

1                   **HIGHER EDUCATION SUCCESS STIPEND PROGRAM**

2                                   2011 GENERAL SESSION

3                                   STATE OF UTAH

4                   **Chief Sponsor: Wayne L. Niederhauser**

5                                   House Sponsor: Gregory H. Hughes

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7   **LONG TITLE**

8   **General Description:**

9                   This bill replaces the Utah Centennial Opportunity Program for Education with the  
10 Success Stipend Program within the State System of Higher Education.

11 **Highlighted Provisions:**

12                   This bill:

- 13                   ▶ renames the Utah Centennial Opportunity Program for Education as the Success  
14 Stipend Program and modifies provisions, including:
- 15                   • modifying definitions;
  - 16                   • modifying findings of the Legislature;
  - 17                   • modifying reporting requirements;
  - 18                   • prohibiting the Board of Regents from using program money for administrative  
19 purposes; and
  - 20                   • repealing the Cesar Chavez Scholarship Program within the Utah Centennial  
21 Opportunity Program for Education; and
  - 22                   ▶ makes technical changes.

23 **Money Appropriated in this Bill:**

24                   None

25 **Other Special Clauses:**

26                   This bill provides an immediate effective date.

27 **Utah Code Sections Affected:**



28 AMENDS:

29 **53B-13a-101**, as enacted by Laws of Utah 1996, Chapter 302

30 **53B-13a-102**, as last amended by Laws of Utah 2004, Chapter 10

31 **53B-13a-103**, as enacted by Laws of Utah 1996, Chapter 302

32 **53B-13a-104**, as last amended by Laws of Utah 2004, Chapter 10

33 REPEALS:

34 **53B-13a-106**, as enacted by Laws of Utah 2004, Chapter 10



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

37 Section 1. Section **53B-13a-101** is amended to read:

38 **CHAPTER 13a. SUCCESS STIPEND PROGRAM ACT**

39 **53B-13a-101. Title.**

40 This chapter is known as the "~~Utah Centennial Opportunity Program for Education~~  
41 Success Stipend Program Act."

42 Section 2. Section **53B-13a-102** is amended to read:

43 **53B-13a-102. Definitions.**

44 As used in this chapter:

45 (1) (a) "Cost of attendance" means ~~[the total of]~~ the estimated costs associated with  
46 attending an institution, as established by the institution in accordance with board policies.

47 (b) "Cost of attendance" includes costs payable to the institution, ~~[plus]~~ other direct  
48 educational expenses ~~[and]~~, transportation, and living expenses while attending the institution;  
49 ~~set forth in institutional cost-of-attendance budgets which meet criteria established by board~~  
50 ~~rules~~].

51 (2) (a) "Eligible student" means a financially needy student who is:

52 (i) unconditionally admitted to and enrolled at a Utah postsecondary institution on at  
53 least a half-time basis, as defined by the board, in an eligible postsecondary program leading to  
54 a defined education or training objective, as defined by the board; ~~[and]~~

55 (ii) making satisfactory academic progress, as defined by the institution in published  
56 policies or rules, toward an education or training objective; and

57 ~~[(i)]~~ (iii) (A) a resident student under Section 53B-8-102 and rules of the board; or

58 (B) exempt from paying the nonresident portion of total tuition under Section

59 53B-8-106.

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

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

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

65 [~~(5) (3) "Financially needy student" means a student who demonstrates~~, ~~on the basis~~  
66 ~~of criteria established by the board,~~] the financial inability[, ~~either through the student's parents~~  
67 ~~or family, or personally,~~] to meet all or a portion of the [total] cost of attendance at an  
68 institution for any period of attendance as defined by the board, after considering the student's  
69 expected family contribution.

70 [~~(6) (4) "Fiscal year" means the fiscal year of the state.~~

71 [~~(7) (5) "Program" means the [Utah Centennial Opportunity] Success Stipend Program~~  
72 ~~[for Education].~~

73 [~~(8) (6) "Utah postsecondary institution" or "institution" means:~~

74 (a) an institution of higher education listed in Section [~~53B-1-102~~] 53B-2-101; or

75 (b) a Utah private, nonprofit postsecondary institution that is accredited by a regional  
76 accrediting organization recognized by the board.

77 Section 3. Section **53B-13a-103** is amended to read:

78 **53B-13a-103. Establishment of the Success Stipend Program.**

79 (1) The Legislature finds that [the]:

80 (a) the prosperity, economic success, and general welfare [~~and well-being~~] of the  
81 people of Utah and of the state are directly related to the educational levels and skills of the  
82 citizens of the state[;]; and [~~that limited financial aid for students with demonstrated financial~~  
83 ~~need to help finance costs of attendance at Utah public postsecondary institutions]~~

84 (b) financial assistance, to bridge the gap between a financially needy student's  
85 resources and the cost of attendance at a Utah postsecondary institution, is a necessary  
86 component for ensuring access to postsecondary education and training [~~as the state enters its~~  
87 ~~second century of statehood~~].

88 (2) There is created the [~~Utah Centennial Opportunity] Success Stipend Program [for~~  
89 ~~Education]~~ to provide [~~this limited~~] financial assistance to students who, after utilizing family

90 and personal resources, federal assistance, and scholarships, demonstrate financial need.

91 Section 4. Section **53B-13a-104** is amended to read:

92 **53B-13a-104. Guidelines for administration of the program.**

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

95 ~~[(2) The board may design either a centralized or decentralized basis for award of~~  
96 ~~grants and payment of stipends to eligible students, depending on its evaluation of the~~  
97 ~~administrative capabilities of the institutions attended by the students.]~~

98 ~~[(3) The board may, based on an analysis of costs for institutional administration of the~~  
99 ~~program, provide from program money an institutional administrative costs allowance of up to~~  
100 ~~3.1% of the total value of the grants and stipends awarded for eligible students at the institution~~  
101 ~~for a fiscal year.]~~

102 ~~[(4)]~~ (2) (a) The board ~~[may]~~ shall allocate money appropriated for the program to  
103 institutions to provide for [both] either need-based [grant awards and] grants or need-based  
104 work-study stipends [to be paid from the money appropriated and made available for the  
105 program, with], giving strong emphasis to need-based work-study stipends [given strong  
106 emphasis].

107 (b) ~~[The need-based]~~ Need-based grants or need-based work-study stipends are the  
108 only forms of student financial ~~[aid]~~ assistance for which program money may be used.

109 (c) The board may not use program money for administrative costs or overhead.

110 ~~[(5) The board shall:]~~

111 ~~[(a) provide for coordination of program awards with all existing programs of student~~  
112 ~~financial aid, including all federal programs, except those specifically dedicated to a particular~~  
113 ~~institution by the donor; and]~~

114 ~~[(b) design the program to complement existing federal, state, and institutional~~  
115 ~~programs.]~~

116 ~~[(6) Rules and administrative requirements for the program shall be developed in~~  
117 ~~consultation with the institutions, with appropriate state agencies and private sector~~  
118 ~~organizations regarding the work-study component, and with other interested groups which~~  
119 ~~may be able to contribute to the effectiveness of program development and implementation.]~~

120 (d) An institution may not use more than 3% of its program money for administrative

121 costs or overhead.

122 ~~[(7)]~~ (3) The board shall design the program to utilize ~~[the]~~ a packaging approach ~~[by~~  
123 ~~which institutions currently combine]~~ that ensures that institutions combine loans, grants,  
124 employment, and family and individual contributions toward financing the cost of attendance at  
125 a postsecondary ~~[institutions]~~ institution.

126 ~~[(8) The program shall require use of]~~

127 (4) The board shall:

128 (a) use an appropriate need analysis system~~[, which may be the same system used for~~  
129 ~~determining eligibility under federal student financial aid programs, in determining]~~ to  
130 determine a student's financial need for the purpose of awarding ~~[of] a program~~ ~~[grants and]~~  
131 grant or work-study ~~[stipends:]~~ stipend; and

132 ~~[(9) In no case may the amount of program grants or work-study stipends or both, with]~~

133 (b) base the criteria for awarding program funds to an institution or eligible student on  
134 assisting only the most financially needy students.

135 (5) The total sum of a program grant, a work-study stipend, other financial aid from  
136 any source, ~~[both need and merit-based,]~~ and ~~[with]~~ the expected family and personal  
137 ~~[contributions,]~~ contribution, may not exceed the cost of attendance for ~~[the]~~ an eligible student  
138 at ~~[the]~~ an institution for a fiscal year.

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

141 ~~[(11)]~~ (6) The board shall establish annually the minimum and maximum amounts for  
142 a program ~~[grants]~~ grant and a work-study ~~[stipends]~~ stipend for the fiscal year.

143 ~~[(12) Grants and work-study stipends shall be awarded]~~

144 (7) An institution shall award a program grant or work-study stipend on an annual basis  
145 but ~~[paid]~~ distribute the money one quarter or semester at a time, with ~~[payments for quarters~~  
146 ~~or semesters after the first term]~~ continuing awards contingent upon the ~~[student's]~~ eligible  
147 student maintaining satisfactory academic progress as defined by the institution in published  
148 policies or rules.

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

151 (8) An institution shall award all program money without regard to an applicant's race,

152 creed, color, religion, sex, or ancestry.

153 ~~[(14)]~~ (9) Students receiving financial ~~[aid]~~ assistance under the program are required  
154 to apply the money toward the cost of attendance at the institution attended, as established  
155 pursuant to board rules.

156 ~~[(15)]~~ (10) The board shall adopt ~~[and publish rules which]~~ policies to implement this  
157 chapter ~~[and any other provisions the board reasonably determines necessary]~~ and to ensure  
158 sound fiduciary administration of program money ~~[and accomplishment of the program~~  
159 ~~objective to assist financially needy state residents to achieve access to and persistence in~~  
160 ~~postsecondary education and training]~~ to accomplish program objectives.

161 ~~[(16)]~~ (11) The board may require ~~[annual]~~ a participation ~~[agreements]~~ agreement  
162 from an eligible postsecondary ~~[institutions]~~ institution, which shall include an agreement to:

163 (a) provide information needed by the board to administer the program;

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

166 (c) submit annual reports as required by the board; and

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

169 ~~[(17) The board, with cooperation from participating institutions, shall:]~~

170 ~~[(a) establish a research database;]~~

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

173 ~~[(c) utilize the research in planning and modifying the design of the program.]~~

174 ~~[(18)]~~ (12) The board shall annually report ~~[annually]~~ program outcomes to the  
175 governor and the ~~[Legislature on]~~ Legislature's Higher Education Appropriations  
176 Subcommittee, including:

177 ~~[(a) the administration of the program;]~~

178 ~~[(b)]~~ (a) utilization of program money[;], including the:

179 (i) number of program recipients at each institution; and

180 (ii) average amount of financial assistance provided;

181 ~~[(c)]~~ (b) benefits in fulfillment of the purposes established for the program; and

182 ~~[(d)]~~ (c) any recommendations for program modification, including recommended

183 funding levels.

184           ~~[(+9)]~~ (13) The board shall regularly provide information to students on [~~employment~~  
185 ~~opportunities in occupational and~~] professional training and degree programs [~~as identified~~  
186 ~~through annual marketplace surveys~~] available in the state through online career and  
187 educational exploration tools.

188           Section 5. **Repealer.**

189           This bill repeals:

190           Section **53B-13a-106, Cesar Chavez Scholarship Program.**

191           Section 6. **Effective date.**

192           If approved by two-thirds of all the members elected to each house, this bill takes effect  
193 upon approval by the governor, or the day following the constitutional time limit of Utah  
194 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
195 the date of veto override.

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**Legislative Review Note**  
as of 1-17-11 6:48 AM

**Office of Legislative Research and General Counsel**