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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 727 Session of  
2011

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INTRODUCED BY BOSCOLA, WILLIAMS, BROWNE, FERLO, COSTA,  
TARTAGLIONE, FONTANA, STACK, SOLOBAY, BREWSTER, WASHINGTON,  
FARNESE, WOZNIAK AND RAFFERTY, MARCH 2, 2011

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REFERRED TO EDUCATION, MARCH 2, 2011

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AN ACT

1 Providing for academic excellence scholarships for persons  
2 entering a college or university within this Commonwealth and  
3 for powers and duties of the Pennsylvania Higher Education  
4 Assistance Agency.

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

7 Section 1. Short title.

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

10 Section 2. Definitions.

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

14 "Agency." The Pennsylvania Higher Education Assistance  
15 Agency.

16 "Approved educational institution." A postsecondary  
17 educational institution located in this Commonwealth that is  
18 authorized to provide approved courses of study and grant

1 degrees, and has been approved by the Pennsylvania Higher  
2 Education Assistance Agency as an institution in which students  
3 may enroll to participate in the Academic Excellence Scholarship  
4 Program.

5 "Program." The Academic Excellence Scholarship Program  
6 established by this act.

7 "Student." An individual domiciled in this Commonwealth who  
8 attends or is about to attend a secondary school or  
9 postsecondary educational institution located in this  
10 Commonwealth and whose annual family income does not exceed  
11 \$250,000.

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

16 Section 3. Academic Excellence Scholarship Program.

17 There is hereby established the Academic Excellence  
18 Scholarship Program within the agency to reward academic  
19 excellence and provide an incentive for Pennsylvania students to  
20 pursue higher education and professional opportunities within  
21 this Commonwealth.

22 Section 4. Scholarship grants.

23 (a) Issuance.--The agency may provide scholarship grants  
24 annually to eligible students who are residents of this  
25 Commonwealth. A scholarship grant may be issued to a student  
26 only upon confirmation from an approved educational institution  
27 that the student has enrolled full time no later than the fall  
28 semester immediately following high school graduation.

29 (b) Amount.--Scholarship grants shall be for the amount set  
30 forth in section 5(a) and may only be used for tuition and

1 mandatory fees.

2 (c) Award.--A scholarship program grant shall be awarded  
3 solely on the basis of merit.

4 (d) Eligibility.--To receive a scholarship grant under this  
5 act, a student must meet all of the following requirements:

6 (1) Maintenance of Pennsylvania domicile during the term  
7 of the scholarship grant.

8 (2) Graduation within the top 5% of students from a high  
9 school in this Commonwealth. The student must have attended a  
10 public or private high school within this Commonwealth during  
11 the junior and senior years.

12 (3) High school cumulative grade point average of 3.0 or  
13 higher, on a scale of 4.0, or its equivalent.

14 (4) A score of no less than 2130 on the SAT or an ACT  
15 score of no less than 32.

16 (5) Maintenance of a grade point average of 3.0 or  
17 higher, on a scale of 4.0, or its equivalent.

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

20 (i) Satisfy all degree requirements for graduation.

21 (ii) Commence employment in this Commonwealth within  
22 one year after completion of an undergraduate degree for  
23 a period of one year for each academic year the student  
24 received a scholarship grant under this act unless the  
25 agency determines that there are extenuating  
26 circumstances.

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

1 (e) Application.--A student shall apply to the agency for a  
2 scholarship grant as prescribed by the agency and provide all  
3 information and documentation required by the agency. The  
4 application of a student under 18 years of age shall include the  
5 signature of a parent or guardian. The application shall include  
6 a verified statement of grade point average from the appropriate  
7 educational institution.

8 (f) Work requirement.--The work requirement under subsection  
9 (d)(6)(ii) shall begin after receipt of a bachelor's degree from  
10 an approved educational institution.

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

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

21 (i) Limitation.--A scholarship grant shall be paid from  
22 funds appropriated for that purpose. First priority for awarding  
23 scholarship grants shall be given to renewal applicants.  
24 Thereafter, the scholarship grants shall be awarded on a first-  
25 come-first-served basis.

26 (j) Exception.--The agency shall postpone the work  
27 requirement under subsection (f) for extenuating circumstances  
28 or because of the student's enrollment on a full-time basis in a  
29 graduate degree program within one year of the receipt of a  
30 bachelor's degree from an approved educational institution. The

1 agency shall require documentation of the person's continual  
2 status as a full-time student as defined by the agency. The work  
3 requirement under subsection (d) (6) (ii) shall begin within one  
4 year after termination of enrollment on a full-time basis in a  
5 graduate degree program.

6 Section 5. Academic Excellence Scholarships.

7 (a) Amount of scholarship grants.--The agency shall issue  
8 scholarship grants under the program, which grants may be  
9 referred to as Academic Excellence Scholarships, in the amount  
10 of \$5,000 per academic year to a student enrolled full time in  
11 an approved educational institution pursuing a bachelor's  
12 degree. The student must be enrolled for a minimum of 12  
13 semester hours each semester or its equivalent.

14 (b) Term of grant.--The scholarship grant shall be for a  
15 maximum of four academic years.

16 (c) Exception.--If the student fails to meet the cumulative  
17 grade point average requirements during a semester and is denied  
18 a scholarship grant, the student may reapply the following year  
19 for a scholarship grant, but must continue at the student's  
20 expense for the next year. If the student earns a cumulative  
21 grade point average of 3.0 or higher at the end of that year,  
22 the student may reapply for the remaining years. If the student  
23 does not obtain a cumulative grade point average of 3.0 or  
24 higher within the year following dismissal from the program, the  
25 student may not reapply.

26 Section 6. Administration.

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

30 (b) Enforcement.--The agency shall enforce repayment of all

1 scholarship grants for a student who does not comply with the  
2 provisions of this act, including use of all lawful collection  
3 procedures and the use of private collection agencies.

4 (c) Exclusion from taxation.--A scholarship grant received  
5 by a student shall not be considered taxable income for purposes  
6 of Article III of the act of March 4, 1971 (P.L.6, No.2), known  
7 as the Tax Reform Code of 1971.

8 (d) Financial assistance.--A scholarship grant received by a  
9 student shall be considered financial assistance or an  
10 appropriation to the approved education institution.

11 (e) Appeals.--The provisions of this act shall be subject to  
12 2 Pa.C.S. Ch. 5 Subch. A (relating to practice and procedure of  
13 Commonwealth agencies).

14 (f) Regulations.--The agency shall adopt regulations and  
15 procedures necessary to carry out the purposes of this act.  
16 Section 7. Annual report.

17 (a) Development of report.--The agency shall publish a  
18 report each year containing information regarding the operation  
19 of the scholarship program. The initial report shall be  
20 submitted by September 1 in the year following the first full  
21 academic year in which scholarship grants have been awarded, and  
22 by September 1 of each year thereafter. The report shall  
23 include:

24 (1) Total number of students receiving scholarship  
25 grants, with a breakdown of whether the scholarship is an  
26 initial scholarship grant or a renewal of a scholarship  
27 grant.

28 (2) Total number of students who withdraw from the  
29 program or work requirements.

30 (b) Submission.--The annual report shall be submitted to the

1 Governor and the chairman and minority chairman of the  
2 Appropriations Committee of the Senate, the chairman and  
3 minority chairman of the Appropriations Committee of the House  
4 of Representatives, the chairman and minority chairman of the  
5 Education Committee of the Senate and the chairman and minority  
6 chairman of the Education Committee of the House of  
7 Representatives.

8 Section 20. Effective date.

9 This act shall take effect July 1, 2011.