

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

BILL NO. House Bill 2338

PRINTER NO. 3963

AMOUNT

No Adverse Fiscal Impact

FUND

General Fund

DATE INTRODUCED

September 14, 2016

PRIME SPONSOR

Representative Gabler

DESCRIPTION AND PURPOSE OF BILL

House Bill 2338 establishes the Student Protection Act to provide that if the U.S. Department of Education discontinues recognition of an accrediting agency, the Commonwealth shall ensure that students that attend an institution accredited by the accrediting agency will remain eligible for State financial assistance and State licensure, certification or any other professional credential they would otherwise be entitled to obtain.

Provides that an institution affected by derecognition of an accrediting agency shall have 18-months to attain new accreditation through a recognized accrediting agency. Provides that PHEAA, when advancing financial assistance during a school's transition to new accreditation, may follow the U.S. Department of Education's issuance of Federal financial assistance. Allows the student protections to continue beyond the 18-month period when the appropriate State agency deems it is in the best interest of the students.

Requires that an institution disclose the status of its application for new accreditation to recipients of State aid and that PHEAA publish guidance on its website related to implementation of the act.

The legislation is scheduled to take effect immediately and sunset December 31, 2018.

The U.S Department of Education moved to derecognize the Accrediting Council for Independent Colleges and Schools (ACICS), which provides accreditation to 35 schools located in the Commonwealth. The Federal law provides these institutions 18-months to seek new accreditation and allows students to continue to receive Federal financial aid during this period.

FISCAL IMPACT:

The enactment of House Bill 2338 will have no adverse impact on Commonwealth Funds. At present, the State grant program regulations allow PHEAA to use its discretion to continue to provide grants to students at the effected institutions who apply to renew grant awards. In addition, PHEAA projects that the legislation will not increase the number State grant eligible students.