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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 192      Session of  
2003

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INTRODUCED BY BOSCOLA, RHOADES, LOGAN, KITCHEN, MUSTO, KASUNIC,  
O'PAKE, KUKOVICH, COSTA AND WOZNIAK, FEBRUARY 5, 2003

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REFERRED TO EDUCATION, FEBRUARY 5, 2003

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AN ACT

1 Providing for academic excellence scholarships for persons  
2 entering a college or university within this Commonwealth.

3 The General Assembly of the Commonwealth of Pennsylvania  
4 hereby enacts as follows:

5 Section 1. Short title.

6 This act shall be known and may be cited as the Academic  
7 Excellence Scholarship Program Act.

8 Section 2. Purpose.

9 The purpose of this act is to reward educational excellence  
10 and provide an incentive to Pennsylvania students to pursue  
11 higher education.

12 Section 3. Definitions.

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

16 "Agency." The Pennsylvania Higher Education Assistance  
17 Agency (PHEAA).

18 "Approved educational institution." A postsecondary

1 educational institution located in this Commonwealth that is  
2 authorized to provide approved courses of study and grant  
3 degrees, and has been approved by the Pennsylvania Higher  
4 Education Assistance Agency as an institution in which students  
5 may enroll to participate in the Academic Excellence Scholarship  
6 Program.

7 "Program." The Academic Excellence Scholarship Program  
8 established under section 4.

9 "Student." A school-age resident of this Commonwealth who  
10 attends or is about to attend a secondary school or  
11 postsecondary educational institution located in this  
12 Commonwealth and whose annual family income does not exceed  
13 \$250,000.

14 "Work requirement." Postgraduate, full-time employment with  
15 an employer located in this Commonwealth. The term does not  
16 include a paid student internship, a paid fellowship, volunteer  
17 service or employment before graduation.

18 Section 4. Academic Excellence Scholarship Program.

19 (a) Establishment of program.--There is hereby established  
20 the Academic Excellence Scholarship Program within the agency.

21 (b) Issuance of program grants.--

22 (1) The agency may provide scholarship grants to not  
23 more than 1,000 students. If more than 1,000 students apply,  
24 a lottery system shall be employed. The grants may be issued  
25 to students only upon confirmation from approved educational  
26 institutions that the students have enrolled full time  
27 immediately following their high school graduation.

28 (2) Scholarship grants shall be for the amount set forth  
29 in section 5(a) and shall only be used for tuition and  
30 mandatory fees.

1           (3) The program grants shall be awarded solely on the  
2 basis of merit and without regard to need.

3           (c) Eligibility.--To receive a scholarship grant under this  
4 section, a student shall meet all of the following requirements:

5           (1) Maintenance of Pennsylvania residency during the  
6 term of the scholarship grants.

7           (2) Graduation within the top five percent from a high  
8 school in this Commonwealth. The student must have attended a  
9 public or private high school within this Commonwealth during  
10 the junior and senior years.

11           (3) High school grade point average of 95%.

12           (4) Scholastic Achievement Test score must be no less  
13 than 1400.

14           (5) Maintenance of a grade point average of 3.0 or  
15 higher, on a scale of 4.0, or its equivalent, beginning with  
16 the first semester of the freshman year and through the term  
17 of the scholarship grant.

18           (6) Enter into a written agreement with the agency to:

19           (i) Satisfy all degree requirements for graduation  
20 unless the agency determines that there are extenuating  
21 circumstances.

22           (ii) Commence employment in this Commonwealth within  
23 one year after completion of an undergraduate degree for  
24 a period of two years.

25           (iii) Reimburse the Commonwealth all amounts  
26 received under this act and interest thereon, as  
27 determined by the agency, if the student fails to comply  
28 with subparagraph (i).

29           (iv) Reimburse the Commonwealth 50% of the amount  
30 received under this act and interest thereon, as

determined by the agency, if the student fails to comply with subparagraph (ii).

(d) Application.--A student must apply to the agency for a scholarship grant as prescribed by the agency, to include the provision of all information and documentation required by the agency. The application of a student under 18 years of age must include the signature of a parent or guardian. The application must include a verified statement of grade point average from the appropriate educational institution.

(e) Work requirement.--The work requirement under subsection (c)(5)(ii) shall begin after the receipt of bachelor's degree from an approved educational institution.

(f) Termination.--If a student who has received a scholarship grant under this act terminates enrollment in the approved educational institution during the academic year or prior to completion, the approved education institution shall notify the agency in writing and shall return all unused portions of the scholarship grant. Returned amounts shall be used to fund other scholarship grants under this act.

(g) Transfer.--A scholarship grant may only be transferrable to another educational institution if approved by the agency.

(h) Limitation.--Scholarship grants shall be paid from funds appropriated for that purpose. First priority for awarding scholarship grants shall be given to renewal applicants. Thereafter, scholarship grants shall be awarded on a first-come-first-served basis.

## Section 5. Academic Excellence Scholarships.

(a) Amount of grants.--The agency shall issue scholarship grants under this act, which grants may be referred to as Academic Excellence Scholarship in the amount of \$5,000 per

1 academic year, to a student enrolled full time in an approved  
2 educational institution pursuing a bachelor's degree. The  
3 student shall take at least 12 semester hours, or its  
4 equivalent.

5 (b) Term of grant.--The scholarship grant shall be for a  
6 maximum of four consecutive academic years.

7 (c) Exception.--If the student fails to meet the GPA  
8 requirements during a semester and is denied scholarship grant  
9 money, the student may reapply the following year for a second  
10 chance program grant and shall continue at the student's expense  
11 for the next year. If the student earns 3.0 at the end of that  
12 year, the student may reapply for the remaining years. If the  
13 student does not obtain a GPA of 3.0 or higher within the year  
14 following dismissal from the program, the student may not  
15 reapply.

#### 16 Section 6. Administration.

17 (a) Verification.--The agency shall monitor and verify a  
18 student's fulfillment of all the work requirements under this  
19 act.

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

24 (c) Exclusion from taxation.--Scholarship grants received by  
25 a student shall not be considered taxable income for purposes of  
26 Article III of the act of March 4, 1971 (P.L.6, No.2), known as  
27 the Tax Reform Code of 1971.

28 (d) Financial assistance.--Scholarship grants received by a  
29 student shall not be considered financial assistance or  
30 appropriations to the approved education institution.

1       (e) Appeals.--The provisions of this act shall be subject to  
2 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of  
3 Commonwealth agencies).

4       (f) Regulations.--The agency shall adopt regulations and  
5 procedures necessary to carry out the purposes of this act.

6 Section 7. Effective date.

7       This act shall take effect July 1, 2003, or immediately,  
8 whichever is later.