



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1653

PRINTERS NO. 2214

PRIME SPONSOR: Quigley

COST / (SAVINGS)

FUND	FY 2017/18	FY 2018/19
General Fund	\$0	\$0

SUMMARY:

House Bill 1653 amends the Higher Education Scholarship Law concerning the State Grant Program. It would take effect immediately, and apply not later than the 2018-19 award year.

ANALYSIS:

Under current law and regulation, students are not eligible for state grants if more than 50% of the credits needed for completion of their higher education program are earned through distance education. House Bill 1653 would allow the Pennsylvania Higher Education Assistance Agency (PHEAA) to provide scholarships through the Student Grant Program to students regardless of whether the program of study is 100% online or blended with classroom credits, under certain conditions. The institution providing the program of study must be headquartered and domiciled through incorporation or charter in this Commonwealth, and be an eligible school as determined by PHEAA. The student must also meet all other eligibility requirements as provided for by the Higher Education Scholarship Law, and as established by PHEAA.

If the institution has a physical location in this Commonwealth but is not headquartered and domiciled through incorporation or charter in this Commonwealth, the current requirement that the program of study be at least 50% classroom instruction would still apply.

House Bill 1653 also provides that PHEAA may require data reporting from participating schools, and the agency must report to the Governor and General Assembly regarding the impact that online education has on the Student Grant Program.

FISCAL IMPACT:

Enactment of this legislation will have no adverse impact on Commonwealth funds. Decisions regarding how much money to appropriate to the Student Grant Program are made annually by the Governor and General Assembly through the state budget process. This legislation does not require that any minimum amount be appropriated to the Student Grant Program. However, by expanding the Student Grant Program to include some students taking more than 50% of their courses through distance education, the average grant amount per student could be reduced. To account for this possibility, House Bill 1653 provides that the PHEAA board of

directors may implement the necessary controls to limit the impact of online education and protect the purchasing power of the grants as deemed necessary by the agency. "Purchasing power" is defined as a mathematical formula, as determined by PHEAA, that compares the annual amount of the scholarships provided for by the program to the average tuition and fees as calculated by the agency.

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House Appropriations Committee (R)

DATE: October 24, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.