

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2386 Session of
2012

INTRODUCED BY PAYTON, FABRIZIO, PARKER AND THOMAS, MAY 16, 2012

REFERRED TO COMMITTEE ON EDUCATION, MAY 16, 2012

AN ACT

1 Establishing a Statewide academic scholarship program to be
2 known as the Reliable Educational Assistance for College
3 Hopefuls Scholarship for Business and Entrepreneurship; and
4 providing for the powers and duties of the Pennsylvania
5 Higher Education Assistance Agency.

6 The General Assembly of the Commonwealth of Pennsylvania
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Reliable
10 Educational Assistance for College Hopefuls Scholarship for
11 Business and Entrepreneurship Act.

12 Section 2. Purpose.

13 The purpose of this act is to reward educational excellence
14 and provide an incentive to Pennsylvania students to pursue
15 higher education with an emphasis on business and
16 entrepreneurship within this Commonwealth.

17 Section 3. Definitions.

18 The following words and phrases when used in this act shall
19 have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

1 "Agency." The Pennsylvania Higher Education Assistance
2 Agency.

3 "Approved course of study." A program or curriculum offered
4 at a college or university within this Commonwealth that
5 provides instruction in business administration, management
6 studies or related fields and has been approved by the
7 Department of Education.

8 "Department." The Department of Education of the
9 Commonwealth.

10 "Fund." The REACH Scholarship Fund for Business and
11 Entrepreneurship established under section 6.

12 "Grade point average." The numbered grade average calculated
13 using a 4.0 scale.

14 "Private institution of higher education." An institution of
15 higher education located in this Commonwealth that provides an
16 organized four-year program of undergraduate instruction toward
17 a baccalaureate degree and that is not a State-owned institution
18 or State-related institution.

19 "REACH Scholarship for Business and Entrepreneurship." The
20 Reliable Educational Assistance for College Hopefuls Scholarship
21 for Business and Entrepreneurship established under section 4.

22 "State-owned institution." An institution that is part of
23 the State System of Higher Education pursuant to Article XX-A of
24 the act of March 10, 1949 (P.L.30, No.14), known as the Public
25 School Code of 1949.

26 "State-related institution." Any of the following: The
27 Pennsylvania State University, the University of Pittsburgh,
28 Temple University and Lincoln University and their branch
29 campuses.

30 "Student." A school-age resident of this Commonwealth who

1 attends or is about to attend a State-owned institution, State-
2 related institution or private institution of higher education
3 located in this Commonwealth and who is enrolled, or plans to
4 enroll, in an approved course of study.

5 Section 4. REACH Scholarship for Business and Entrepreneurship.

6 (a) Establishment.--The REACH Scholarship for Business and
7 Entrepreneurship is established within the agency.

8 (b) Issuance of scholarships.--

9 (1) The agency shall provide scholarships, which may be
10 referred to as REACH Scholarships for Business and
11 Entrepreneurship, to all students who meet the requirements
12 of subsection (d) or (f). The scholarships may be issued to a
13 student only upon confirmation from the State-owned
14 institution, State-related institution or private institution
15 of higher education to which the student has enrolled full
16 time.

17 (2) The scholarships shall be available for four years
18 or upon completion of a baccalaureate degree, whichever
19 occurs earlier.

20 (3) The scholarships shall only be used for tuition and
21 mandatory fees.

22 (4) The scholarships shall be awarded solely on the
23 basis of merit and without regard to need.

24 (5) The scholarships shall only be awarded to students
25 who are high school seniors during or after the school year
26 in which this section takes effect.

27 (6) The department shall establish a list of approved
28 courses of study for the program.

29 (c) Calculation of award.--

30 (1) Each eligible student who will attend or attends a

1 State-owned institution and enrolls in an approved course of
2 study shall receive a full-tuition scholarship.

3 (2) Each eligible student who will attend or attends a
4 State-related institution or private institution of higher
5 education and enrolls in an approved course of study shall
6 receive the lesser of a full-tuition scholarship or a
7 scholarship equal to the average tuition at the State-owned
8 institutions as calculated annually by the agency.

9 (d) Eligibility.--To receive a scholarship under this
10 section, a student must meet all of the following requirements:

11 (1) Pennsylvania residency for at least three years
12 prior to application for the REACH Scholarship for Business
13 and Entrepreneurship.

14 (2) Pennsylvania residency during the term of the
15 scholarship.

16 (3) Cumulative high school grade point average of 3.0 or
17 higher for the sophomore, junior and senior years of high
18 school. If the student does not graduate from high school or
19 completes a home study program meeting the requirements of
20 section 1327.1 of the act of March 10, 1949 (P.L.30, No.14),
21 known as the Public School Code of 1949, the agency shall
22 determine the eligibility of the student.

23 (4) Graduation in the top ten percentile of the
24 graduating class. If the student does not graduate from high
25 school or completes a home study program meeting the
26 requirements of section 1327.1 of the Public School Code of
27 1949, the agency shall determine the eligibility of the
28 student.

29 (5) Cumulative high school attendance of at least 90%
30 for the sophomore, junior and senior years of high school

1 unless the agency determines there are extenuating
2 circumstances, including, but not limited to, approved
3 medical or personal leave of absence. If the student does not
4 graduate from high school but completes a home study program
5 meeting the requirements of section 1327.1 of the Public
6 School Code of 1949, the agency shall determine the
7 eligibility of the student.

8 (6) Satisfactory disciplinary record or conduct record
9 for the sophomore, junior and senior years of high school. If
10 the student does not meet this requirement but meets or
11 exceeds all other requirements under this subsection, the
12 agency shall determine eligibility of the student.

13 (7) Satisfactory academic progress toward completion of
14 an approved course of study at a State-owned institution,
15 State-related institution or private institution of higher
16 education as provided under subsection (f).

17 (8) Entrance into a written agreement with the agency to
18 maintain Pennsylvania residency for four years after
19 completion of an undergraduate degree. The student shall
20 reimburse the Commonwealth all amounts received under this
21 act and interest thereon, at a rate equal to the average
22 Stafford loan through the term of the scholarship, if the
23 student fails to comply with the terms of the written
24 agreement.

25 (9) Apply for the Free Application for Federal Student
26 Aid each year during the term of the scholarship.

27 (10) Complete at least 100 hours of community service
28 each academic year of high school. The community service must
29 be documented by a supervisor and approved by the agency.

30 (e) Contents of application.--The application of a student

1 who seeks a scholarship as prescribed by the agency must
2 include:

3 (1) All information and documentation required by the
4 agency.

5 (2) If the student is under 18 years of age, the
6 signature of a parent or guardian.

7 (3) A verified statement of grade point average,
8 attendance and disciplinary record or conduct record from the
9 appropriate educational institution.

10 (f) Maintenance of scholarship.--

11 (1) Except as provided under paragraph (2), a student
12 must maintain a grade point average of 3.0 or higher during
13 each semester at a State-owned institution, State-related
14 institution or private institution of higher education
15 through the term of the scholarship, unless the agency
16 determines that there are extenuating circumstances,
17 including, but not limited to, approved medical or personal
18 leave of absence.

19 (2) In the event that a student receives a grade point
20 average below 3.0 during the first or second semester of the
21 freshmen or first year at a State-owned institution, State-
22 related institution or private institution of higher
23 education, the agency shall place the student on scholarship
24 probation.

25 (3) A student must complete 40 hours of community
26 service during each 12-month period during the term of the
27 scholarship, which community service must be verified by the
28 agency.

29 (g) Scholarship termination and transfer.--

30 (1) If a student who has received a scholarship

1 terminates enrollment in the educational institution to which
2 the student has enrolled full time during the academic year,
3 or enrolls in a program of study that is not an approved
4 course of study, the educational institution shall notify the
5 agency in writing and shall return all unused portions of the
6 scholarship.

7 (2) Returned amounts shall be deposited in the REACH
8 Scholarship Fund for Business and Entrepreneurship.

9 (3) A student may transfer a scholarship from one State-
10 owned institution, State-related institution or private
11 institution of higher education to another, provided that the
12 student continues enrollment in an approved course of study.

13 (h) Limitation.--A scholarship shall be paid only from the
14 REACH Scholarship Fund for Business and Entrepreneurship.

15 Section 5. Administration.

16 (a) Verification.--The agency shall monitor and verify a
17 student's compliance with all the requirements under this act.

18 (b) Enforcement.--The agency shall enforce repayment of all
19 scholarships for a student who does not comply with the
20 provisions of this act, to include use of all lawful collection
21 procedures and the use of private collection agencies.

22 (c) Exclusion from taxation.--No scholarship received by a
23 student may be considered taxable income for purposes of Article
24 III of the act of March 4, 1971 (P.L.6, No.2), known as the Tax
25 Reform Code of 1971.

26 (d) Financial assistance.--No scholarship received by a
27 student may be considered financial assistance or appropriations
28 to the approved education institution.

29 (e) Regulations.--The agency shall adopt regulations and
30 procedures necessary to carry out the purposes of this act.

1 Section 6. REACH Scholarship Fund for Business and

2 Entrepreneurship.

3 (a) Establishment.--The REACH Scholarship Fund for Business
4 and Entrepreneurship is established as a separate fund in the
5 State Treasury.

6 (b) Administration.--The fund shall be administered by the
7 agency.

8 (c) Use of fund.--The purpose of the fund shall be to
9 provide full tuition scholarships or equivalent scholarships to
10 students who have been determined eligible in accordance with
11 this act.

12 (d) Funding source.--

13 (1) Donations and contributions from all public and
14 private sources, including the Federal Government, and any
15 appropriations or transfers authorized by the General
16 Assembly may be deposited in the fund.

17 (2) All interest earned by the fund and all refunds and
18 repayments shall be credited to the fund.

19 (e) Limit on scholarships.--The agency shall not award more
20 than \$25,000,000 in scholarships under this act.

21 Section 7. Report to General Assembly.

22 On or before April 1 following the effective date of this
23 section, and in each succeeding year in which REACH Scholarships
24 for Business and Entrepreneurship are awarded, the agency shall
25 provide a report to the General Assembly regarding the
26 implementation and administration of this act.

27 Section 8. Effective date.

28 This act shall take effect July 1, 2011, or immediately,
29 whichever is later.