

## No. 540

## AN ACT

## SB 188

Amending the act of March 6, 1956 (P. L. 1228), entitled, as amended, "An act to provide revenue for purposes of public education by imposing a tax on the sale, use, storage, rental or consumption of personal property and certain services and upon the occupancy of hotel rooms; providing for certain exclusions; providing for licenses, reports and payment of tax, interest and penalties, assessments, collections, liens, reviews and appeals; prescribing crimes and offenses and penalties therefor; providing for the application of general laws in the administration and enforcement of this act; conferring powers and imposing duties upon the Department of Revenue, public officers, manufacturers, wholesalers, retailers, operators, corporations, partnerships, associations and individuals and making an appropriation," excluding, in certain cases, the sale at retail or use of fish and the sale at retail or use of textbooks for use in schools, colleges and universities from the tax.

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

Section 1. Section 203, act of March 6, 1956 (P. L. 1228), known as the "Tax Act of 1963 for Education," is amended by adding at the end thereof, two new clauses to read:

Section 203. Exclusions from Tax.—The tax imposed by section 201 shall not be imposed upon—

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(z) The sale at retail or use of fish raised in commercial hatcheries when sold to licensed fee fishing lakes.

(aa) The sale at retail or use of textbooks for use in schools, colleges and universities, either public or private when purchased in behalf of or through such schools, colleges or universities provided such institutions of learning are recognized by the Department of Public Instruction.

Section 2. This act shall take effect July 1, 1966.

APPROVED—The 25th day of January, A. D. 1966.

WILLIAM W. SCRANTON

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No. 541

AN ACT

## HB 1569

Providing scholarships and providing funds to secure Federal funds for qualified students of the Commonwealth of Pennsylvania who need financial assistance to attend postsecondary institutions of higher learning, making an appropriation, and providing for the administration of this act.

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

Section 1. Although the enrollments of the postsecondary institutions of higher learning of this Commonwealth and throughout the nation continue to increase at a rapid pace, and although larger numbers of the Commonwealth's children graduate from both the public and nonpublic secondary schools each year, there continues to be a tragic underdevelopment of the Commonwealth's human talent because of the inability of many needy students to finance a postsecondary educational program. The Commonwealth of Pennsylvania can achieve its full economic and social potential only if every individual has the opportunity to contribute to the full extent of his capabilities and only when the financial barriers to his economic, social and educational goals are removed. It is therefore the policy of the Legislature and the purpose of this act to establish a broad-scale State scholarship program designed to guarantee that the most able students from all sectors of the Commonwealth, the most needy students and students with the capability to successfully complete postsecondary educational programs, and deserving postsecondary students are given the opportunity to continue their program of self-improvement in an institution of higher learning of their choice.

Section 2. State Scholarship Program; Administration.—The State scholarship program is to be administered by the "Pennsylvania Higher Education Assistance Agency," hereinafter referred to as the agency. This agency shall prepare and supervise the issuance of public information concerning the provisions of the scholarship program. It will prescribe the form and regulate the submission of applications for scholarships; conduct any conferences and interviews with applicants which may be appropriate; administer or contract for the administration of appropriate examinations; determine the "financial need" and eligibility of applicants; select qualified recipients; award the appropriate scholarships; and determine eligibility for, and annual renewal of scholarships. The agency is authorized to make all necessary and proper rules, consistent with this act, for the efficient exercise of the foregoing functions. The agency is hereby authorized to accept grants, gifts, bequests and devises of real and personal property for the purpose of conducting research, pilot and demonstration projects, and similar activities to determine the need for financial assistance from the agency to pursue higher education on the part of residents of the Commonwealth. The results and findings of such projects and research shall be made available to the members of the General Assembly. The agency will further assume the same duties, responsibilities, and relationships for this act as

for those of the act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations." The Pennsylvania Higher Education Assistance Agency is authorized to disburse funds to such institutions from funds specifically appropriated for the purpose of assisting such institutions to secure Federal funds for the use of direct financial aid to students.

Section 3. As used in this act—

(1) "Financial need" means the need of the student as determined by the Pennsylvania Higher Education Assistance Agency or according to standards and tests of financial need approved by the agency.

(2) "Approved institution of higher learning." Approved institution of higher learning shall mean any institution of higher learning approved by the agency.

(3) "Approved high school." Approved high school means any public high school located in the Commonwealth, and any public or private secondary school, whether designated as a high school, academy, preparatory school, or otherwise, located in the Commonwealth or elsewhere, which in the judgment of the Department of Public Instruction, provides a course of instruction, at the secondary level, and maintains standards of instruction substantially equivalent to those of the public high schools located in the Commonwealth.

Section 4. (a) Any student is eligible for consideration for a State scholarship providing:

(1) He is a citizen of the United States or is taking steps to become a citizen;

(2) He meets the residency requirements as follows:

(i) A student who is under twenty-one years of age at the time he makes application for an award or to renew an award must have a supporting parent or guardian who has been a bona fide resident of the Commonwealth of Pennsylvania for at least twelve months immediately preceding the date of application or renewal.

(ii) A student who is twenty-one years of age or over must have been a bona fide resident of the Commonwealth of Pennsylvania for a period of at least twelve months prior to the time he makes application for an award or to renew an award.

(iii) Any period of time during which a person is enrolled as a student in a postsecondary educational institution may not be counted as a part

of the twelve months' residence herein required when it appears that the student came into the Commonwealth and remained in the Commonwealth for the primary purpose of attending a school or college. This shall be determined by the agency.

(iv) For purposes of determining residency under this act a guardian shall be any person or persons other than a parent with whom a minor child has lived and been in the continuous direct care and control for a period of not less than two years.

(v) The agency shall make the final decision in all matters pertaining to residency.

(3) He is a graduate of, or is attending, an approved high school or is a recipient of a Commonwealth secondary school diploma;

(4) He is enrolled, or will be enrolled in the fall semester immediately following his secondary school graduation or his date of application, as a full-time student at an institution of higher learning;

(5) He shall satisfactorily meet the qualifications of "financial need," character and academic promise, as well as academic achievement, as established by the agency.

(6) The State scholarship recipient shall be free to attend any approved institution of his choice and apply the scholarship toward the tuition, room, board, books and fees of that institution. The institution is not required to accept the scholarship recipient for enrollment, but is free to exact compliance with its own admission requirements, standards and policies.

(b) The awards will be made without regard to the applicant's race, creed, color, sex, national origin or ancestry.

(c) Students who are declared eligible for first year undergraduate awards but do not receive a scholarship because they are not able to demonstrate sufficient financial need may be granted a scholarship during their undergraduate study at anytime that they are able to demonstrate sufficient financial need.

(d) Undergraduate awards granted during the first year under this act will be limited to freshmen students at institutions of higher learning. Awards will be renewable for the next three academic years, with succeeding classes of secondary school graduates added to the program each year except as hereinafter provided.

Section 5. Rosters of potential scholarship recipients shall be set up by the agency as follows:

(1) The agency shall annually select from among current secondary school graduates and shall rank according to ability those students who, in the agency's sole discretion, show the greatest potential to perform

at the highest level of academic achievement in postsecondary educational programs of study leading to an associate or baccalaureate degree.

(2) The agency shall annually select from among current secondary school graduates those students who, in the agency's sole discretion, are able to do postsecondary study, who are in greatest financial need for assistance to pursue their course of study and shall rank the same according to their financial need for assistance.

(3) The agency shall select from among current applicants those students currently enrolled or accepted for enrollment in degree granting undergraduate programs, who in the agency's sole discretion, are successfully pursuing a course of study or who have been accepted as first year undergraduate students and who are in greatest need of financial assistance to complete their educational programs.

(4) The agency shall have the power to create, under clauses (1), (2) and (3) of this section, categories of scholarship recipients according to the type of institution which they are attending or according to any other criteria which the agency in its sole discretion deems advisable, and to allocate any or all of the funds in each of the clauses to the categories so created: Provided, however, That within each category the awards shall be based on the criteria set forth in clauses (1), (2) and (3) of this section.

Section 6. The appropriation herein contained shall be allocated by the agency as follows:

(1) One million dollars (\$1,000,000) is hereby appropriated from the General Fund to the Pennsylvania Higher Education Assistance Agency for scholarships to those students selected in accordance with the provisions of clause (1) of section 5 of this act. The financial need of the highest ranked student shall then be met through a scholarship from this allocation. The financial need of the next highest ranked student shall be met in turn until the total allocation has been disbursed. Applicants who qualify on the basis of ability but do not demonstrate financial need shall receive a certificate of merit. Applicants who receive an award under this category will not be eligible under clauses (2) or (3) of section 5 of this act.

(2) Two million five hundred thousand dollars (\$2,500,000) is hereby appropriated from the General Fund to the Pennsylvania Higher Education Assistance Agency for scholarships to those students selected in accordance with the provisions of clause (2) of section 5 of this act. The financial need of the highest ranked student shall be met through a scholarship from this allocation. The financial need of the next highest ranked student shall be met through a scholarship from this allocation

until the total allocation has been disbursed. Applicants who receive an award under this category will not be eligible under clauses (1) or (3) of section 5 of this act.

(3) Five hundred thousand dollars (\$500,000) is hereby appropriated from the General Fund to the Pennsylvania Higher Education Assistance Agency for scholarships for those students selected in accordance with the provisions of clause (3) of section 5 of this act in accordance with rules and regulations to be drawn up by the agency.

(4) Of the appropriations of four million dollars (\$4,000,000) the agency may allocate up to five percent to pay the costs of administering the scholarship program.

(5) The sum of five hundred thousand dollars (\$500,000) is hereby specifically appropriated to the agency which shall be held in reserve to guarantee loans granted under the provisions of this act and guaranteed under the provisions of the act of August 7, 1963 (P. L. 549), entitled "An act creating the Pennsylvania Higher Education Assistance Agency; defining its powers and duties; conferring powers and imposing duties on the Governor, President Pro Tempore of the Senate, Speaker of the House of Representatives, Superintendent of Public Instruction and the Department of Banking; and making appropriations," and for the payment of possible losses of such loans guaranteed.

(6) The sum of one hundred thousand dollars (\$100,000), or as much thereof as may be necessary, is hereby specifically appropriated to the agency for the purpose of assisting State-owned colleges or universities within the Commonwealth in securing Federal funds to be used by the State-owned colleges or universities as financial aid to students in meeting their costs of attendance at such institutions. The appropriated funds to be allocated by the agency to the individual State-owned colleges or universities in the proportion that the institution's full-time enrollment bears to the total full-time enrollment among all the State-owned colleges or universities and in accordance with rules and regulations established by the board of directors of the agency. Such regulations may include, but shall not be limited to, the repayment of such sums to the agency where appropriate.

Section 7. (a) Financial need of less than two hundred dollars (\$200) will render the applicant ineligible for a scholarship. All scholarship awards will be based on the applicant's financial need, the minimum scholarship award being two hundred dollars (\$200) per academic year, the maximum scholarship being one thousand two hundred dollars (\$1,200) per academic year.

(b) When, in the agency's opinion, the applicant has or will have the

ability to repay all or part of the desired funds or where the annual scholarship allocation has been fully disbursed, the agency may direct the applicant to loan funds. In no case will the total State financial assistance exceed the financial need of the applicant or the annual limits of this act, and those of the act of August 7, 1963 (P. L. 549).

Section 8. (a) Each State scholarship is renewable until the course of study is completed, but not to exceed an additional three academic years beyond the first year of the award. These may not necessarily be consecutive years and the scholarship will be terminated if the student receives his degree in a shorter period of time. Qualifications for renewal will include maintaining satisfactory academic standing, making normal progress toward completion of the course of study, and continued eligibility as determined by the agency including continual legal residency.

(b) In the event that a scholarship recipient transfers from one institution to another, his scholarship shall be transferable only with the approval of the agency.

(c) In the event that any portion of any allocation made under section 6 for scholarships is unused in any year, the agency shall have the right to use any or all of the unused allocation for additional scholarships in any year and in any category.

(d) Payments of State scholarships will be made by the agency in accordance with the rules and regulations established by the agency. Should the recipient terminate his enrollment for any reason during the academic year, the unused portion of the scholarship shall be returned to the Scholarship Fund of the Pennsylvania Higher Education Assistance Agency by the institution according to the institution's own policy for issuing refunds.

Section 9. This act shall take effect January 1, 1966.

APPROVED—The 25th day of January, A. D. 1966.

WILLIAM W. SCRANTON

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No. 542

AN ACT

SB 297

Amending the act of June 2, 1915 (P. L. 736), entitled, as amended, "An act defining the liability of an employer to pay damages for injuries received by an employe in the course of employment; establishing an elective schedule of compensation; providing procedure for the determination of liability and compensation thereunder; and prescribing penalties," defining certain insurers' liability, immunities and protection.