

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1150

PRINTER NO. 1555

AMOUNT

See Fiscal Impact

FUND

General Fund

DATE INTRODUCED

April 26, 2024

PRIME SPONSOR

Senator Martin

DESCRIPTION

Senate Bill 1150 adds a new Article XXVI-M in the Public School Code establishing the Grow Pennsylvania Scholarship Grant Program under the Pennsylvania Higher Education Assistance Agency (PHEAA) to provide grant awards to students in courses of study that lead to in-demand occupations.

The legislation provides for PHEAA to award an eligible student a grant of \$5,000 per academic year or a lesser amount if the total amount of federal and state grants available to the student exceeds the educational cost, for up to four years.

The legislation provides that to be eligible to receive a grant a student must be a resident of the Commonwealth, be enrolled in an approved course of study and enter into a written agreement with PHEAA to do the following: (1) satisfy degree and other requirements; (2) commence employment in Pennsylvania within one year after completion of a bachelor’s or associate’s degree in a field related to the approved course of study for 15 months per academic year that the student received the grant; and (3) reimburse the Commonwealth for all amounts of grant funding received, including interest, if the student fails to comply with the provisions of the written agreement.

The legislation requires PHEAA to award grants under the program on a first-come, first-served basis and to prioritize renewal applicants in subsequent years. It also limits grant awards to funds appropriated for the program.

The legislation requires PHEAA to monitor and verify a student’s compliance with the written agreement and enforce repayment of grants if the student fails to comply. It requires an institution of higher education to notify PHEAA in writing and return any unused grant funding to PHEAA if the student terminates enrollment in the approved course of study. It also requires PHEAA to postpone work requirements for the student under extenuating circumstances or if the student enrolls full-time in a higher level degree program.

The legislation provides that money reimbursed or returned to PHEAA must be used to provide additional grants. Grants received by a student shall not be considered taxable income for purposes of the Pennsylvania personal income tax.

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Senate Bill 1150 defines an “approved course of study” as a program offered by an institution of higher education that provides instruction in agriculture, computer science, criminal justice, business, education, engineering, nursing, trades or other in-demand occupations approved by the agency in consultation with the Independent Fiscal Office (IFO). It also defines an “in-demand occupation” as a job that is in demand by employers in this Commonwealth, requires a high level of skill and is likely to provide family sustaining wages.

The legislation requires the IFO to provide PHEAA advice with regard to the identification of in-demand occupations, including a list of such occupations by December 31, 2024, and each year thereafter. It also provides for the IFO to consult with the Department of Labor and Industry, business and industry trade associations, employee organizations and other parties that may provide information beneficial to the development of the list of in-demand occupations.

The legislation requires PHEAA to submit a report to the Governor and General Assembly by December 31, 2025, and each year thereafter that includes: (1) a list of the in-demand occupations for what grants may be sought; (2) the number of grant applicants; (3) the number of grants awarded to students; (4) the number of grants awarded to students by approved course of study; (5) the number of grants awarded to students by institution of higher education; (6) the average value of a grant award; (7) the number of grant recipients that are employed and meeting the work requirement; (8) the number of grant recipients that are employed and meeting the work requirement by occupation; (9) the number of grant recipients that have not met the work requirement; and (10) the amount of money reimbursed to the Commonwealth by grant recipients that have not met the work requirement.

The legislation is scheduled to take effect in 60 days.

FISCAL IMPACT:

The provisions contained in Senate Bill 1150 providing for grants to students will be dependent on appropriations made by the General Assembly for the grant program in the General Appropriation Act, as the language in the legislation specifies that grants are limited to the amount of money appropriated for the program.

PHEAA estimates that it will cost between \$400,000 and \$600,000 to implement the program contained in Senate Bill 1150. Additionally, based on its experience operating similar grant-to-loan programs such as those contained in the New Economy Technology Scholarship Act (Act 22 of 1999), PHEAA estimates that it will incur annual administrative costs of between 2.5% to 3% of the total amount of funds appropriated for the program.