

**Representative Tyler Clancy** proposes the following substitute bill:

**HIGHER EDUCATION FINANCIAL AID AMENDMENTS**

2023 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Tyler Clancy**

Senate Sponsor: Keith Grover

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**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;
- ▶ 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:**



26 AMENDS:

27 **53B-13a-104**, as repealed and reenacted by Laws of Utah 2022, Chapter 370

28 **53B-13a-106**, as renumbered and amended by Laws of Utah 2022, Chapter 370

29 **53B-13b-104**, as last amended by Laws of Utah 2020, Chapters 37, 196

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

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

33 **53B-13a-104. Promise grants.**

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

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

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

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

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

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

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

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

50 (a) an application process;

51 (b) eligibility criteria, including:

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

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

56 (c) how a student demonstrates financial need;

57 ~~[(d) a process to defer a promise grant;]~~  
58 ~~[(e)]~~ (d) a formula to determine the allocation of money to institutions in accordance  
59 with Subsection (1), taking into account:

- 60 (i) the cost of attendance for programs offered by institutions; and
- 61 (ii) the number of eligible students who attend each institution; and

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

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

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

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

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

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

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

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

73 (b) completes 120 credit hours.

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

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

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

- 80 (i) provide to the board information necessary to administer the promise grants;
- 81 (ii) comply with this section and board rules related to the promise grants;
- 82 (iii) submit reports related to the promise grants as required by board rule; and
- 83 (iv) cooperate in any review or financial audit related to the promise grants that the  
84 board determines necessary.

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

87 (b) An institution may use up to 3% of the money the institution receives for promise

88 grants for costs related to administering the promise grants.

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

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

92 **53B-13a-106. Utah promise partners.**

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

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

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

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

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

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

102 (a) applies for a partner award;

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

104 [~~(c) meets requirements established by the promise partner related to a partner award;~~  
105 ~~and]~~

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

108 (4) (a) Subject to legislative appropriations and Subsection (4)(b), the board shall  
109 award a partner award to an individual who meets the requirements described in Subsection  
110 (3).

111 (b) The board may:

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

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

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

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

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

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

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

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

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

128 ~~[(5)]~~ (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking  
 129 Act, the board shall make rules that establish:

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

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

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

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

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

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

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

144 ~~[(6)]~~ (7) The board may allow an individual to apply directly to the board for a partner  
 145 award.

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

147 **53B-13b-104. Guidelines for administration of the program.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

180 (5) A qualifying military veteran who receives a program grant may [~~only~~] use the

181 grant toward tuition, fees [~~and~~], books, education-related supplies, and a housing allowance at  
182 an institution of higher education in the state.

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