ~~within or outside the State~~; or

14 * * *

15 Sec. 9. 16 V.S.A. § 828 is amended to read:

16 § 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

17 A school district shall not pay the tuition of a student except to a public
18 school, an approved independent school, an independent school meeting
19 education quality standards, a tutorial program approved by the State Board, or
20 an approved education program, ~~or an independent school in another state or~~
21 ~~country approved under the laws of that state or country~~, nor shall payment of

1 tuition on behalf of a person be denied on account of age. Unless otherwise
2 provided, a person who is aggrieved by a decision of a school board relating to
3 eligibility for tuition payments, the amount of tuition payable, or the school he
4 or she may attend, may appeal to the State Board and its decision shall be final.

5 Sec. 10. TRANSITION

6 Notwithstanding Secs. 6-8 of this act, a school district may pay tuition on
7 behalf of a student for the 2018-2019 school year to an approved independent
8 school that is located outside of 25 miles from the Vermont border if, during
9 the 2017-2018 school year, the student attended that school.

10 * * * Dual enrollment * * *

11 Sec. 11. 16 V.S.A. § 944 is amended to read:

12 § 944. DUAL ENROLLMENT PROGRAM

13 (a) Program creation. There is created a the statewide Dual Enrollment
14 Program to be a potential component of a student's flexible pathway. The
15 Program shall include college courses offered on the campus of an accredited
16 postsecondary institution and college courses offered by an accredited
17 postsecondary institution on the campus of a secondary school. The Program
18 may include online college courses or components.

19 (b) Students.

20 (1) A Vermont resident who has completed grade 10 but has not
21 received a high school diploma is eligible to participate in the Program if:

1 (A) the student:

2 (i) is enrolled in:

3 (I) a Vermont public school, including a Vermont career
4 technical center;

5 (II) a public school in another state or an approved independent
6 school that is designated as the public secondary school for the student's
7 district of residence; or

8 (III) an approved independent school in Vermont ~~to which the~~
9 ~~student's district of residence pays publicly funded tuition on behalf of the~~
10 ~~student;~~

11 (ii) is assigned to a public school through the High School
12 Completion Program; or

13 (iii) is a home study student;

14 * * *

15 * * * Vermont National Guard Tuition Benefit Program * * *

16 Sec. 12. 16 V.S.A. § 2857 is added to read:

17 § 2857. VERMONT NATIONAL GUARD TUITION BENEFIT

18 PROGRAM

19 (a) Program creation. The Vermont National Guard Tuition Benefit

20 Program (Program) is created, under which a member of the Vermont National

21 Guard (member) who meets the eligibility requirements in subsection (c) of

1 this section is entitled to take courses tuition free at the following educational
2 institutions:

3 (1) the University of Vermont and State Agricultural College (UVM),

4 (2) a Vermont State College,

5 (3) a participating Vermont private postsecondary educational institution

6 that agrees with the Vermont National Guard to participate in the Program

7 under the conditions specified in subsection (b) of this section (eligible private
8 postsecondary institution), or

9 (4) a participating institution or organization offering certificate training

10 or continuing education programs that agrees with the Vermont National

11 Guard to participate in the Program under the conditions specified in

12 subsection (b) of this section (eligible training institution).

13 (b) Tuition benefit.

14 (1) A member attending UVM or a Vermont State College under the

15 Program shall receive a tuition benefit equal to the amount of tuition charged

16 to the member. UVM and the Vermont State Colleges shall not charge tuition

17 under the Program in excess of its applicable resident tuition rate.

18 (2) A member attending an eligible private postsecondary institution

19 under the Program shall receive a tuition benefit equal to the lower of the

20 tuition rate charged by that institution to the member or the resident tuition rate

21 charged by UVM. An eligible private postsecondary institution may charge

1 tuition under the Program in an amount in excess of the amount covered by the
2 tuition benefit, in which case the member shall be responsible for the excess
3 tuition amount.

4 (3) A member attending an eligible training institution under the
5 Program shall receive a tuition benefit equal to the lower of the tuition rate
6 charged by that institution to the member or the resident tuition rate charged by
7 the Vermont Technical College. An eligible training institution may charge
8 tuition under the Program in an amount in excess of the amount covered by the
9 tuition benefit, in which case the member shall be responsible for the excess
10 tuition amount.

11 (4) The tuition benefit provided under the Program shall be paid on
12 behalf of the member by the Corporation, subject to the appropriation of funds
13 by the General Assembly specifically for this purpose.

14 (5) The amount of tuition for a member who attends an educational
15 institution under the Program on less than a full-time basis shall be reduced to
16 reflect the member's course load in a manner determined by the Corporation
17 under subdivision (f)(1) of this section.

18 (6) The tuition benefit shall be conditioned upon the member executing
19 a promissory note obligating the member to repay the member's tuition
20 benefit, in whole or in part, if the member fails to complete the period of
21 Vermont National Guard service required in subsection (d) of this section, or if

1 the member's benefit is terminated pursuant to subdivision (1) of subsection
2 (e) of this section.

3 (c) **Eligibility.** To be eligible for the Program, an individual, whether a
4 resident or nonresident, shall satisfy all of the following requirements:

5 (1) be an active member of the Vermont National Guard;

6 (2) have successfully completed basic training;

7 (3) be enrolled at UVM, a Vermont State College, or an eligible
8 participating private postsecondary institution in a program that leads to an
9 undergraduate certificate or degree, or be enrolled at an eligible training
10 institution in a program that leads to a certificate or other credential;

11 (4) have not previously earned an undergraduate bachelor's degree;

12 (5) continually demonstrate satisfactory academic progress as
13 determined by criteria established by the Vermont National Guard and the
14 Corporation, in consultation with the educational institution at which the
15 individual is enrolled under the Program;

16 (6) have exhausted any post-September 11, 2001 tuition benefits and
17 other federally funded military tuition assistance; provided, however, that this
18 subdivision shall not apply to Montgomery GI Bill benefits, post-
19 September 11, 2001 educational program housing allowances, federal
20 educational entitlements, National Guard scholarship grants, loans under
21 section 2856 of this title, and other nontuition benefits; and

1 (7) have submitted a statement of good standing to the Corporation
2 signed by the individual’s commanding officer within 30 days prior to the
3 beginning of each semester.

4 (d) Service commitment. For each full academic year of attendance under
5 the Program, a member shall be required to serve two years in the Vermont
6 National Guard in order to receive the full tuition benefit under the Program.
7 If a member’s service with the Vermont National Guard terminates before the
8 member fulfills this two-year service commitment, other than for good cause
9 as determined by the Vermont National Guard, the individual shall reimburse
10 the Corporation a pro rata portion of the tuition paid under the Program
11 pursuant to the terms of an interest-free reimbursement promissory note signed
12 by the individual at the time of entering the Program. For members
13 participating in the Program on a less than a full-time basis, the member’s
14 service commitment shall be at the rate of one month of Vermont National
15 Guard service commitment for each credit hour, not to exceed 12 months of
16 service commitment for a single semester.

17 (e)(1) Termination of tuition benefit. The Office of the Vermont Adjutant
18 and Inspector General may terminate the tuition benefit provided an individual
19 under the Program if:

20 (A) the individual’s commanding officer revokes the statement of
21 good standing submitted pursuant to subdivision (c)(7) of this section as a

1 result of an investigation or disciplinary action that occurred after the statement
2 of good standing was issued;

3 (B) the individual is dismissed from the educational institution in
4 which the individual is enrolled under the Program for academic or
5 disciplinary reasons; or

6 (C) the individual withdraws without good cause from the
7 educational institution in which the individual is enrolled under the Program.

8 (2) If an individual's tuition benefit is terminated pursuant to
9 subdivision (1) of this subsection, the individual shall reimburse the
10 Corporation for the tuition paid under the Program, pursuant to the terms of an
11 interest-free reimbursement promissory note signed by the individual at the
12 time of entering the Program, shall be responsible on a pro rata basis for the
13 remaining tuition cost for the current semester or any courses in which the
14 individual is currently enrolled, and shall be ineligible to receive future tuition
15 benefits under the Program.

16 (3) If an individual is dismissed for academic or disciplinary reasons
17 from any postsecondary educational institution before receiving tuition
18 benefits under the Program, the Office of the Adjutant and Inspector General
19 may make a determination regarding the individual's eligibility to receive
20 tuition benefits under the Program.

1 (f)(1) Adoption of policies, procedures, and guidelines. The Corporation,
2 in consultation with the Office of the Adjutant and Inspector General, shall
3 adopt policies, procedures, and guidelines necessary to implement the
4 provisions of this section, which shall include eligibility, application, and
5 acceptance requirements, pro-ration of service requirements for academic
6 semesters or attendance periods shorter than one year, data sharing guidelines,
7 and the criteria for determining “good cause” as used in subsection (d) and
8 subdivision (e)(1)(C) of this section.

9 (2) Each educational institution participating in the Program shall adopt
10 policies and procedures for the enrollment of members under the Program.
11 These policies and procedures shall be consistent with the policies, procedures,
12 and guidelines adopted by the Corporation under subdivision (1) of this
13 subsection.

14 (g) Reports. On or before November 1 of each year, the President,
15 Chancellor, or equivalent position of each educational institution that
16 participated in the Program during the immediately preceding school year shall
17 report to the Vermont National Guard and the Corporation regarding the
18 number of members enrolled at its institution during that school year who
19 received tuition benefits under the Program and, to the extent available, the
20 courses or program in which the members were enrolled. On or before
21 January 15 of each year, the Vermont National Guard and the Corporation

1 shall report these data and other relevant performance factors to the Governor,
2 the House and Senate Committees on Education, and the House Committee on
3 General, Housing, and Military Affairs. The provisions of 2 V.S.A. § 20(d)
4 (expiration of reports) shall not apply to the reports to be made under this
5 subsection.

6 Sec. 13. REPEAL

7 16 V.S.A. § 2856 (educational assistance; interest free loans) is repealed on
8 July 1, 2020.

9 Sec. 14. TRANSITION

10 (a) The benefits under 16 V.S.A. § 2856, the Vermont National Guard
11 Educational Assistance Program, shall only be available through December 31,
12 2018, except for a member who is, as of that date, pursuing a graduate degree,
13 who may continue to receive a loan under the Program through June 30, 2020,
14 provided that the member continues to satisfy the eligibility requirements of
15 16 V.S.A. § 2857(b).

16 (b) A member of the Vermont National Guard who received a loan on or
17 before January 1, 2019 under 16 V.S.A. § 2856 shall be entitled to the benefits
18 under the Vermont National Guard Tuition Benefit Program if the member
19 satisfies the eligibility criteria under that Program.

20 (c) The Corporation, in consultation with the Office of the Adjutant and
21 Inspector General, shall adopt guidelines for participants transitioning from the

1 Vermont National Guard Educational Assistance Program under 16 V.S.A.
2 § 2856 to the benefits under the Vermont National Guard Tuition Benefit
3 Program.

4 (d) If, on or before July 1, 2020, a loan provided to a Vermont National
5 Guard member under 16 V.S.A. § 2856 has gone into repayment pursuant to
6 the terms of the loan, the member shall repay the loan in accordance with its
7 terms unless and to the extent canceled or forgiven by the Corporation.

8 Sec. 15. EFFECTIVE DATE

9 This act shall take effect on July 1, 2018 and the tuition benefits established
10 under the Vermont National Guard Tuition Benefit Program (Sec. 11) shall be
11 available to eligible Vermont National Guard members enrolled in institutions
12 under the Program starting on or after January 1, 2019.

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18 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE