

1 **HIGHER EDUCATION TUITION ASSISTANCE**

2 **PROGRAM**

3 1998 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Keele Johnson**

6 AN ACT RELATING TO HIGHER EDUCATION; PROVIDING FOR THE CREATION OF
7 THE UTAH HIGHER EDUCATION TUITION ASSISTANCE PROGRAM TRUST FUND;
8 PROVIDING FOR A TRUSTEE; PROVIDING THAT TRUST FUND MONEY SHALL BE
9 USED FOR ONE-TO-ONE MATCHING GRANTS FOR ENDOWMENT OF SCHOLARSHIP
10 PROGRAMS FOR STUDENTS WITH DEMONSTRATED FINANCIAL NEED AT
11 COMMUNITY COLLEGES AND ESTABLISHED BRANCH CAMPUSES AND CENTERS;
12 PROVIDING A \$100,000 APPROPRIATION TO ESTABLISH THE TRUST FUND; AND
13 PROVIDING AN EFFECTIVE DATE.

14 This act affects sections of Utah Code Annotated 1953 as follows:

15 ENACTS:

16 **53B-7-501**, Utah Code Annotated 1953

17 **53B-7-502**, Utah Code Annotated 1953

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

19 Section 1. Section **53B-7-501** is enacted to read:

20 **Part 5. Higher Education Tuition Assistance Program**

21 **53B-7-501. Purpose.**

22 (1) The Legislature recognizes that community colleges and established branch campuses
23 and centers throughout the state have a special mission to provide comprehensive higher education
24 opportunities for financially needy students, at geographically disbursed locations and at favorable
25 tuition rates.

26 (2) The Legislature further recognizes that tuition and general fee costs to students at Utah
27 community colleges and established branch campuses and centers represent significant challenges

1 for many of the students they serve, and that additional scholarship moneys for financially needy
2 students attending those institutions is needed to ensure financial access to higher education.

3 (3) It is the purpose of this part to establish a program of matching grants as an incentive
4 for institutions to raise money for scholarships at community colleges, branch campuses, and
5 centers.

6 Section 2. Section **53B-7-502** is enacted to read:

7 **53B-7-502. Higher Education Tuition Assistance Program Trust Fund.**

8 (1) There is created an expendable trust fund entitled the "Utah Higher Education Tuition
9 Assistance Program Trust Fund," hereafter referred to in this part as the trust fund.

10 (2) The board is the trustee of the trust fund.

11 (3) The trust fund consists of appropriations made to the fund by the Legislature.

12 (4) (a) The trust fund shall earn interest.

13 (b) All interest earned on fund moneys shall be deposited into the trust fund.

14 (5) Money in the trust fund shall be available only for matching grants for scholarship
15 endowments to higher education institutions under this part.

16 (6) (a) The board shall adopt rules for administration of the trust fund, in accordance with
17 Title 63, Chapter 46b, Administrative Procedures Act.

18 (b) The rules shall include the following provisions and requirements:

19 (i) money appropriated to the trust fund for a specific fiscal year, plus any balance
20 remaining in the trust fund at the end of the preceding fiscal year, shall be equally allocated to
21 eligible institutions, with earmarked amounts for specific eligible campuses and centers where
22 applicable;

23 (ii) institutions, campuses, and centers eligible to receive grants from the trust fund are:

24 (A) Snow College, main campus and extensions;

25 (B) Dixie College, main campus and extensions;

26 (C) College of Eastern Utah, main campus and extensions;

27 (D) College of Eastern Utah, San Juan Campus and extensions;

28 (E) Utah Valley State College, main campus and extensions;

29 (F) Salt Lake Community College, Taylorsville campus and extensions;

30 (G) Salt Lake Community College, South City Campus;

31 (H) Utah State University, Roosevelt Branch Campus;

1 (I) Utah State University, Vernal Branch Campus;

2 (J) Utah State University, Randolph Branch Campus;

3 (K) Utah State University, Price Branch Campus;

4 (L) Utah State University, Moab Branch Campus;

5 (M) Utah State University, Blanding Branch Campus;

6 (N) Utah State University, Brigham Branch Campus;

7 (O) Utah State University, Tooele Branch Campus;

8 (P) Utah State University, Richfield Branch Campus;

9 (Q) Utah State University, Snow Branch Campus;

10 (R) Utah State University, Southwest Branch Campus; and

11 (S) other branch campuses, centers, and extensions as determined by the board;

12 (iii) the board shall divide the amount available for allocation each fiscal year into equal
13 proportions for distribution to the eligible entities listed in Subsection (5)(b)(ii);

14 (iv) higher education institutions may submit proposals to the board, for specific eligible
15 entities, for one-to-one matching grants for endowment of scholarship programs for students with
16 demonstrated financial need, determined by criteria established by the board;

17 (v) an institution may submit a proposal under Subsection (5)(b)(iv) only when it has
18 raised, from nonappropriated sources other than federal funds or reimbursed overhead funds, the
19 one-to-one match for the amount of trust moneys requested in the proposal;

20 (vi) money allocated for a specific eligible entity from a specific fiscal year appropriation
21 and from interest earned in the trust fund shall remain in reserve for proposals for the specific
22 eligible entity for a period of three fiscal years, and any money reserved for which the institution
23 does not submit an eligible proposal by the end of the three-year period shall be returned to the
24 pool of trust money available for allocation for the following fiscal year;

25 (vii) an institution shall provide that, if grant money is received from the trust fund, the
26 institution shall establish a specific restricted college endowment fund, separate and distinct from
27 any foundation funds, for scholarships for students with demonstrated financial need, who are
28 enrolled at the specific eligible entity covered by the proposal, in accordance with board rules
29 adopted for the trust;

30 (viii) money in the college endowment funds shall be invested in compliance with rules
31 of the State Money Management Council applicable to gift funds;

1 (ix) principle of the institutional endowment funds established under the trust may not be
2 expended; and

3 (x) up to 50% of the money earned on principle in the endowment funds in a fiscal year
4 may be retained and capitalized as endowment principle, but at least 50% of the money shall be
5 used for scholarships for students with demonstrated financial need in the following fiscal year.

6 Section 3. **Appropriation.**

7 (1) There is appropriated from the General Fund for fiscal year 1998-99, \$100,000 to the
8 Utah Higher Education Tuition Assistance Program Trust Fund.

9 (2) It is the intent of the Legislature that this appropriation be ongoing.

10 Section 4. **Effective date.**

11 This act takes effect on July 1, 1998.

Legislative Review Note
as of 1-30-98 12:35 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel