

COMMONWEALTH
BUDGET 2024-2025
Senate Democratic Appropriations Committee



July 11, 2024

SENATOR VINCENT HUGHES
Democratic Chairman

Higher Education (Senate Bills 1150 and 1154, House Bill 897)

Grow Pennsylvania Merit Scholarship (Senate Bill 1150)

Establishes the Grow Pennsylvania Merit Scholarship (scholarship) to provide first-time freshmen nonresident students in-state tuition rates at a university within the State System of Higher Education (PASSHE). The Pennsylvania Higher Education Assistance Agency (PHEAA) shall administer the program in conjunction with PASSHE. To be eligible a nonresident student must:

- Have a high school GPA of at least 2.5 on a 4.0 scale;
- Be enrolled full time in person in an approved course of study;
- Maintain satisfactory academic progress;
- Not have earned a bachelor's degree;
- Enter into written agreement with PHEAA to satisfy degree requirements and commence employment in the Commonwealth within one year after completion of degree;
 - Employment must be for 12 months for each academic year the student received the scholarship, unless there are extenuating circumstances;

If a student doesn't complete the work requirements, the student is responsible for reimbursing PHEAA the aggregate or prorated amount if the student partially completes the work requirements. A student is eligible for up to 4 years of assistance or until the student earns a bachelor's degree.

If less than 300 merit scholarships are awarded, the Commonwealth shall pay PASSHE in the subsequent year the difference between the number of students enrolled and 300 multiplied by the difference between the out-of-state and in-state tuition at PASSHE.

Requires PASSHE to actively advertise and market the program to students and display information on its website. Requires an annual report on the program.

Articulation Agreements (House Bill 897)

In addition to requiring each public institution of higher education accepting an individual with an associate degree as a full junior, each institution of higher education shall apply all college-level credits earned towards a parallel baccalaureate degree program. A student with an associates degree from a public institution of higher education who is transferring to a parallel baccalaureate degree at another public institution of higher education shall not be required to complete more than 60 credits to earn a 120 credit baccalaureate degree. Subject to capacity, a student transferring to a parallel baccalaureate degree shall be guaranteed admission as long as the student meets the program criteria. Guarantees a student transferring between public institutions of higher education the same entrance requirements as those for retention in the program.

Student Fee Transparency (House Bill 897)

Requires each institution of higher education to prominently display a description of every mandatory fee charged and a description of the purpose of the fee on their website. The description of the fee shall include how it is to be used and allocated and how it is collected. The institution of higher education must show PDE that they post the information publicly.

Transparency and Accountability (House Bill 897)

Requires an institution of higher education (IHE) to provide the following information to a prospective student as part of student's offer of enrollment or as part of the financial aid:

- An estimate of the total cost of attendance including: tuition for the first year, a list of all fees charged (both mandatory and optional), a breakdown of all room and board options and the costs associated with those options, books and supplies.
- An estimate of the financial aid offered including: all grants and scholarships not requiring repayment, student loans that require repayment and student employment options.
- An estimate of the net cost that subtracts the scholarship or grants.
- An estimate of the total cost of attendance in subsequent years, which shall include:
 - Information as to whether or not financial aid is being offered only for the academic year or is renewable;
 - A history of previous academic year's tuition;
 - An estimate of fees charged for each academic year necessary to earn a degree.
- All repayable financial aid shall be in easily understandable terms.
- Each IHE shall post on its website all tuition, fees and room and board that may be charged in each academic year.

Exit Counseling (House Bill 897)

Requires institutions to make financial aid counseling available to each student. The counseling shall be provided upon graduation or when a student withdrawals or transfers. The counseling, which may be offered virtually, should include:

- A list of all available Federal and State programs, including websites, contact information that may assist with payments, reductions or forgiveness of loans.
- All available repayment options on student loans and a link to an online student loan payment calculator.
- Information on when a student's loan payments will begin.

Dual Credit Innovation Grant Program (House Bill 897)

Establishes the Dual Credit Innovation Grant Program (program) within PDE. Funding from the program is to be used to: operate dual enrollment courses that are tuition free, to support institutions of higher education seeking accreditation for their dual enrollment programs, to provide student academic supports, to increase the use of no-cost or low-cost course materials used in dual enrollment courses, or to provide professional development for high school teachers for them to teach dual enrollment courses.

Priority of funding shall be given to public institutions of higher education to expand the current dual enrollment offerings. If PDE doesn't receive enough requests to expend available money, funding may be used at an independent college or a State-related university. Requires annual reporting on the program.

State Board of Higher Education (House Bill 897)

Establishes the State Board of Higher Education (board) within PDE. The board shall include the following members:

- The Secretary of Education;
- The Secretary of Labor and Industry;
- Member of Senate appointed by the President pro tempore;
- Member of Senate appointed by the Minority Leader;
- Member of House appointed by the Speaker;
- Member of House appointed by the Minority Leader;
- Members appointed by the Governor:
 - Representative of State-owned university who must be a president, administrator or local trustee;
 - Representative of Board of Governors;
 - Representative of a community college from a list provided by the Pennsylvania Commission for Community Colleges;
 - Representative of an independent institution of higher education from a list provided by the Association for Independent Colleges and Universities;
 - Four representatives, one from each State-related university;
 - Two representatives of a union representing employees at public institutions of higher education;
 - Two representatives of business from a list provided by the Pennsylvania Chamber of Business;
 - Two students who must attend higher education institutions, one from a public institution of higher education and one from an independent institution of higher education.

The board is responsible for developing a higher education strategic plan, which shall include: long term, measurable goals and provide strategies for implementing those goals and assess the higher education needs of the Commonwealth including regions. In developing the plan, the board shall:

- Consult and seek input from stakeholders;
- Make the strategic plan available for review and public comment;
- Hold at least 6 regional public hearings;
- Develop an annual report to include progress of plan.

The board is also responsible for:

- Developing policy recommendations for:
 - New programs to align to workforce needs;
 - Efficient and effective use of State money;

- Create a comprehensive data system to collect data and to analyze the data to inform policy decisions;
- Promote the coordination and cooperation of institutions of higher education to increase postsecondary credentials and degrees;
- Work with K-12 sector, workforce development and economic development sectors to develop pathways to postsecondary credentials that align to workforce needs;
- If requested, assist institutions of higher education with determining their fiscal health;
- Recommend to the General Assembly employer incentives to assist employee skills in high-priority occupations; and
- Develop recommendations for repurposing and reducing under-utilized facilities.

The board will also coordinate with State and local entities. Allows the board to collect certain data that is submitted by institutions of higher education to the Federal Government to inform the board's policy goals.

Closure of Institutions of Higher Education (House Bill 897)

Requires the board to, by July 1, 2026, develop procedures for institutions of higher education to follow when the institution proposes a discontinuance of operations. The procedures shall include a plan for the orderly closure of the institution, a teach-out plan, preservation and accessibility of student and administrative records and notifications to the Worker Adjustment and Retraining Notification (WARN) Act. The board may also contract with a third party to maintain a repository for student and administrative records for institutions that have closed. Allows the withholding of Commonwealth funds for an institution that has provided notice they intend to discontinue operations.

Performance Based Funding Council (Senate Bill 1154)

Establishes the performance-based funding council (council) within the State Board of Higher Education. The council shall consist of the Secretary of Education and one member from each caucus. Penn State, the University of Pittsburgh and Temple will serve as non-voting advisory members. A report with recommendations is due to the Governor, the General Assembly and the board no later than April 30, 2025. The recommendations shall include a process to distribute funding to Penn State, the University of Pittsburgh and Temple and may consider the following metrics:

- A fixed amount per State-related institution;
- Incentive funding;
- Performance thresholds;
- The two-year and four-year graduation rate for first-time college students;
- The number and percentage of Pennsylvania undergraduate students enrolled who receive a Pell Grant;
- The six-year graduation rate for students who receive a Pell Grant;
- The four-year graduation rate for baccalaureate students;
- Student retention rates;
- Bachelor's degree production per 100 full-time students;
- Net tuition and fees per 120 credit hours;
- Post-graduation employment rates and salaries;

- The number of students who attain credentials in high-priority occupations;
- The number of nontraditional students enrolled in a program aligned to high-priority occupations;
- The number of high school students who are dual enrollment students and the number of credits earned;
- The number of students who transfer to a State-related university with at least 24 college credits;
- Other metrics recommended by each State-related university; and
- Other metrics deemed appropriate.

The Budget Office and PDE shall provide administrative support and the council shall reconvene every five years to review the metrics in the funding formula.

Grow Pennsylvania Scholarship Grant Program (Senate Bill 1150)

Establishes the Grow Pennsylvania Scholarship Grant Program (program) within the Pennsylvania Higher Education Assistance Agency (PHEAA).

Beginning in 2024-2025, PHEAA will be responsible for awarding grants to a student who:

- is a resident of the Commonwealth;
- enrolled in an approved course of study;
- maintains satisfactory academic progress;
- has not earned a bachelor's degree; and,
- enters into an agreement to work in the Commonwealth for 12 months for every year of the grant the student accepts.

Grants are for up to \$5,000 per academic year and may not exceed four academic years. A grant for an academic year cannot exceed tuition and mandatory fees. If a student fails to meet the work requirements, they shall repay the grant to PHEAA. PHEAA will use any returned money to provide additional grants. Applications for the spring term open no earlier than September 15 and applications for the fall term open no earlier than February 15.

PHEAA shall do public outreach to traditionally underserved communities as well as advertise the program on their website. An annual report on the program shall be done each December 31.

Name, image or likeness (Senate Bill 1150)

Moves the name, image or likeness (NIL) from Title 5 (Athletics and Sports) to the School Code.

A college student athlete may earn compensation for the use of their NIL under this article.

Institutions of higher education who receive direct financial compensation from a third party arising from the third party's contract with a college student athlete relating to the use of a college student athlete's NIL, the institution shall be required to disclose, in a timely manner, the financial relationship between the institution and the third party to the college student athlete. These provisions do not apply to compensation received by the institution of higher education for the use of their intellectual property.

An institution of higher education may not uphold a rule, requirement, standard or other limitation that prevents a college student athlete from earning compensation for the use of their NIL.

Prohibits an athletic association, conference or other group or organization with authority over intercollegiate athletics, including the NCAA, from:

- Preventing a college student athlete from earning compensation through the use of their NIL rights
- Preventing an institution of higher education from fully participating in intercollegiate athletics as a result of a college student athlete's use of their NIL rights to seek compensation,
- Entertaining a complaint, opening an investigation or taking adverse action against an institution of higher education for activity permitted under this article or for directly compensating a student athlete for their NIL.
 - These provisions are new.

A person that produces a college team jersey, team video game or trading card for the purpose of making a profit must make a royalty payment to each college student athlete whose NIL or other individually identifiable features is used.

Prohibits interference with a college student athlete's ability or an institution of higher education's ability to fully participate in intercollegiate athletics from obtaining professional representation in relation to contracts or legal matters, including representation by an athlete agent or legal representation in relation to their NIL rights. Professional representation obtained by a college student athlete shall be from a person acting as an athlete agent, as defined in Title 5, or a person admitted to practice law in the Commonwealth.

A contract by which a college student athlete authorizes an athlete agent to negotiate or solicit compensation for the use of their NIL rights shall include a statement that the contract does not obligate the college student athlete to use the athlete agent for any service beyond representation for the NIL rights.

Prohibits the earning of compensation from a college student athlete's NIL from effecting their scholarship eligibility, duration or renewal. A grant-in-aid or stipend scholarship from an institution of higher education may not be considered to limit a college student athlete's right to use their NIL rights. An athletics grant-in-aid or stipend scholarship may not be revoked or reduced as a result of a college student athlete earning compensation from their NIL rights.

There is no grant of a right to college student athletes over intellectual property trademarked or registered to others. Institutions of higher education retain the right to establish and enforce any of the following: academic standards, requirements, regulations or obligations for the institution of higher education's college student athletes, team rules of conduct or other rules of conduct, standards or policies regarding the governance or operation of or participation in intercollegiate athletics or disciplinary rules and standards generally.

A college student athlete may not earn compensation in connection with any of the following: adult entertainment products and services, alcohol products, casinos and gambling, tobacco and electronic smoking products, prescription pharmaceuticals or a controlled dangerous substance.

An institution of higher education may prohibit a college student athlete's involvement in NIL activities that conflict with existing institutional sponsorship arrangements at the time the college student athlete executes a contract or discloses a contract to the institution of higher education. An institution of higher education may also prohibit a college student athlete's involvement in NIL activities based on other considerations, such as conflict with institutional values. An institution of higher education is required to have policies that specify the NIL activities in which a college student athlete may or may not engage.

A college student athlete who proposes to enter into a contract for their NIL rights may disclose the contents of the contract prior to execution of the contract to an official of the institution of higher education. Each institution of higher education may have policies that specify when the contract should be disclosed.

A college student athlete, institution of higher education or conference shall not be deprived of a protection provided under law with respect to a controversy that arises in the Commonwealth. A college student athlete shall have the right to pursue a private civil action against a person who violates this article.

Ready-to-Succeed (Senate Bill 1150)

Increases the annual household income for the Ready-to-Succeed scholarship to \$175,000, up from \$126,000. Also reduces the grade point average to qualify from 3.25 on a 4.0 scale to 2.5 on a 4.0 scale.