

1 S.29

2 Introduced by Senators Hardy, Perchlik and Ram

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 VSC Scholarship Program to provide tuition-free scholarships for Vermont

8 residents who attend any of the Vermont State Colleges.

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

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

12 * * * VSC Scholarship Program; Creation * * *

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

14 Subchapter 3A. VSC Scholarship Program

15 § 2848. VSC SCHOLARSHIP PROGRAM

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

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

19 (1) “Eligible postsecondary institution” means any of the Vermont State
20 Colleges.

1 (2) “Eligible postsecondary program” means a curriculum of courses
2 leading to a certificate or an associate’s degree at an eligible postsecondary
3 institution.

4 (3) “Full-time student” means a student who is enrolled full time at an
5 eligible postsecondary institution for at least two semesters of a single
6 academic year and enrolled in a minimum of 12 credit hours per semester.

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

10 (5) “Part-time student” means a student who is enrolled on a less than
11 full-time basis at an eligible postsecondary institution.

12 (6) “Program” means the VSC Scholarship Program.

13 (7) “Scholarship” means a scholarship awarded under the Program.

14 (8) “Semester” means a fall, spring, or summer semester at an eligible
15 postsecondary institution if the institution is on a semester system or the
16 equivalent if the institution is on a system other than a semester system.

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

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

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

3 (B) complete the Program application for each academic year of
4 enrollment in accordance with a schedule determined by the Corporation;

5 (C) complete the free application for federal student aid (FAFSA)
6 and the Vermont grant application each academic year in which the student
7 seeks to receive a scholarship;

8 (D) satisfy a means test by being at or below an annual income of
9 \$100,000.00 or, if the student is a dependent, by the student's parents or
10 guardians being at or below an annual income of \$100,000.00, as calculated
11 and reported on the FAFSA form as interpreted by the Corporation;

12 (E) for the first year of study at the eligible postsecondary institution,
13 be enrolled full time or part time at the institution or be accepted for admission
14 on a full-time or part-time basis at the institution and, for each year following
15 the first year of study, be a full-time or part-time student in good academic and
16 behavioral standing as determined by the institution; and

17 (F) be seeking a certificate or an associate's degree.

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

1 (3)(A) Subject to subdivision (3)(C) of this subsection (c), scholarships
2 may be awarded for a maximum of 60 credit hours, minus any credit hours
3 earned through early college and dual enrollment under sections 944 and 946
4 of this title, completed over a period not to exceed five years. The Agency of
5 Education shall provide the Corporation with such information on the early
6 college and dual enrollment programs that the Corporation requests in order to
7 administer the Program.

8 (B) A student who has obtained a certificate under the Program shall
9 remain eligible under the Program to seek an associate's degree, provided that
10 the limitations in subdivision (3)(A) of this subsection (c) shall apply.

11 (C) The Corporation may make exceptions to the limitations in
12 subdivision (3)(A) of this subsection (c) to accommodate students with an
13 approved medical or personal leave or students with a documented learning
14 disability, as provided in rules or policies adopted by the Corporation.

15 (4) A scholarship shall cover the cost of tuition at the eligible
16 postsecondary institution for up to one academic year based on full-time
17 enrollment, which shall be charged at the resident rate. The scholarship
18 amount shall be prorated for a part-time student. A scholarship shall apply on
19 a "last dollar" basis, after all other gift aid as defined under subdivision (b)(4)
20 of this section. The Corporation shall pay the scholarship directly to the
21 eligible postsecondary institution.

1 (5) The Corporation shall not, in awarding scholarships, grants, and
2 other forms of financial aid available to students authorized under other
3 statutes, disfavor students who receive or are eligible to receive a scholarship
4 on the basis that they have the scholarship available to them.

5 (6) The Corporation is authorized to adopt rules and policies to establish
6 deadlines for applications, for appeal procedures for the denial or revocation of
7 the scholarship, and otherwise to effectuate the purposes of this section.

8 (7) If a student who receives a scholarship does not complete a course or
9 courses that are funded by the scholarship, the student shall not be obligated to
10 repay the scholarship funds.

11 (d) Reporting.

12 (1) The Corporation and the eligible postsecondary institution shall
13 provide assistance to the General Assembly by researching and analyzing data
14 concerning the effectiveness of the Program, including student academic
15 success, completion rates, scholarship retention, and recommendations for
16 future funding.

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

1 * * * VSC Scholarship Program; Funding * * *

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

3 § 2849. VSC SCHOLARSHIP FUND

4 (a) There is established the VSC Scholarship Fund for the purpose of
5 financing the VSC Scholarship Program established pursuant to section 2848
6 of this title and for necessary costs incurred in administering the Fund. The
7 Fund shall be administered:

8 (1) pursuant to 32 V.S.A. chapter 7, subchapter 5, except that interest
9 earned on the Fund and any remaining balance shall be retained in the Fund;

10 and

11 (2) by the Secretary of the Administration or designee.

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

13 (1) For fiscal year 2022 and each fiscal year after, an amount of
14 [\$6,000,000.00] shall be appropriated and transferred from the General Fund to
15 the Fund. For each subsequent fiscal year, the amount appropriated and
16 transferred under this subdivision shall be increased over the fiscal year 2023
17 amount by the consensus of the Joint Fiscal Office and Administration,
18 determined by the National Income and Product Accounts (NIPA) Implicit
19 Price Deflator for State and Local Government Consumption Expenditures and
20 Gross Investment as reported by the U.S. Department of Commerce, Bureau of

1 Economic Analysis, through the fiscal year for which the payment is being
2 determined.

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

6 (c) The Commissioner of Finance and Management may draw warrants for
7 disbursements from this Fund in anticipation of receipts.

8 * * * VSC; Staffing * * *

9 Sec. 3. VSC; STAFFING

10 There is appropriated to the Vermont State Colleges from the General Fund
11 for fiscal year 2022 the amount of \$400,000.00 for four full-time positions
12 specializing in student academic support and mentoring, particularly for first-
13 generation students and other students in need of additional assistance.

14 * * * Effective Date * * *

15 Sec. 4. EFFECTIVE DATE

16 This act shall take effect on July 1, 2021. Scholarship grants under this act
17 shall be awarded starting with the 2022–2023 academic year.