

**HIGHER EDUCATION FINANCIAL AID AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Melissa G. Ballard**

Senate Sponsor: \_\_\_\_\_

**LONG TITLE**

**General Description:**

This bill amends provisions related to higher education scholarships.

**Highlighted Provisions:**

This bill:

- ▶ allows a president of a state institution of higher education to waive tuition for students who are members of certain tribes;
- ▶ defines terms;
- ▶ extends the length of eligibility for promise grants;
- ▶ allows the Utah Board of Higher Education to name a promise partner grant after a business that has funded the grant;
- ▶ extends promise partner grants to dependents of promise partner employees;
- ▶ allows Veterans Tuition Gap Program funds to be applied to education-related supplies and housing allowances; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:



- 28 **53B-8-101**, as last amended by Laws of Utah 2020, Chapter 365
- 29 **53B-13a-104**, as repealed and reenacted by Laws of Utah 2022, Chapter 370
- 30 **53B-13a-106**, as renumbered and amended by Laws of Utah 2022, Chapter 370
- 31 **53B-13b-104**, as last amended by Laws of Utah 2020, Chapters 37, 196

33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **53B-8-101** is amended to read:

35 **53B-8-101. Waiver of tuition.**

36 (1) (a) The president of an institution of higher education described in Section  
37 **53B-2-101** may waive all or part of the tuition on behalf of meritorious or impecunious resident  
38 students to an amount not exceeding 10% of the total amount of tuition which, in the absence  
39 of the waivers, would have been collected from all Utah resident students at the institution of  
40 higher education.

41 (b) (i) Two and a half percent of the waivers designated in Subsection (1)(a) shall be  
42 set aside for members of the Utah National Guard.

43 (ii) A waiver described in Subsection (1)(b)(i) shall be preserved by the student at least  
44 60 days before the beginning of an academic term.

45 (2) (a) A president of an institution of higher education listed in Subsections  
46 **53B-2-101**(1)(a) through (h) may waive all or part of the nonresident portion of tuition for a  
47 meritorious nonresident undergraduate student.

48 (b) In determining which students are meritorious for purposes of granting a tuition  
49 waiver under Subsection (2)(a), a president shall consider students who are performing above  
50 the average at the institution of higher education, including having an admissions index higher  
51 than the average for the institution, if an admissions index is used.

52 (c) A president of an institution of higher education may continue to waive the  
53 nonresident portion of tuition for a student described in Subsection (2)(a) for as long as the  
54 student is enrolled at the institution of higher education.

55 (d) In addition to waiving the nonresident portion of tuition for a meritorious  
56 nonresident student under Subsection (2)(a), a president of an institution of higher education  
57 may waive the resident portion of tuition after the meritorious nonresident student completes a  
58 year of full-time study at the institution of higher education.

59           (3) (a) A president of an institution of higher education described in Section 53B-2-101  
 60 may waive all or part of the resident tuition for a student who is an individual described in  
 61 Subsection 53B-8-102(10).

62           (b) The waiver limitation described in Subsection (1)(a) does not apply to a tuition  
 63 waiver described in Subsection (3)(a).

64           ~~[(3)]~~ (4) To encourage students to enroll for instruction in occupations critical to the  
 65 state for which trained personnel are in short supply, a president of an institution of higher  
 66 education shall grant additional full or partial tuition waivers upon recommendation of the  
 67 board.

68           ~~[(4)]~~ (5) A president of an institution of higher education may waive all or part of the  
 69 difference between resident and nonresident tuition for:

70           (a) meritorious graduate students; or

71           (b) nonresident summer school students.

72           ~~[(5)]~~ (6) The board may establish policies that:

73           (a) require an institution of higher education described in Subsections 53B-2-101(1)(a)  
 74 through (h) to regularly assess and report whether the institution of higher education's use of  
 75 tuition waivers supports the goals established by the board in accordance with Section  
 76 53B-1-402 for the institution of higher education;

77           (b) subject to the provisions of this section, establish the amount or percentage of  
 78 tuition that an institution of higher education may waive;

79           (c) define the terms "meritorious" and "impecunious," as the terms apply to tuition  
 80 waivers for resident students described in Subsection (1)(a); and

81           (d) establish limitations on an institution of higher education's allocation of waivers  
 82 described in Subsection (1)(a) for resident students who are meritorious or resident students  
 83 who are impecunious.

84           ~~[(6)]~~ (7) (a) The board shall submit an annual budget appropriation request for each  
 85 institution of higher education described in Section 53B-2-101.

86           (b) A request described in Subsection ~~[(6)(a)]~~ (7)(a) shall include requests for funds  
 87 sufficient ~~[in amount]~~ to equal the estimated loss of dedicated credits that would be realized if  
 88 all of the tuition waivers authorized by Subsection (2) were granted.

89           Section 2. Section 53B-13a-104 is amended to read:

90 **53B-13a-104. Promise grants.**

91 (1) (a) As part of the Utah Promise Program and in accordance with this section, the  
92 board shall allocate available money to each institution to use to award promise grants to  
93 eligible students to pay the eligible student's cost of attendance.

94 (b) An eligible student may apply for a promise grant in accordance with procedures  
95 established by board rule.

96 (c) The amount of a promise grant to an eligible student may not exceed the amount  
97 equal to the difference between:

98 (i) the eligible student's cost of attendance; and

99 (ii) the total value of other financial aid that the eligible student receives toward the  
100 eligible student's cost of attendance.

101 (d) An eligible student may transfer a promise grant to one or more other institutions.

102 (2) In administering this section, the board shall use a packaging approach that ensures  
103 that institutions combine loans, grants, employment, and family and individual contributions  
104 toward financing the cost of attendance.

105 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
106 that board shall make rules establishing:

107 (a) an application process;

108 (b) eligibility criteria, including:

109 (i) criteria related to academic achievement and enrollment status; and

110 (ii) a requirement that an applicant demonstrate completion of the Free Application for  
111 Federal Student Aid, unless the student or the student's parent opts out in accordance with  
112 board rule;

113 (c) how a student demonstrates financial need;

114 [~~(d) a process to defer a promise grant;~~]

115 [~~(e)~~] (d) a formula to determine the allocation of money to institutions in accordance  
116 with Subsection (1), taking into account:

117 (i) the cost of attendance for programs offered by institutions; and

118 (ii) the number of eligible students who attend each institution; and

119 [~~(f)~~] (e) a methodology for prioritizing award of promise grants based primarily on  
120 financial need.

121 ~~[(4) After an institution awards a promise grant to an eligible student, the institution~~  
122 ~~shall continue to award a promise grant to the eligible student:]~~

123 ~~[(a) until the earlier of:]~~

124 ~~[(i) two years after the eligible student first receives a promise grant; or]~~

125 ~~[(ii) after the eligible student uses a promise grant to attend an institution for four~~  
126 ~~semesters; and]~~

127 ~~[(b) provided the eligible student continues to meet the eligibility criteria.]~~

128 (4) A student is eligible for a promise grant until the student:

129 (a) earns a first bachelor's degree or technical college certificate; or

130 (b) completes 120 credit hours.

131 (5) The board or an institution may not represent to a recipient or a potential recipient  
132 of a promise grant that promise grants will remain available in perpetuity.

133 (6) (a) The board may require an institution to enter into a participation agreement  
134 before the institution may award promise grants.

135 (b) In a participation agreement, the board shall include a requirement that the  
136 institution:

137 (i) provide to the board information necessary to administer the promise grants;

138 (ii) comply with this section and board rules related to the promise grants;

139 (iii) submit reports related to the promise grants as required by board rule; and

140 (iv) cooperate in any review or financial audit related to the promise grants that the  
141 board determines necessary.

142 (7) (a) The board may use up to 2% of the money appropriated for promise grants for  
143 costs related to administering the promise grants.

144 (b) An institution may use up to 3% of the money the institution receives for promise  
145 grants for costs related to administering the promise grants.

146 (8) The board may supplement state appropriations for the program with private  
147 contributions.

148 Section 3. Section **53B-13a-106** is amended to read:

149 **53B-13a-106. Utah promise partners.**

150 (1) As part of the Utah Promise Program ~~[and in consultation with the Talent Ready~~  
151 ~~Utah Program created in Section [63N-1b-302](#)],~~ the board may select employers to be promise

152 partners.

153 (2) The board may select an employer as a promise partner if the employer:

154 (a) applies to the board to be a promise partner; and

155 (b) meets other requirements established by the board in the rules described in

156 Subsection ~~[(5)]~~ (6).

157 (3) An individual employed by, ~~or who is a dependent of an employee of,~~ a promise  
158 partner is eligible to receive a partner award if the individual:

159 (a) applies for a partner award;

160 (b) is admitted to and enrolled in an institution; and

161 ~~[(c) meets requirements established by the promise partner related to a partner award;~~

162 ~~and]~~

163 ~~[(d)]~~ (c) maintains the eligibility requirements described in this Subsection (3) for the  
164 full length of time the individual receives the partner award.

165 (4) (a) Subject to legislative appropriations and Subsection (4)(b), the board shall  
166 award a partner award to an individual who meets the requirements described in Subsection  
167 (3).

168 (b) The board may:

169 (i) award a partner award for up to the portion of tuition and fees for a program at an  
170 institution that is not covered by ~~[an employer reimbursement]~~ a promise partnership described  
171 in Subsection ~~[(5)(b)]~~ (6)(a); and

172 (ii) prioritize awarding partner awards if an appropriation for partner awards is not  
173 sufficient to provide a partner award to each individual who is eligible under Subsection (3).

174 (c) The board may continue to award a partner award to a recipient who meets the  
175 requirements described in Subsection (3) until the ~~[earliest of the following]~~ earlier of:

176 (i) ~~[two years after]~~ four years after the day on which the individual initially receives a  
177 partner award;

178 (ii) when the recipient uses a partner award to attend an institution for ~~[four]~~ eight  
179 semesters; or

180 (iii) when the recipient completes an approved program.

181 ~~[(iii) the recipient completes the requirements for an associate degree; or]~~

182 ~~[(iv) if the recipient attends an institution that does not offer associate degrees, the~~

183 ~~recipient has 60 earned credit hours.]~~

184 (5) The board may name a specific promise grant after the donating business.

185 ~~[(5)]~~ (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
186 Act, the board shall make rules that establish:

187 (a) ~~[requirements for an employer]~~ a process for a business to seek and receive  
188 approval from the board [for the employer's employees to receive partner awards] to become a  
189 promise partner, including providing funds for tuition and fees to be distributed under the Utah  
190 Promise Program;

191 ~~[(b) requirements related to an employer providing reimbursement to an employee who~~  
192 ~~receives a partner award for a portion of the employee's tuition and fees;]~~

193 ~~[(e)]~~ (b) a process for an individual to apply for a partner award; and

194 ~~[(d)]~~ (c) criteria for the board to prioritize awarding partner awards to individuals[;  
195 and].

196 ~~[(e) a requirement that an institution shall, for a recipient of a partner award:]~~

197 ~~[(i) evaluate the recipient's knowledge, skills, and competencies acquired through~~  
198 ~~formal or informal education outside the traditional postsecondary academic environment; and]~~

199 ~~[(ii) award credit, as applicable, for the recipient's prior learning described in~~  
200 ~~Subsection (5)(e)(i).]~~

201 ~~[(6)]~~ (7) The board may allow an individual to apply directly to the board for a partner  
202 award.

203 Section 4. Section **53B-13b-104** is amended to read:

204 **53B-13b-104. Guidelines for administration of the program.**

205 (1) The board shall use the guidelines in this section to develop policies to implement  
206 and administer the program.

207 (2) (a) The board shall allocate money appropriated for the program to institutions to  
208 provide grants for qualifying military veterans.

209 (b) The board may not use program money for administrative costs or overhead.

210 (c) An institution may not use more than 3% of its program money for administrative  
211 costs or overhead.

212 (d) Money returned to the board under Subsection (3)(b) shall be used for future  
213 allocations to institutions.

214 (3) (a) An institution shall award a program grant to a qualifying military veteran on an  
215 annual basis but distribute the money one quarter or semester at a time, with continuing awards  
216 contingent upon the qualifying military veteran maintaining satisfactory academic progress as  
217 defined by the institution in published policies or rules.

218 (b) At the conclusion of the academic year, money distributed to an institution that was  
219 not awarded to a qualifying military veteran or used for allowed administrative purposes shall  
220 be returned to the board.

221 (c) (i) To qualify for a program grant under this section, a military veteran shall  
222 demonstrate, in accordance with rules described in Subsection (3)(c)(ii), the completion of a  
223 Free Application for Federal Student Aid.

224 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
225 board shall make rules regarding the completion of the Free Application for Federal Student  
226 Aid described in Subsection (3)(c)(i), including:

227 (A) provisions for students or parents to opt out of the requirement due to financial  
228 ineligibility for any potential grant or other financial aid, personal privacy concerns, or other  
229 reasons the board specifies; and

230 (B) direction for applicants to financial aid advisors.

231 (4) A qualifying military veteran may receive a program grant [~~until the earlier of the~~  
232 ~~following occurs~~] when:

233 (a) the qualifying military veteran completes the requirements for a bachelor's degree;  
234 or

235 (b) [~~12 months from the time that~~] the qualifying military veteran receives [~~an initial~~  
236 ~~program grant~~] the maximum award that the board sets.

237 (5) A qualifying military veteran who receives a program grant may [~~only~~] use the  
238 grant toward tuition, fees [~~and~~], books, education-related supplies, and a housing allowance at  
239 an institution of higher education in the state.

240 (6) The board may accept grants, gifts, bequests, and devises of real and personal  
241 property from any source for the purpose of awarding grants to qualifying military veterans in  
242 addition to those funded by the state.

243 Section 5. **Effective date.**

244 (1) Except as provided in Subsection (2), if approved by two-thirds of all the members



245 elected to each house, Section [53B-8-101](#) takes effect upon approval by the governor, or the  
246 day following the constitutional time limit of Utah Constitution, Article VII, Section 8, without  
247 the governor's signature, or in the case of a veto, the day of the veto override.

248 (2) The actions affecting the following sections take effect on May 3, 2023:

249 (a) Section [53B-13a-104](#);

250 (b) Section [53B-13a-106](#); and

251 (c) Section [53B-13b-104](#).