

1 H.799

2 Introduced by Representatives Marcotte of Coventry, Bosch of Clarendon,

3 Boutin of Barre City, Carris Duncan of Whitingham, Duke of

4 Burlington, Graning of Jericho, Micklus of Milton, Olson of

5 Starksboro, Priestley of Bradford, and White of Bethel

6 Referred to Committee on

7 Date:

8 Subject: Education; grants, scholarships, and education loan programs; Free

9 Degree Promise Program

10 Statement of purpose of bill as introduced: This bill proposes to create the

11 Free Degree Promise Program to provide financial support to eligible Vermont

12 high school graduates to complete an accelerated associate's degree at the

13 Community College of Vermont (CCV) after completing the CCV Early

14 College program. It also proposes to amend the Vermont Education

15 Endowment Trust Fund to include the Vermont Student Assistance

16 Corporation as a recipient of funds as well as add the Treasurer to the Vermont

17 Education Endowment Trust Fund Council as the Council's chair.

18 An act relating to the Free Degree Promise Program

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

2 Sec. 1. FINDINGS AND PURPOSE

3 (a) Findings. The General Assembly finds that:

4 (1) increasing access to postsecondary credentials is critical to

5 Vermont's economy and workforce;

6 (2) the Free Degree Promise Program provides tuition-free community
7 college degrees to Vermont high school graduates; and

8 (3) a reliable State funding source should be established to sustain the
9 Program.

10 (b) Purpose. The purpose of this act is to codify the Free Degree Promise
11 Program in statute and designate the Vermont Higher Education Endowment
12 Trust Fund as an annual funding source for the Program. The goals of the
13 Program include reducing student debt, increasing degree attainment,
14 supporting workforce needs, and expanding equitable access to postsecondary
15 education. With data showing that an associate's degree in Vermont has the
16 highest return on investment than anywhere else in the country, a free, fast-
17 tracked path to an associate's degree is a smart, targeted investment in
18 Vermont's future.

1 Sec. 2. 16 V.S.A. chapter 87, subchapter 6 is added to read:

2 Subchapter 6. Free Degree Promise Program

3 § 2871. FREE DEGREE PROMISE PROGRAM

4 (a) Program established. There is established the Free Degree Promise
5 Program (Program) to provide financial support to eligible Vermont high
6 school graduates to complete an accelerated associate's degree at the
7 Community College of Vermont (CCV) after completing the CCV Early
8 College program during their senior year of high school. The Program shall:

9 (1) cover tuition and fees after any federal and State financial aid;
10 (2) provide enhanced career and education advising; and
11 (3) provide stipends to help with books, transportation, and other costs
12 associated with going to college.

13 (b) Eligibility. To be eligible for the Free Degree Promise Program, a
14 student shall:

15 (1) successfully complete the Early College program at CCV with at
16 least 20 college credits; and
17 (2) complete the FAFSA and Vermont Grant application.

18 (c) Rules. In accordance with 3 V.S.A. chapter 25, the Commissioner of
19 Labor, in consultation with CCV, shall adopt rules to further define Program
20 eligibility criteria, including residency, graduation year cohorts, academic

1 requirements, award amounts, enrollment processes, and compliance

2 requirements consistent with the goals of the Program.

5 Sec. 3. 16 V.S.A. § 2885 is amended to read:

6 § 2885. VERMONT HIGHER EDUCATION ENDOWMENT TRUST FUND

7 * * *

8 (b) The State Treasurer may invest the monies in the Fund.

9 (c) In ~~August~~ September of each fiscal year, beginning in the year 2000

10 2029, the State Treasurer shall withdraw and divide an amount equal to five
11 percent of the assets equally among the University of Vermont, the Vermont
12 State Colleges, and the Vermont Student Assistance Corporation. In this

13 subsection, “assets” means the average of the Fund’s market values at the end
14 of each quarter for the most recent 12 quarters or all quarters of operation,

15 whichever is less. Therefore, up to five percent of the Fund assets are hereby
16 annually allocated pursuant to this section, provided that the amount allocated
17 shall not exceed an amount that would bring the Fund balance below the initial
18 funding made in fiscal year 2000 plus any additional contributions to the

19 principal. The University of Vermont and the Vermont State Colleges shall
20 use the funds to provide nonloan financial aid to Vermont students attending
21 their institutions; the Vermont Student Assistance Corporation shall use the

1 funds to provide nonloan financial aid to Vermont students attending a
2 Vermont postsecondary institution.

3 (d)(1) During the first quarter of each fiscal year, the Secretary of
4 Administration or the Secretary's designee and the Council created in
5 subsection (h) of this section may authorize the State Treasurer to make an
6 amount equal to not more than ~~two~~ three percent of the assets available, in
7 equal amounts, to the University of Vermont ~~and the~~, Vermont State Colleges
8 System, and the Vermont Student Assistance Corporation for the purpose of
9 creating or increasing a permanent endowment.

10 (2) In this subsection, "assets" means the average of the Fund's market
11 values at the end of each quarter for the most recent 12 quarters or all quarters
12 of operation, whichever is less. Up to ~~two~~ three percent of the Fund assets are
13 hereby annually allocated pursuant to this section, provided that the amount
14 allocated shall not exceed an amount that would bring the Fund balance below
15 the initial funding made in fiscal year 2000 plus any additional contributions to
16 the principal. ~~One half~~ One-third of the amount allocated shall be available to
17 the University of Vermont ~~and one-half, one-third~~ shall be available to the
18 Vermont State Colleges System, and one-third shall be available to the
19 Vermont Student Assistance Corporation. The University of Vermont and the
20 Vermont State Colleges Each recipient may withdraw funds upon certification
21 by the withdrawing institution to the Commissioner of Finance and

1 Management that it has received private donations that are double the amount
2 it plans to withdraw.

3 (3) Annually, on or before August 1, the recipients shall render financial
4 reports on the use of disbursed funds for the preceding fiscal year to the
5 Treasurer.

6 * * *

7 (h) There is created the Vermont Higher Education Endowment Trust Fund
8 Council to perform the duties set forth in subsections (d) and (e) of this section.
9 The Council shall be attached to the Office of Treasurer for administration
10 purposes and shall be composed of the following members:

11 (1) the Treasurer, who shall be chair;
12 ~~(1)~~(2) the President of the University of Vermont;
13 ~~(2)~~(3) the Chancellor of the Vermont State Colleges;
14 ~~(3)~~(4) the President of the Vermont Student Assistance Corporation;
15 ~~(4)~~(5) the President of the Association of Vermont Independent
16 Colleges;
17 ~~(5)~~(6) a representative from the business and industry community,
18 selected by the Vermont Business Roundtable;
19 ~~(6)~~(7) a member of the House of Representatives, appointed by the
20 Speaker of the House; and

1 (7)(8) a member of the Senate, appointed by the Committee on
2 Committees.

3 Sec. 4. RULEMAKING; IMPLEMNTATION

4 (a) On or before January 15, 2027, the Commissioner of Labor, pursuant to
5 3 V.S.A. chapter 25, shall initiate rulemaking for any rules necessary to
6 implement the Free Degree Promise Program created pursuant to 16 V.S.A.
7 § 2871.

8 (b) The Treasurer shall implement the new allocation beginning in fiscal
9 year 2029, subject to available Fund balances consistent with the limitations of
10 16 V.S.A. § 2885.

11 Sec. 5. EFFECTIVE DATE

12 This act shall take effect on July 1, 2026.