STUDENT AID AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor:  Karen Kwan

Senate Sponsor:  Ann Millner

Cosponsors:  Derrin R. Owens  Travis M. Seegmiller
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LONG TITLE

General Description:
This bill requires the completion of the Free Application for Federal Student Aid to be eligible for certain state financial aid for higher education.

Highlighted Provisions:
This bill:
- requires the completion of the Free Application for Federal Student Aid to be eligible for certain state financial aid for higher education; and
- makes technical and conforming changes.

Money Appropriated in this Bill:
None

Other Special Clauses:
None

Utah Code Sections Affected:
AMENDS:
- 53B-8-105, as last amended by Laws of Utah 2019, Chapter 444
- 53B-8-115, as enacted by Laws of Utah 2019, Chapter 273 and last amended by Coordination Clause, Laws of Utah 2019, Chapter 357
- 53B-8-116, as enacted by Laws of Utah 2019, Chapter 129
Be it enacted by the Legislature of the state of Utah:

Section 1.  Section \textbf{53B-8-105} is amended to read:

\textbf{53B-8-105.  New Century scholarships -- High school requirements.}

(1)  As used in this section:

(a) "Complete the requirements for an associate degree" means that a student:

(i) (A) completes all the required courses for an associate degree from a higher education institution within the state system of higher education that offers associate degrees;

and

(B) applies for the associate degree from the institution; or

(ii) completes equivalent requirements described in Subsection (1)(a)(i)(A) from a higher education institution within the state system of higher education that offers baccalaureate degrees but does not offer associate degrees.

(b) "Fee" means a fee approved by the board.

(2)  (a)  The board shall award New Century scholarships.

(b)  The board shall develop and approve the math and science curriculum described under Subsection (3)(a)(ii).

(3)  (a)  In order to qualify for a New Century scholarship, a student in Utah schools shall complete the requirements for an:

(i) associate degree; or

(ii) approved math and science curriculum.

(b) The requirements under Subsection (3)(a) shall be completed:

(i) by the day on which the student's class graduates from high school; and

(ii) with at least a 3.0 grade point average.

(c) In addition to the requirements in Subsection (3)(a), a student in Utah shall:

(i) complete the high school graduation requirements of:
(A) a public high school established by the State Board of Education and the student's
school district or charter school; or
(B) a private high school in the state that is accredited by a regional accrediting body
approved by the board; and
(ii) complete high school with at least a 3.5 cumulative high school grade point
average.
(4) Notwithstanding Subsection (3), for a student who does not receive a high school
grade point average, the student shall:
(a) complete the requirements for an associate degree:
(i) by June 15 of the year the student completes high school; and
(ii) with at least a 3.0 grade point average; and
(b) score a composite ACT score of 26 or higher.
(5) (a) To be eligible for the scholarship, a student:
[(a)] (i) shall submit an application to the board with:
[(i) (A)] an official college transcript showing college courses the student has
completed to complete the requirements for an associate degree; and
[(ii) (B)] or, if applicable, a copy of the student's ACT scores;
[(b) (ii)] shall be a citizen of the United States or a noncitizen who is eligible to receive
federal student aid;
[(c) (iii)] may not have a criminal record, with the exception of a misdemeanor traffic
citation; [and]
[(d) (iv)] if applicable, shall meet the application deadlines as established by the board
under Subsection (10); and
(v) shall demonstrate, in accordance with rules described in Subsection (5)(b), the
completion of a Free Application for Federal Student Aid.
(b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
board shall make rules regarding the completion of the Free Application for Federal Student
Aid described in Subsection (5)(a)(v), including:

(i) provisions for students or parents to opt out of the requirement due to:

(A) financial ineligibility for any potential grant or other financial aid;

(B) personal privacy concerns; or

(C) other reasons the board specifies; and

(ii) direction for applicants to financial aid advisors.

(6) (a) The scholarship may be used at a:

(i) higher education institution within the state system of higher education that offers baccalaureate programs; or

(ii) if the scholarship holder applies for the scholarship on or before October 1, 2019, private, nonprofit college or university in the state accredited by the Northwest Association of Schools and Colleges that offers baccalaureate programs.

(b) (i) Subject to Subsection (6)(e), the total value of the scholarship is up to $5,000, allocated over a time period described in Subsection (6)(c), as prescribed by the board.

(ii) The board may increase the scholarship amount described in Subsection (6)(b)(i) by an amount not to exceed the average percentage tuition increase approved by the board for institutions in the state system of higher education.

(c) The scholarship is valid for the shortest of the following time periods:

(i) two years of full-time equivalent enrollment;

(ii) 60 credit hours; or

(iii) until the student meets the requirements for a baccalaureate degree.

(d) (i) A scholarship holder shall enroll full-time at a higher education institution by no later than the fall term immediately following the student's high school graduation date or receive an approved deferral from the board.

(ii) The board may grant a deferral or leave of absence to a scholarship holder, but the scholarship holder may only receive scholarship money within five years of the student's high school graduation date.

(e) For a scholarship for which a student applies after October 1, 2019:
112 (i) the board shall reduce the amount of the scholarship holder's scholarship so that the
113 total amount of state aid awarded to the scholarship holder, including tuition or fee waivers or
114 the scholarship, does not exceed the cost of the scholarship holder's tuition and fees; and
115 (ii) the scholarship holder may only use the scholarship for tuition and fees.
116 (7) The board may cancel a New Century scholarship at any time if the student fails to:
117 (a) register for at least 15 credit hours per semester;
118 (b) maintain a 3.3 grade point average for two consecutive semesters; or
119 (c) make reasonable progress toward the completion of a baccalaureate degree.
120 (8) (a) Subject to future budget constraints, the Legislature shall make an annual
121 appropriation from the General Fund to the board for the costs associated with the New
122 Century Scholarship Program authorized under this section.
123 (b) It is understood that the appropriation is offset in part by the state money that would
124 otherwise be required and appropriated for these students if they were enrolled in a four-year
125 postsecondary program at a state-operated institution.
126 (c) Notwithstanding Subsections (2)(a) and (6), if the appropriation under Subsection
127 (8)(a) is insufficient to cover the costs associated with the New Century Scholarship Program,
128 the board may reduce the scholarship amount.
129 (d) If money appropriated under this section is available after New Century
130 scholarships are awarded, the board shall use the money for the Access Utah Promise
131 Scholarship Program created in Section 53B-8-302.
132 (9) (a) The board shall adopt policies establishing an application process and an appeal
133 process for a New Century scholarship.
134 (b) The board shall disclose on all applications and related materials that the amount of
135 the scholarship is subject to funding and may be reduced, in accordance with Subsection (8)(c).
136 (c) The board shall require an applicant for a New Century scholarship to certify under
137 penalty of perjury that:
138 (i) the applicant is a United States citizen; or
139 (ii) the applicant is a noncitizen who is eligible to receive federal student aid.
(d) The certification under this Subsection (9) shall include a statement advising the signer that providing false information subjects the signer to penalties for perjury.
(10) The board may set deadlines for receiving New Century scholarship applications and supporting documentation.
(11) A student may not receive both a New Century scholarship and a Regents' scholarship established in Part 2, Regents' Scholarship Program.

Section 2. Section 53B-8-115 is amended to read:

53B-8-115. Career and technical education scholarships.

(1) As used in this section:
(a) "Eligible institution" means:
(i) Salt Lake Community College's School of Applied Technology established in Section 53B-16-209;
(ii) Snow College;
(iii) Utah State University Eastern established in Section 53B-18-1201;
(iv) Utah State University Blanding established in Section 53B-18-1202; or
(v) the Utah State University regional campus located at or near Moab described in Section 53B-18-301.
(b) "High demand program" means a noncredit career and technical education program that:
(i) is offered by an eligible institution;
(ii) leads to a certificate; and
(iii) is designated by the board in accordance with Subsection (6).
(c) "Scholarship" means a career and technical education scholarship described in this section.

(2) Subject to future budget constraints, the Legislature shall annually appropriate money to the board to be distributed to eligible institutions to award career and technical education scholarships.

(3) In accordance with the rules described in Subsection (5), an eligible institution may
award a scholarship to an individual who:

(a) is enrolled in, or intends to enroll in, a high demand program; and
(b) demonstrates, in accordance with rules described in Subsection (5)(b), the completion of a Free Application for Federal Student Aid.

(4) (a) An eligible institution may award a scholarship for an amount of money up to the total cost of tuition, fees, and required textbooks for the high demand program in which the scholarship recipient is enrolled or intends to enroll.

(b) An eligible institution may award a scholarship to a scholarship recipient for up to two academic years.

(c) An eligible institution may cancel a scholarship if the scholarship recipient does not:

(i) maintain enrollment in the eligible institution on at least a half time basis, as determined by the eligible institution; or

(ii) make satisfactory progress toward the completion of a certificate.

(5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules:

(a) that establish:

[(a)] (i) how state funding available for scholarships is divided among eligible institutions;

[(b)] (ii) requirements related to an eligible institution's administration of a scholarship;

[(c)] (iii) requirements related to eligibility for a scholarship, including requiring eligible institutions to prioritize scholarships for underserved populations;

[(d)] (iv) a process for an individual to apply to an eligible institution to receive a scholarship; and

[(e)] (v) how to determine satisfactory progress described in Subsection (4)(c)(ii); and

(b) regarding the completion of the Free Application for Federal Student Aid described in Subsection (3)(b), including:
provisions for students or parents to opt out of the requirement due to:
(A) financial ineligibility for any potential grant or other financial aid;
(B) personal privacy concerns; or
(C) other reasons the board specifies; and
(ii) direction for applicants to financial aid advisors.
(6) Every other year, after consulting with the Department of Workforce Services, the board shall designate, as a high demand program, a noncredit career and technical education program that prepares an individual to work in a job that has, in Utah:
(a) high employer demand and high median hourly wages; or
(b) significant industry importance.
Section 3. Section 53B-8-116 is amended to read:
53B-8-116. Terrel H. Bell Education Scholarship Program -- Scholarship requirements -- Rulemaking.
(1) As used in this section:
(a) "Approved program" means a program that:
(i) is a teacher preparation program that:
(A) meets the standards described in Section 53E-6-302; and
(B) provides enhanced clinical experiences; or
(ii) prepares an individual to become:
(A) a speech-language pathologist; or
(B) another licensed professional providing services in a public school to students with disabilities.
(b) "Eligible institution" means a public or private institution of higher education in Utah that offers an approved program.
(c) "High needs area" means a subject area or field in public education that has a high need for teachers or other employees, as determined in accordance with Subsections (6) and (7).
(d) "Scholarship" means a scholarship described in this section.
224 (2) Subject to future budget constraints, the Legislature shall annually appropriate
225 money to the board for the Terrel H. Bell Education Scholarship Program to be distributed to
226 eligible institutions to award scholarships to incentivize students to work in public education in
227 Utah.
228
229 (3) (a) Subject to the prioritization described in Subsection (3)(b), an eligible
230 institution may award a scholarship to an individual who:
231 (i) meets the academic standards described in Subsection (6);
232 (ii) is enrolled in at least six credit hours at the eligible institution; [and]
233 (iii) declares an intent to:
234 (A) apply to and complete an approved program at the eligible institution; and
235 (B) work in a Utah public school[.]; and
236 (iv) demonstrates, in accordance with rules described in Subsection (6)(b), the
237 completion of a Free Application for Federal Student Aid.
238
239 (b) An eligible institution shall prioritize awarding of scholarships:
240 (i) first, to first generation students who intend to work in any area in a Utah public
241 school;
242 (ii) second, to students who:
243 (A) are not first generation students; and
244 (B) intend to work in a high needs area in a Utah public school; and
245 (iii) last, to other students who meet the requirements described in Subsection (3)(a).
246
247 (4) (a) Except as provided in Subsection (4)(b), an eligible institution may award a
248 scholarship to an individual for an amount up to the cost of resident tuition, fees, and books for
249 the number of credit hours in which the individual is enrolled each semester.
250
251 (b) An eligible institution that is a private institution may not award a scholarship for
252 an amount of money that exceeds the average scholarship amount granted by a public
253 institution of higher education.
254
255 (5) (a) Except as provided in Subsection (5)(b), an eligible institution may award a
256 scholarship to an individual for up to four consecutive years.
(b) An eligible institution may grant a scholarship recipient a leave of absence.

(c) An eligible institution may cancel a scholarship if:

(i) the scholarship recipient fails to make reasonable progress toward completion of the approved program, as determined by the eligible institution; or

(ii) the eligible institution determines with reasonable certainty that the scholarship recipient does not intend to work in a Utah public school.

(6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules:

(a) that establish:

[(a)] (i) requirements related to an eligible institution's administration of a scholarship;

[(b)] (ii) a process for an individual to apply to an eligible institution to receive a scholarship;

[(c)] (iii) in accordance with Subsection (3)(a), requirements related to eligibility for a scholarship, including required academic standards;

[(d)] (iv) in accordance with Subsection (3)(b), requirements related to prioritization of scholarships, including determination of:

[(i)] (A) whether a student is a first generation student; and

[(ii)] (B) high needs areas; and

[(e)] (v) criteria to determine whether an individual intends to work in a Utah public school;

and

(b) regarding the completion of the Free Application for Federal Student Aid described in Subsection (3)(a)(iv), including:

(i) provisions for students or parents to opt out of the requirement due to:

(A) financial ineligibility for any potential grant or other financial aid;

(B) personal privacy concerns; or

(C) other reasons the board specifies; and

(ii) direction for applicants to financial aid advisors.

(7) The board shall consult with the State Board of Education to determine:
(a) whether a teacher preparation program provides enhanced clinical experiences; and
(b) which subject areas and fields are high needs areas.
(8) The board may use up to 5% of money appropriated for the purposes described in this section to promote the scholarships described in this section.

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

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

(1) The board shall use the guidelines set forth in this section to develop and administer the program.
(2) (a) The board shall allocate money appropriated for the program to institutions to provide for either need-based grants or need-based work-study stipends, giving strong emphasis to need-based work-study stipends.
(b) Need-based grants or need-based work-study stipends are the only forms of student financial assistance for which program money may be used.
(c) The board may not use program money for administrative costs or overhead.
(d) An institution may not use more than 3% of its program money for administrative costs or overhead.
(3) (a) The board shall design the program to utilize a packaging approach that ensures that institutions combine loans, grants, employment, and family and individual contributions toward financing the cost of attendance at a postsecondary institution.
(b) (i) To be eligible for a grant or stipend under this section, a student shall demonstrate, in accordance with rules described in Subsection (3)(b)(ii), the completion of a Free Application for Federal Student Aid.
(ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules regarding the completion of the Free Application for Federal Student Aid described in Subsection (3)(b)(i), including:
(A) provisions for students or parents to opt out of the requirement due to financial ineligibility for any potential grant or other financial aid, personal privacy concerns, or other reasons the board specifies; and
(B) direction for applicants to financial aid advisors.

(4) The board shall:

(a) use an appropriate need analysis system to determine a student's financial need for the purpose of awarding a program grant or work-study stipend; and

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

(5) The total sum of a program grant, a work-study stipend, other financial aid from any source, and the expected family and personal contribution, may not exceed the cost of attendance for an eligible student at an institution for a fiscal year.

(6) The board shall establish annually the minimum and maximum amounts for a program grant and a work-study stipend for the fiscal year.

(7) An institution shall award a program grant or work-study stipend on an annual basis but distribute the money one quarter or semester at a time, with continuing awards contingent upon the eligible student maintaining satisfactory academic progress as defined by the institution in published policies or rules.

(8) An institution shall award all program money without regard to an applicant's race, creed, color, religion, sex, or ancestry.

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

(10) The board shall adopt policies to implement this chapter and to ensure sound fiduciary administration of program money to accomplish program objectives.

(11) The board may require a participation agreement from an eligible postsecondary institution, which shall include an agreement to:

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

(b) comply with program rules;

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

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

(12) The board shall annually report program outcomes to the governor and the Legislature's Higher Education Appropriations Subcommittee, including:

(a) utilization of program money, including the:

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

(ii) average amount of financial assistance provided;

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

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

(13) The board shall regularly provide information to students on professional training and degree programs available in the state through online career and educational exploration tools.

Section 5. Section 53B-13b-104 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(B) direction for applicants to financial aid advisors.

(4) A qualifying military veteran may receive a program grant until the earlier of the following occurs:

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

(b) 12 months from the time that the qualifying military veteran receives an initial program grant.

(5) A qualifying military veteran who receives a program grant may only use the grant toward tuition at an institution of higher education in the state.

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