

Workforce Development Through Post-Graduation Scholarships Act (H.R. 7594)

Introduced in the House of Representatives by Reps. Darin LaHood (R-IL) and Terri Sewell (D-AL), the Workforce Development Through Post-Graduation Scholarship Act would treat post-graduate scholarships as non-taxable income, encouraging more graduates to bring their skills and educational trainings to the communities that need them most.

The Issue

Post-graduation scholarships are charitable grants made by foundations to attract or retain individuals with needed skills and talents to a particular region or community. Generally, a traditional scholarship given to an individual to attend an educational institution is tax-free, while a post-graduation scholarship awarded to someone who has completed a degree or technical program to help pay off a portion of their student loans is treated as taxable income, limiting the scholarship's impact.

Impact on Philanthropy

As communities consider how to attract or retain skilled and talented workers in rural communities, post-graduation scholarships can be an important part of the solution. Treating post-graduation scholarships like traditional scholarships would provide foundations and communities with an additional tool to cultivate a skilled workforce while helping to address the student loan crisis. As with traditional scholarships, foundations would establish eligibility and other grant program requirements.

Council on Foundations' Position

The Council supports policies that strengthen and expand foundations' ability to assist students and recent graduates through scholarship grant programs. **The Council strongly supports this legislation.**

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Bill Summary

- Defines post-graduation scholarships as a charitable activity provided by certain tax-exempt organizations, repaying any portion of an education loan incurred by an individual.
- Excludes from an individual's taxable income any post-graduation scholarship in the same manner as traditional scholarships.
- Defines grant eligibility as living and working in an applicable community.
- Defines an applicable community as an area with a bachelor's degree attainment below the state or national average.
- Requires the Secretary of the Treasury and Comptroller General to submit to Congress reports on the implementation of this program.

Who benefits from a post-graduation scholarship?

While many parts of the country lack necessary workers like nurses and counselors, rural areas are particularly suffering. Outmigration and slowing population growth disproportionately impact rural areas, leaving these communities with a growing need to incentivize individuals with in-need skills and qualifications to work and live in their communities.

A foundation might provide a post-graduation scholarship to individuals in career fields such as:



Dentistry



Medicine



Counseling and
Social Work



Entrepreneurship



Engineering



Many More

For more information, contact the Council's Public Policy and Advocacy Team team at govt@cof.org