

Representative Keele Johnson proposes to substitute the following bill:

**HIGHER EDUCATION TUITION ASSISTANCE
PROGRAM**

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Keele Johnson

AN ACT RELATING TO HIGHER EDUCATION; PROVIDING FOR THE CREATION OF THE UTAH HIGHER EDUCATION TUITION ASSISTANCE PROGRAM; PROVIDING FOR ADMINISTRATION OF THE PROGRAM; PROVIDING THAT MONEY APPROPRIATED FOR THE PROGRAM SHALL BE USED FOR ONE-TO-ONE MATCHING GRANTS FOR THE ENDOWMENT OF SCHOLARSHIPS FOR STUDENTS WITH DEMONSTRATED FINANCIAL NEED AT COMMUNITY COLLEGES AND ESTABLISHED BRANCH CAMPUSES AND CENTERS; PROVIDING A \$100,000 APPROPRIATION; AND PROVIDING AN EFFECTIVE DATE.

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

ENACTS:

53B-7-501, Utah Code Annotated 1953

53B-7-502, Utah Code Annotated 1953

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

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

Part 5. Higher Education Tuition Assistance Program

53B-7-501. Purpose.

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

1 (2) The Legislature further recognizes that tuition and general fee costs to students at Utah
2 community colleges and established branch campuses and centers represent significant challenges
3 for many of the students they serve, and that additional scholarship moneys for financially needy
4 students attending those institutions is needed to ensure financial access to higher education.

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

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

9 **53B-7-502. Higher Education Tuition Assistance Program.**

10 (1) There is created the "Utah Higher Education Tuition Assistance Program," hereafter
11 referred to in this part as the program.

12 (2) The board shall administer the program.

13 (3) The program shall be funded through appropriations by the Legislature.

14 (4) Money appropriated for the program shall be available only for matching grants for
15 scholarship endowments to higher education institutions under this part.

16 (5) (a) The board shall adopt rules for administration of the program, in accordance with
17 Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

18 (b) The rules shall include the requirements that money appropriated to the program for
19 a specific fiscal year, plus any remaining balance at the end of the preceding fiscal year, shall be
20 allocated to eligible institutions on the following basis:

21 (i) the board shall distribute 50% of the amount available for allocation each fiscal year
22 in equal proportions to:

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

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

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

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

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

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

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

30 (ii) the board shall distribute 50% of the amount available for allocation each fiscal year
31 to the Utah State University for its instructional centers at Roosevelt, Blanding, Randolph, Price

1 Moab, Brigham City, Tooele, Richfield, and Ephraim, and other centers as may be determined by
2 the board.

3 (6) Higher education institutions may submit proposals to the board, for specific eligible
4 entities, for one-to-one matching grants for endowment of scholarship programs for students with
5 demonstrated financial need, determined by criteria established by the board.

6 (7) An institution may submit a proposal under Subsection (6) only when it has raised,
7 from nonappropriated sources other than federal funds or reimbursed overhead funds, the
8 one-to-one match for the amount of program moneys requested in the proposal.

9 (8) Money allocated for a specific eligible entity from a specific fiscal year appropriation
10 shall remain in reserve for proposals for the specific eligible entity for a period of three fiscal
11 years, and any money reserved for which the institution does not submit an eligible proposal by
12 the end of the three-year period shall be returned to the pool of program money available for
13 allocation for the following fiscal year.

14 (9) (a) An institution shall provide that, if grant money is received from the program, the
15 institution shall establish a specific restricted college endowment fund, separate and distinct from
16 any foundation funds, for scholarships for students with demonstrated financial need, who are
17 enrolled at the specific eligible entity covered by the proposal, in accordance with board rules
18 adopted for the program.

19 (b) Money in the college endowment funds shall be invested in compliance with rules of
20 the State Money Management Council applicable to gift funds.

21 (c) Principle of the institutional endowment funds established under the program may not
22 be expended and up to 50% of the money earned on principle in the endowment funds in a fiscal
23 year may be retained and capitalized as endowment principle, but at least 50% of the money shall
24 be used for scholarships for students with demonstrated financial need in the following fiscal year.

25 **Section 3. Appropriation.**

26 (1) There is appropriated from the General Fund for fiscal year 1998-99, \$100,000 to the
27 State Board of Regents for the Utah Higher Education Tuition Assistance Program established
28 under Section 53B-7-502.

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

30 (3) The appropriation is nonlapsing.

31 **Section 4. Effective date.**

1 This act takes effect on July 1, 1998.