

WEST VIRGINIA LEGISLATURE

2018 REGULAR SESSION

Introduced

Senate Bill 537

FISCAL
NOTE

BY SENATORS PLYMALE, UNGER, STOLLINGS, WOELFEL,

AND JEFFRIES

[Introduced February 14, 2018; Referred
to the Committee on Education; and then to the Committee
on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §18C-7-8, relating to creation of the Business PROMISE+ Scholarship;
 3 establishing the scholarship under the management of the Higher Education Policy
 4 Commission; creating a special revenue account; explaining funding for the scholarship;
 5 authorizing the issuance of tax credits for certain businesses; authorizing legislative rules
 6 by the Higher Education Policy Commission and the Tax Commissioner; setting student
 7 eligibility; noting business benefits and requirements; creating a process for awarding a
 8 specific amount of funds; detailing student requirements upon receipt of the scholarship;
 9 and requiring the creation of a deferral and waiver program for certain requirements.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 7. WEST VIRGINIA PROVIDING REAL OPPORTUNITIES FOR MAXIMIZING
 IN-STATE STUDENT EXCELLENCE SCHOLARSHIP PROGRAM.**

§18C-7-8. Business PROMISE+ scholarship.

1 (a) Findings – The Legislature finds that the business community recognizes the critical
 2 link between education and economic development and that providing students with the
 3 knowledge and skills they need to succeed in the workplace enables businesses and communities
 4 to prosper. The Legislature further finds that many employers in the state desire to aid in efforts
 5 to bolster the development of a highly-qualified workforce. Providing the employers with an
 6 opportunity to fund premium scholarships for PROMISE scholarship-eligible students would
 7 encourage highly-qualified students to attend college and become employed in West Virginia.

8 (b) Scholarship. – To that end, there is hereby established the Business PROMISE+
 9 Scholarship program, which allows employers in the state to fund premium scholarship awards
 10 for certain PROMISE-eligible applicants. The Business PROMISE+ Scholarship shall be
 11 managed by the Higher Education Policy Commission pursuant to the terms of this section and
 12 any necessary rules. The Business PROMISE+ Scholarship is awarded to PROMISE-eligible

13 students in lieu of the PROMISE Scholarship as determined by the commission. The commission
14 shall establish a method and criteria for scholarship award and student placement, which shall
15 provide for the following:

16 (1) Priority ranking of eligible scholarship recipients when the number of business
17 sponsors or available funding is insufficient to provide Business PROMISE+ Scholarships to all
18 eligible students;

19 (2) Priority ranking of eligible businesses when multiple eligible businesses select an
20 individual recipient to sponsor;

21 (3) Determining whether to maximize the number of awards available to all eligible
22 students or the award amount offered to individual students; and

23 (4) Any additional provisions the commission determines are necessary to implement the
24 provisions of this section and administer the scholarship program.

25 (c) *Duration* – An eligible student may receive an award from either the PROMISE
26 Scholarship program or the Business PROMISE+ Scholarship program, but not both, in any single
27 academic term. A student who elects to participate in the Business PROMISE+ Scholarship
28 program remains eligible to participate in the PROMISE Scholarship program if the student's
29 business sponsorship ends before the student has received a Business PROMISE+ award for
30 eight semesters and the student remains otherwise eligible for PROMISE Scholarship renewal.
31 In any event, a student may not receive any PROMISE funding for more than eight total
32 semesters.

33 (d) *Funding* – All funds associated with the Business PROMISE+ Scholarship shall be
34 kept separate and distinct from funds associated with the PROMISE Scholarship. There is hereby
35 created a special revenue fund in the State Treasury designated as the Business PROMISE+
36 Scholarship Fund to be administered by the commission. The fund consists of all gifts, grants or
37 contributions received for the Business PROMISE+ Scholarship, any legislative appropriations
38 made to the fund, any repayments collected from recipients who fail to satisfy the requirement to

39 work in the state contained in subsection (h) of this section, and all interest or other income earned
40 from investment in the fund.

41 (1) It is the intent of the Legislature that the Business PROMISE+ Scholarship will be
42 funded through donations by West Virginia businesses. Although the Legislature may make an
43 appropriation into the Business PROMISE+ Scholarship Fund, it is anticipated that no such
44 appropriation will be made. Instead, West Virginia businesses may make donations to the fund
45 and receive tax credits for such donations pursuant to subsection (e) of this section.

46 (e) Tax Credits – Any West Virginia business that makes a donation to the Business
47 PROMISE+ Scholarship Fund shall receive a credit against the taxes due under §11-24-1 et seq.
48 of this code in an amount equal to 50 percent of the donation. A business that makes a donation
49 of \$10,000 or greater becomes an eligible business under this section. The Tax Commissioner
50 may propose rules for promulgation in accordance with the provisions of §29A-3-1 et seq. of this
51 code to effectuate the purpose of this section.

52 (f) Eligible students – Any student who meets the eligibility requirements for the PROMISE
53 Scholarship is also eligible to receive the Business PROMISE+ Scholarship. In order to apply for
54 the Business PROMISE+ Scholarship the student shall complete an application form created by
55 the commission that includes questions designed to identify compatible eligible businesses. In
56 addition, the application shall include an option for the student to list up to three eligible
57 businesses where the student has an independent interest in working. The commission shall
58 maintain a list of eligible businesses that contribute to the fund on its website.

59 (g) Business benefits – In addition to the tax credit contained in subsection (e) of this
60 section, any business that makes a donation of \$10,000 or greater to the Fund becomes an
61 eligible business for the Business PROMISE+ Scholarship program. An eligible business may
62 sponsor one or more eligible students for Business PROMISE+ Scholarships. The commission
63 shall provide a list of interested eligible students to the eligible business and the eligible business
64 may interview students and choose which student or students it sponsors through the Business

65 PROMISE+ program in accordance with criteria established by the commission. The sponsored
66 student shall receive a scholarship award through the Business PROMISE+ program as detailed
67 in subsection (h) of this section. By sponsoring the student, the business agrees to provide work
68 experience to the student during the summers between years enrolled in college.

69 (h) *Scholarship award* – A sponsored student shall receive a Business PROMISE+
70 Scholarship in an amount of up to \$15,000 annually, but the amount of each individual award may
71 not exceed the amount donated by the eligible business sponsoring the student to the Business
72 PROMISE+ Fund. In order to receive the award, the sponsored student shall agree to:

73 (1) Maintain all of the eligibility and renewal requirements for a PROMISE Scholarship;

74 (2) Work for the sponsoring business during the summers between years enrolled in
75 college;

76 (3) Work in West Virginia following graduation from college for a period equal to the
77 number of years the student receives the scholarship funding, unless granted a waiver or deferral
78 by the commission pursuant to subsection (i) of this section; and

79 (4) Repay to the Business PROMISE+ Scholarship Fund the amount of any annual award
80 received for which the recipient did not satisfy the requirement to work in the state following
81 graduation, unless granted a waiver or deferral by the commission pursuant to subsection (i) of
82 this section.

83 (i) *Repayment, waiver and deferral* – (1) The commission shall establish standards for
84 granting waiver or deferral of the requirement that a recipient work in West Virginia following
85 graduation if the student is unable to find employment in the state. A deferral may be granted
86 because the student is enrolled at an institution of higher education for an advanced degree or
87 other reasons determined appropriate by the commission.

88 (2) Annually by July 1, the Tax Commissioner shall provide to the commission any data
89 necessary to document recipients' compliance with the requirement to work in the state following
90 graduation, and shall implement a procedure for collecting repayment from recipients who are not

91 in compliance and have not been granted a repayment waiver or deferral.

NOTE: The purpose of this bill is to implement the Business PROMISE+ scholarship.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.