Introduced by Senators Pollina, Hardy, Ingram, Pearson, and Perchlik

Referred to Committee on

Subject: Education; postsecondary; tuition-free scholarship program

Statement of purpose of bill as introduced: This bill proposes to create the Vermont Promise Scholarship Program to provide tuition-free scholarships for Vermont students who attend a Vermont State College.

An act relating to the creation of a tuition-free scholarship program for Vermont students

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

* * * Vermont Promise Scholarship Program; Creation * * *

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

Subchapter 3A. Vermont Promise Scholarship Program

§ 2848. VERMONT PROMISE SCHOLARSHIP PROGRAM

(a) Title. This subchapter shall be known and may be cited as the “Vermont Promise Scholarship Program.”

(b) Definitions. As used in this section:

(1) “Eligible postsecondary institutions” means the Vermont State Colleges.
(2) “Eligible postsecondary program” means a curriculum of courses leading to a certificate or an associate’s or a bachelor’s degree at an eligible postsecondary institution. Courses taken at a four-year postsecondary institution prior to admission in, or that fulfill prerequisite requirements for, an eligible postsecondary program shall not be considered part of the eligible postsecondary program.

(3) “Full-time student” means a student who is enrolled full time at an eligible postsecondary institution for at least two semesters of a single academic year and enrolled in a minimum of 12 semester hours per semester. “Full-time student” includes a student with a documented learning disability who receives accommodations because of the student’s disability and who is unable to take 12 semester hours per semester as a direct result of the student’s disability; provided, however, that the student takes the maximum number of semester hours that is established by the eligible postsecondary institution as feasible for the student to attempt.

(4) “Gift aid” means grant or scholarship financial aid received from the federal government and grant or scholarship financial aid received from the State.

(5) “Promise scholarship” means a scholarship awarded under this section.
(6) “Semester” means a fall, spring, or summer semester at an eligible postsecondary institution, if the institution is on a semester system, or the equivalent if the institution is on a system other than a semester system.

(c) Administration of Program. The Corporation shall administer the Vermont Promise Scholarship Program under the following terms and conditions and subject to the availability of funds deposited into the Vermont Promise Scholarship Fund established under section 2849 of this title:

(1) To qualify for a Promise scholarship, the student must:

(A) be a Vermont resident as determined by the eligible postsecondary institution;

(B) for the first year of undergraduate study, be enrolled full time at an eligible postsecondary institution or be accepted for admission on a full-time basis at such an institution, and for each year following the first year of undergraduate study, be a full-time student and have been certified by the institution to have a cumulative 2.5 grade point average or higher as set forth in rules or policies adopted by the Corporation;

(C) be seeking a certificate or an associate’s or a bachelor’s degree; and

(D) execute a promissory note with the Corporation obligating the student to repay the tuition benefit received by the student under the Promise...
 scholarship if the student fails to complete the certificate or degree the student
seeks to obtain in accordance with the requirements of this section.

(2) Exceptions to the qualification requirements under subdivision (1) of
this subsection may be made by the Corporation for extenuating circumstances
as provided in rules or policies adopted by the Corporation.

(3)(A) Students applying for the scholarship shall complete the Vermont
Promise Scholarship Program application for each academic year of enrollment
in accordance with a schedule determined by the Corporation. Students shall
complete the free application for federal student aid (FAFSA) and the Vermont
grant application each academic year in which they seek to receive a Promise
scholarship.

(B) Subject to subdivision (7)(B) of this subsection (c), Promise
scholarships may be for a maximum of:

(i) three semesters for a student seeking a certificate;

(ii) five semesters for a student seeking an associate’s degree; or

(iii) ten semesters for a student seeking a bachelor’s degree.

(C) A student who has obtained a certificate under the Program shall
remain eligible under the Program to seek an associate’s or a bachelor’s
degree, and a student who has obtained an associate’s degree under the
Program shall remain eligible under the Program to seek a bachelor’s degree.
provided that, subject to subdivision (7)(B) of this subsection (c), Promise

scholarships shall not be awarded to a student for more than ten semesters.

(4) A Promise scholarship shall cover the cost of tuition at the eligible

postsecondary institution for one academic year based on full-time enrollment,

which shall be charged at the resident rate, less all other gift aid as defined

under subdivision (b)(4) of this section. The Corporation shall pay the promise

scholarship directly to the eligible postsecondary institution.

(5) A Vermont Promise Scholarship Program student who receives a

Promise scholarship shall be eligible for an additional grant of up to $200.00

per academic year to cover the costs of books. Funding for this book grant

shall be paid directly to the eligible postsecondary institution from the

Vermont Higher Education Endowment Trust Fund, established under section

2885 of this title, notwithstanding subsection 2885(f) of this title. The eligible

postsecondary institution shall disperse these funds in accordance with rules or

policies adopted by the Corporation.

(6) A Vermont Promise Scholarship Program student who has an

approved medical or personal leave of absence from an eligible postsecondary

institution may continue to receive the scholarship upon resuming the student’s

education at an eligible postsecondary institution provided that the student

continues to meet all applicable eligibility requirements. The sum of all

approved leaves of absence shall not exceed six months, except as provided for
in rules or policies adopted by the Corporation.

(7)(A) A student shall be eligible for the Vermont Promise Scholarship
Program until the student has attended an eligible postsecondary institution as
a Vermont Promise Scholarship Program student for the number of semesters
set forth under subdivision (3)(B) of this subsection (c). This limitation shall
not include an approved leave of absence.

(B) A student with a documented learning disability shall be eligible
for the Vermont Promise Scholarship Program for the minimum number of
semesters the eligible postsecondary institution establishes as feasible for the
student to complete the course work for the certificate or associate’s or
bachelor’s degree the student is attempting to obtain. This limitation shall not
include an approved leave of absence.

(8)(A) To be eligible under the Vermont Promise Scholarship Program,
a student shall maintain enrollment as a full-time student in each academic
year while receiving the scholarship.

(B) The requirement of subdivision (1) of this subsection (c) and
subdivision (A) of this subdivision (8) that a Vermont Promise Scholarship
Program student maintain enrollment as a full-time student in each academic
year does not apply to a Vermont Promise Scholarship Program student who is
on a medical or personal leave, as approved by the student’s eligible
postsecondary institution.

(9) Notwithstanding the requirement of subdivisions (1) and (8)(A) of
this subsection that a Vermont Promise Scholarship Program student maintain
enrollment as a full-time student in each academic year, a student with a
documented learning disability may enroll in fewer than 12 semester hours per
semester if required by the academic program in which the student is enrolled.
A student with a documented learning disability shall enroll each semester in
the maximum number of semester hours that is established by the eligible
postsecondary institution as feasible for the student to attempt.

(10) The Corporation is authorized to adopt rules and policies to
establish deadlines for applications, for appeal procedures for the denial or
revocation of the scholarship, and otherwise to effectuate the purposes of this
section. The Corporation may relieve, in whole or in part and for good cause
as determined by the Corporation, a student’s obligation to repay the tuition
benefit received by the student under the Promise scholarship.

(d) Reporting.

(1) The Corporation and the PreKindergarten-16 Higher Education
Subcommittee of the PreKindergarten-16 Council shall provide assistance to
the General Assembly by:
(A) researching and analyzing data concerning the effectiveness of
the Vermont Promise Scholarship Program, including student academic
success, completion rates, scholarship retention, and recommendations for
future funding; and

(B) assessing how to integrate vocational training programs into the
Vermont Promise Scholarship Program and the implications for future funding.

(2) The Corporation shall report its findings annually to the Senate and
House Committees on Education on or before November 15. The provisions
of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the
required report to be made under this subsection.

* * * Vermont Promise Scholarship Program; Funding * * *

Sec. 2. 16 V.S.A. § 2849 is added to read:

§ 2849. VERMONT PROMISE SCHOLARSHIP FUND

(a) There is established the Vermont Promise Scholarship Fund to comprise
appropriations made by the General Assembly and grants, donations, or
contributions from any other sources. The Fund shall be administered pursuant
to 32 V.S.A. chapter 7, subchapter 5, except that interest earned on the Fund
and any remaining balance shall be retained in the Fund.

(b) Into the Fund shall be deposited the following:

(1) Notwithstanding subsection 4025(d) of this title, for fiscal year 2021
and each fiscal year after, an amount of $30 million shall be appropriated and
transferred from the Education Fund to the Fund. For each subsequent fiscal
year, the amount appropriated and transferred under this subdivision shall be
increased over the fiscal year 2021 amount by the consensus Joint Fiscal
Office and Administration determination of the National Income and Product
Accounts (NIPA) Implicit Price Deflator for State and Local Government
Consumption Expenditures and Gross Investment as reported by the U.S.
Department of Commerce, Bureau of Economic Analysis, through the fiscal
year for which the payment is being determined.

(2) Proceeds from grants, donations, contributions, taxes, and any other
sources of revenue as may be provided by statute, rule, or act of the General
Assembly.

(c) The Fund shall be a source of financing for the Vermont Promise
Scholarship Program established pursuant to section 2848 of this title.

* * * Study of State funding for postsecondary education * * *

Sec. 3. STUDY BY THE PREKINDERGARTEN-16 HIGHER
EDUCATION SUBCOMMITTEE OF THE PREKINDERGARTEN-
16 COUNCIL

The Prekindergarten-16 Higher Education Subcommittee of the
Prekindergarten-16 Council shall conduct a study of all State funding for
postsecondary education, including appropriations to the Vermont Student
Assistance Corporation and funding to support dual enrollment and early
college programs, to determine those funding sources that should be redirected
to fund the Vermont Promise Scholarship Program established pursuant to
16 V.S.A. § 2848. On or before January 15, 2020, the Committee shall report
to the House and Senate Committees on Education with its findings and
recommendations.

*** Effective Date ***

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2019. Scholarship grants under this act
shall be awarded starting with the 2020–2021 academic year.