



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

SENATE BILL NO. 1150

PRINTER'S NO. 1818

PRIME SPONSOR: Martin

COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See fiscal impact	See fiscal impact

SUMMARY:

Senate Bill 1150 establishes the Grow Pennsylvania Scholarship Grant Program and the Grow Pennsylvania Merit Scholarship Program. It also makes changes to the Ready to Succeed Scholarships, and it provides changes to the Name, Image or Likeness (NIL) statute which is moved to the school code.

ANALYSIS:

Senate Bill 1150 creates two new scholarship programs in the Public School Code.

The Grow Pennsylvania Scholarship Program provides \$5,000 scholarship grants to Pennsylvania students who enter into an agreement with PHEAA to satisfy degree requirements of their program and stay to work in Pennsylvania in an in-demand occupation after graduation. For each year that a student in an approved course of study received an award, the student is required to work for 12 months in Pennsylvania. If a student accepts a grant but fails to meet the terms of the agreement, then they are required to reimburse PHEAA. This program begins in 2024/25 and is administered by PHEAA.

The Grow Pennsylvania Merit Scholarship Program is for out-of-state students attending PASSHE universities, and it begins in 2025/26. PASSHE can provide eligible students in-state tuition in exchange for a commitment to work in Pennsylvania in an in-demand occupation after graduation. If less than 300 scholarships are awarded, the Commonwealth shall pay PASSHE the difference in the subsequent year.

Senate Bill 1150 increases the annual household income limitation to be eligible for the Ready to Succeed Scholarship from \$126,000 to \$175,000.

The name, image and likeness statute is carried over to the school code.

Senate Bill 1150 would take effect immediately.

FISCAL IMPACT:

The Grow Pennsylvania Scholarship Grant Program awards under the program are subject to an available appropriation. This bill does not appropriate funds; therefore, setting up the program has no fiscal impact on the commonwealth. Once funds are appropriated, PHEAA will incur an estimated \$400,000 to \$600,000 cost to implement the program and a recurring operational cost (likely 3% of the total awards) to administer grants and monitor compliance under this program.

For the Grow Pennsylvania Scholarship Grant Program, PASSHE estimated that it needed to attract about 300 out of state students to break even. This program begins in 2025/26, and depending upon the demand, the commonwealth may need to make payments to PASSHE in 2026/27.

The Pennsylvania Higher Education Agency estimated that increasing the income limit in the Ready to Succeed Scholarship program could allow for as many as 24,000 additional students to be eligible to receive a Ready to Succeed Scholarship. Therefore, the cost to fully fund the program could increase by as much as \$41 million.

The changes to the name, image and likeness will have no fiscal impact on the commonwealth.

PREPARED BY: Sean Brandon, Assistant Executive Director

House Appropriations Committee (D)

DATE: July 11, 2024

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