

HIGHER EDUCATION FINANCIAL AID AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Tyler Clancy

Senate Sponsor: Keith Grover

LONG TITLE

General Description:

This bill amends provisions related to higher education scholarships.

Highlighted Provisions:

This bill:

- ▶ amends the length of eligibility for promise grants;
- ▶ allows the Utah Board of Higher Education (board) to supplement funding with private contributions;
- ▶ allows the board to name a promise partner grant after a business that has funded the grant;
- ▶ extends promise partner grants to dependents of promise partner employees;
- ▶ amends board requirements to make rules for a business to become a promise partner;
- ▶ removes the requirement for an institution to evaluate a partner award recipient;
- ▶ 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:

None

Utah Code Sections Affected:

AMENDS:

30 **53B-13a-104**, as repealed and reenacted by Laws of Utah 2022, Chapter 370

31 **53B-13a-106**, as renumbered and amended by Laws of Utah 2022, Chapter 370

32 **53B-13b-104**, as last amended by Laws of Utah 2020, Chapters 37, 196

33

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

35 Section 1. Section **53B-13a-104** is amended to read:

36 **53B-13a-104. Promise grants.**

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

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

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

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

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

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

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

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

53 (a) an application process;

54 (b) eligibility criteria, including:

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

56 (ii) a requirement that an applicant demonstrate completion of the Free Application for
57 Federal Student Aid, unless the student or the student's parent opts out in accordance with

58 board rule;

59 (c) how a student demonstrates financial need;

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

61 ~~[(e)]~~ (d) a formula to determine the allocation of money to institutions in accordance

62 with Subsection (1), taking into account:

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

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

65 ~~[(f)]~~ (e) a methodology for prioritizing award of promise grants based primarily on

66 financial need.

67 ~~[(4) After an institution awards a promise grant to an eligible student, the institution~~

68 ~~shall continue to award a promise grant to the eligible student:]~~

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

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

71 ~~[(ii) after the eligible student uses a promise grant to attend an institution for four~~

72 ~~semesters; and]~~

73 ~~[(b) provided the eligible student continues to meet the eligibility criteria:]~~

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

75 (a) earns a first bachelor's degree; or

76 (b) completes 120 credit hours.

77 (5) The board or an institution may not represent to a recipient or a potential recipient

78 of a promise grant that promise grants will remain available in perpetuity.

79 (6) (a) The board may require an institution to enter into a participation agreement

80 before the institution may award promise grants.

81 (b) In a participation agreement, the board shall include a requirement that the

82 institution:

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

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

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

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

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

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

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

94 Section 2. Section **53B-13a-106** is amended to read:

95 **53B-13a-106. Utah promise partners.**

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

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

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

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

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

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

105 (a) applies for a partner award;

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

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

108 ~~and]~~

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

111 (4) (a) Subject to legislative appropriations and Subsection (4)(b), the board shall
112 award a partner award to an individual who meets the requirements described in Subsection
113 (3).

114 (b) The board may:
 115 (i) award a partner award for up to the portion of tuition and fees for a program at an
 116 institution that is not covered by ~~[an employer reimbursement]~~ a promise partnership described
 117 in Subsection ~~[(5)(b)]~~ (6)(a); and

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

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

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

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

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

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

128 ~~[(iv) if the recipient attends an institution that does not offer associate degrees, the~~
 129 ~~recipient has 60 earned credit hours.]~~

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

131 ~~[(5)]~~ (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
 132 Act, the board shall make rules that establish:

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

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

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

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

142 ~~[(e) a requirement that an institution shall, for a recipient of a partner award:]~~
143 ~~[(i) evaluate the recipient's knowledge, skills, and competencies acquired through~~
144 ~~formal or informal education outside the traditional postsecondary academic environment; and]~~
145 ~~[(ii) award credit, as applicable, for the recipient's prior learning described in~~
146 ~~Subsection (5)(e)(i):]~~

147 ~~[(6)]~~ (7) The board may allow an individual to apply directly to the board for a partner
148 award.

149 Section 3. Section **53B-13b-104** is amended to read:

150 **53B-13b-104. Guidelines for administration of the program.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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