

1 S.38

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

3 Referred to Committee on

4 Date:

5 Subject: Education; postsecondary; tuition-free scholarship program

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

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

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

12 \* \* \* Vermont Promise Scholarship Program; Creation \* \* \*

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

14 Subchapter 3A. Vermont Promise Scholarship Program

15 § 2848. VERMONT PROMISE SCHOLARSHIP PROGRAM

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

18 (b) Definitions. As used in this section:

19 (1) “Eligible postsecondary institutions” means the Vermont State  
20 Colleges.

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

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

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

19          (5) “Promise scholarship” means a scholarship awarded under this  
20          section.

1           (6) “Semester” means a fall, spring, or summer semester at an eligible  
2           postsecondary institution, if the institution is on a semester system, or the  
3           equivalent if the institution is on a system other than a semester system.

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

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

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

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

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

19           (D) execute a promissory note with the Corporation obligating the  
20           student to repay the tuition benefit received by the student under the Promise

1 scholarship if the student fails to complete the certificate or degree the student  
2 seeks to obtain in accordance with the requirements of this section.

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

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

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

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

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

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

17 (C) A student who has obtained a certificate under the Program shall  
18 remain eligible under the Program to seek an associate's or a bachelor's  
19 degree, and a student who has obtained an associate's degree under the  
20 Program shall remain eligible under the Program to seek a bachelor's degree.

1 provided that, subject to subdivision (7)(B) of this subsection (c), Promise  
2 scholarships shall not be awarded to a student for more than ten semesters.

3 (4) A Promise scholarship shall cover the cost of tuition at the eligible  
4 postsecondary institution for one academic year based on full-time enrollment,  
5 which shall be charged at the resident rate, less all other gift aid as defined  
6 under subdivision (b)(4) of this section. The Corporation shall pay the promise  
7 scholarship directly to the eligible postsecondary institution.

8 (5) A Vermont Promise Scholarship Program student who receives a  
9 Promise scholarship shall be eligible for an additional grant of up to \$200.00  
10 per academic year to cover the costs of books. Funding for this book grant  
11 shall be paid directly to the eligible postsecondary institution from the  
12 Vermont Higher Education Endowment Trust Fund, established under section  
13 2885 of this title, notwithstanding subsection 2885(f) of this title. The eligible  
14 postsecondary institution shall disperse these funds in accordance with rules or  
15 policies adopted by the Corporation.

16 (6) A Vermont Promise Scholarship Program student who has an  
17 approved medical or personal leave of absence from an eligible postsecondary  
18 institution may continue to receive the scholarship upon resuming the student's  
19 education at an eligible postsecondary institution provided that the student  
20 continues to meet all applicable eligibility requirements. The sum of all

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

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

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

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

17 (B) The requirement of subdivision (1) of this subsection (c) and  
18 subdivision (A) of this subdivision (8) that a Vermont Promise Scholarship  
19 Program student maintain enrollment as a full-time student in each academic  
20 year does not apply to a Vermont Promise Scholarship Program student who is

1 on a medical or personal leave, as approved by the student's eligible  
2 postsecondary institution.

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

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

17 (d) Reporting.

18 (1) The Corporation and the PreKindergarten-16 Higher Education  
19 Subcommittee of the PreKindergarten-16 Council shall provide assistance to  
20 the General Assembly by:

1           (A) researching and analyzing data concerning the effectiveness of  
2           the Vermont Promise Scholarship Program, including student academic  
3           success, completion rates, scholarship retention, and recommendations for  
4           future funding; and

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

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

11           \* \* \* Vermont Promise Scholarship Program; Funding \* \* \*

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

13           § 2849. VERMONT PROMISE SCHOLARSHIP FUND

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

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

20           (1) Notwithstanding subsection 4025(d) of this title, for fiscal year 2021  
21           and each fiscal year after, an amount of \$30 million shall be appropriated and



1 transferred from the Education Fund to the Fund. For each subsequent fiscal  
2 year, the amount appropriated and transferred under this subdivision shall be  
3 increased over the fiscal year 2021 amount by the consensus Joint Fiscal  
4 Office and Administration determination of the National Income and Product  
5 Accounts (NIPA) Implicit Price Deflator for State and Local Government  
6 Consumption Expenditures and Gross Investment as reported by the U.S.  
7 Department of Commerce, Bureau of Economic Analysis, through the fiscal  
8 year for which the payment is being determined.

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

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

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

15 Sec. 3. STUDY BY THE PREKINDERGARTEN-16 HIGHER

16 EDUCATION SUBCOMMITTEE OF THE PREKINDERGARTEN-

17 16 COUNCIL

18 The Prekindergarten-16 Higher Education Subcommittee of the  
19 Prekindergarten-16 Council shall conduct a study of all State funding for  
20 postsecondary education, including appropriations to the Vermont Student  
21 Assistance Corporation and funding to support dual enrollment and early

1 college programs, to determine those funding sources that should be redirected  
2 to fund the Vermont Promise Scholarship Program established pursuant to  
3 16 V.S.A. § 2848. On or before January 15, 2020, the Committee shall report  
4 to the House and Senate Committees on Education with its findings and  
5 recommendations.

6 \* \* \* Effective Date \* \* \*

7 Sec. 4. EFFECTIVE DATE

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