

CESAR CHAVEZ SCHOLARSHIP PROGRAM

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: James M. Evans

LONG TITLE

General Description:

This bill modifies a financial aid program for students who attend postsecondary education institutions in Utah.

Highlighted Provisions:

This bill:

- ▶ creates the Cesar Chavez Scholarship Program within the Utah Centennial Opportunity Program for Education;
- ▶ specifies qualifications for a Cesar Chavez Scholarship and the amount of the scholarship;
- ▶ appropriates money for the Cesar Chavez Scholarship Program; and
- ▶ makes technical amendments.

Monies Appropriated in this Bill:

This bill appropriates as an ongoing appropriation subject to future budget constraints, \$250,000 from the General Fund for fiscal year 2004-05 to the State Board of Regents.

Other Special Clauses:

This bill takes effect on July 1, 2004.

Utah Code Sections Affected:

AMENDS:

53B-13a-102, as last amended by Chapter 402, Laws of Utah 1998

53B-13a-104, as enacted by Chapter 302, Laws of Utah 1996

53B-13a-105, as last amended by Chapter 402, Laws of Utah 1998



ENACTS:

53B-13a-106, Utah Code Annotated 1953

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

Section 1. Section **53B-13a-102** is amended to read:

53B-13a-102. Definitions.

As used in this chapter:

(1) "Cost of attendance" means the total of costs payable to the institution, plus other direct educational expenses and transportation and living expenses while attending the institution, set forth in institutional cost-of-attendance budgets which meet criteria established by board rules.

(2) ~~(a)~~ "Eligible student" means a financially needy ~~[undergraduate]~~ student who is:
(i) unconditionally admitted ~~to~~ and enrolled at a Utah ~~[public]~~ postsecondary institution ~~[or a Utah private nonprofit postsecondary institution which is accredited by a regional accrediting organization recognized by the board]~~ on at least a half-time basis, as defined by the board, in an eligible postsecondary program leading to a defined education or training objective, as defined by the board~~;~~; and ~~[who is]~~

(ii) ~~(A)~~ a resident student under Section 53B-8-102 and rules of the board~~;~~; or
(B) exempt from paying the nonresident portion of total tuition under Section 53B-8-106.

~~(b)~~ "Eligible student" does not include a graduate student.

(3) "Federal poverty guideline" means the federal poverty measure issued each year by the U.S. Department of Health and Human Services in the Federal Register.

~~[(3)]~~ (4) "Financial aid" means grants or work-study stipends to financially needy students enrolled or accepted for enrollment at a Utah ~~[public]~~ postsecondary institution.

~~[(4)]~~ (5) "Financially needy student" means a ~~[post-high-school]~~ student ~~[at a Utah public postsecondary institution]~~ who demonstrates, on the basis of criteria established by the board, the financial inability, either through the student's parents or family, or personally, to meet all or a portion of the total cost of attendance at ~~[the]~~ an institution for any period of attendance as defined by the board.

~~[(5)]~~ (6) "Fiscal year" means the fiscal year of the state.

59 [(6)] (7) "Program" means the Utah Centennial Opportunity Program for Education.

60 [(7)] (8) "Utah [public] postsecondary institution" or "institution" means:

61 (a) an institution of higher education listed in [Subsection] Section 53B-1-102[(1)];

62 [and] or

63 (b) ~~[any applied technology center operated by the state or a political subdivision of the~~
64 ~~state which provides postsecondary education and training]~~ a Utah private, nonprofit
65 postsecondary institution that is accredited by a regional accrediting organization recognized by
66 the board.

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

68 **53B-13a-104. Guidelines for administration of the program.**

69 (1) The board shall use the guidelines set forth in this section to develop and
70 administer the program.

71 (2) The board may design either a centralized or decentralized basis for award of grants
72 and payment of stipends to eligible students, depending on its evaluation of the administrative
73 capabilities of the institutions attended by the students.

74 (3) The board may, based on an analysis of costs for institutional administration of the
75 program, provide from program monies an institutional administrative costs allowance of up to
76 3.1% of the total value of the grants and stipends awarded for eligible students at the institution
77 for a fiscal year.

78 (4) (a) The board may provide for both need-based grant awards and need-based
79 work-study stipends to be paid from the monies appropriated and made available for the
80 program, with need-based work-study stipends given strong emphasis.

81 (b) The need-based grants or work-study stipends are the only forms of student
82 financial aid for which program monies may be used.

83 (5) The board shall:

84 (a) provide for coordination of program awards with all existing programs of student
85 financial aid, including all federal programs, except those specifically dedicated to a particular
86 institution by the donor; and

87 (b) design the program to complement existing federal, state, and institutional
88 programs.

89 (6) Rules and administrative requirements for the program shall be developed in

consultation with the institutions [~~of postsecondary education~~], with appropriate state agencies and private sector organizations regarding the work-study component, and with other interested groups which may be able to contribute to the effectiveness of program development and implementation.

(7) The board shall design the program to utilize the packaging approach by which institutions currently combine loans, grants, employment, and family and individual contributions toward financing the cost of attendance at postsecondary institutions.

(8) The program shall require use of an appropriate need analysis system, which may be the same system used for determining eligibility under federal student financial aid programs, in determining financial need for the awarding of program grants and work-study stipends.

(9) In no case may the amount of program grants or work-study stipends or both, with other financial aid from any source, both need and merit-based, and with expected family and personal contributions, exceed the cost of attendance for the student at the institution for a fiscal year.

(10) Criteria for awards of program funds to institutions and students shall be based on assisting only the most financially needy eligible students.

(11) The board shall establish annually the minimum and maximum amounts for program grants and work-study stipends for the fiscal year.

(12) Grants and work-study stipends shall be awarded on an annual basis but paid one quarter or semester at a time, with payments for quarters or semesters after the first term contingent upon the student's maintaining satisfactory progress as defined by the institution in published policies or rules.

(13) All awards under the program shall be made without regard to an applicant's race, creed, color, religion, sex, or ancestry.

(14) Students receiving financial aid under the program are required to apply the monies toward the cost of attendance at the institution attended, as established pursuant to board rules.

(15) The board shall adopt and publish rules which implement this ~~[section]~~ chapter and any other provisions the board reasonably determines necessary to ensure sound fiduciary administration of program monies and accomplishment of the program objective to assist

financially needy state residents to achieve access to and persistence in postsecondary education and training.

(16) The board may require annual participation agreements from eligible postsecondary institutions, which shall include an agreement to:

(a) provide information needed by the board to administer the program~~[-for compliance]~~;

(b) comply with program rules in recommending or awarding program grants and work-study stipends to individual students~~[-for submission of]~~;

(c) submit annual reports as required by the board~~[-]~~; and ~~[for cooperation]~~

(d) cooperate in program reviews and financial audits as the board may determine to be necessary.

(17) The board, with cooperation from participating institutions, shall:

(a) establish a research ~~[data base]~~ database;

(b) conduct appropriate research into the effects of student financial aid on students' access to and persistence in postsecondary education and training; and

(c) utilize the research in planning and modifying the design of the program.

(18) The board shall report annually to the governor and the Legislature on:

(a) the administration of the program;

(b) utilization of program monies;

(c) benefits in fulfillment of the purposes established for the program; and

(d) any recommendations for program modification, including recommended funding levels.

(19) The board shall regularly provide information to students on employment opportunities in occupational and professional training and degree programs as identified through annual marketplace surveys.

Section 3. Section **53B-13a-105** is amended to read:

53B-13a-105. Disbursal of financial aid -- Additional resources.

~~[(1)(a) There is appropriated from the General Fund for fiscal year 1998-99, \$125,000 to the State Board of Regents to expand the student financial aid program authorized under this chapter to eligible students admitted and enrolled at a Utah private nonprofit postsecondary institution under Subsection 53B-13a-102(2).]~~

152 ~~[(b) The appropriation under Subsection (1)(a) is to supplement the line item~~
153 ~~appropriation made in the appropriations act for funding of the program.]~~

154 ~~[(2)]~~ (1) The board shall allocate the monies available under the program to each
155 ~~[eligible]~~ Utah postsecondary institution in the same proportion as the amount of Pell Grant
156 monies received by the institution for resident ~~[under-graduate]~~ undergraduate students during
157 the most recently completed fiscal year that Pell Grants were given bears to the total Pell Grant
158 monies received by all ~~[eligible]~~ Utah postsecondary institutions for resident ~~[under-graduate]~~
159 undergraduate students during that same year.

160 ~~[(3)]~~ (2) The board may accept grants, gifts, bequests, and devises of real and personal
161 property from any source for the purpose of granting student financial aid in addition to that
162 funded by the state.

163 Section 4. Section **53B-13a-106** is enacted to read:

164 **53B-13a-106. Cesar Chavez Scholarship Program.**

165 (1) The Cesar Chavez Scholarship Program is created within the Utah Centennial
166 Opportunity Program for Education.

167 (2) To qualify for a Cesar Chavez Scholarship, a student must:

168 (a) be an eligible student as defined in Section 53B-13a-102; and

169 (b) have a family income less than 200% of the federal poverty guideline for the family
170 size.

171 (3) (a) Cesar Chavez Scholarships shall be awarded in the following amounts:

172 (i) if the scholarship recipient is enrolled at a public institution, an amount not to
173 exceed the total of resident tuition and general fee charges; or

174 (ii) if the scholarship recipient is enrolled at a private, nonprofit institution, an amount
175 not to exceed the total of tuition and general fee charges.

176 (b) A scholarship for a student enrolled at a private, nonprofit institution may not
177 exceed the maximum program grant established by the board for the fiscal year.

178 (4) The board shall allocate at least 10% of the money appropriated to the board for the
179 Utah Centennial Opportunity Program in Education for the Cesar Chavez Scholarship Program.

180 Section 5. **Appropriation.**

181 (1) As an ongoing appropriation subject to future budget constraints, there is
182 appropriated from the General Fund for fiscal year 2004-05, \$250,000 to the State Board of

183 Regents for the Cesar Chavez Scholarship Program.
184 (2) The money for the Cesar Chavez Scholarship Program appropriated in Subsection
185 (1) is in addition to the scholarship program's allocation of monies appropriated for the Utah
186 Centennial Opportunity Program in Education, as provided by Section 53B-13a-106.
187 Section 6. **Effective date.**
188 This bill takes effect on July 1, 2004.

Legislative Review Note
as of 1-8-04 10:33 AM

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

Office of Legislative Research and General Counsel

Fiscal Note**Cesar Chavez Scholarship Program***23-Jan-04***Bill Number SB0040***1:25 PM*

State Impact

This bill appropriates \$250,000 annually to the Cesar Chavez Scholarship Program within the Utah Centennial Opportunity Program for Education.

	<u>FY 2005</u> <u>Approp.</u>	<u>FY 2006</u> <u>Approp.</u>	<u>FY 2005</u> <u>Revenue</u>	<u>FY 2006</u> <u>Revenue</u>
General Fund	\$250,000	\$250,000	\$0	\$0
TOTAL	\$250,000	\$250,000	\$0	\$0

Individual and Business Impact

Eligible students selected to receive financial support would have the tuition or a portion thereof paid for through the scholarship fund.

Office of the Legislative Fiscal Analyst