

HOUSE BILL NO. 813

INTRODUCED BY V. SMALL-EASTMAN

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SCHOLARSHIP PROGRAM FOR YOUTH WHO HAVE BEEN IN FOSTER CARE; ESTABLISHING A SPECIAL REVENUE ACCOUNT FOR THE SCHOLARSHIP PROGRAM; PROVIDING A FUND TRANSFER; APPROPRIATING FUNDS; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

WHEREAS, youth who have been in foster care face unique challenges when they leave the foster-care system and transition into independence; and

WHEREAS, postsecondary education provides Montana's young people with skills that help them succeed as they move into adulthood; and

WHEREAS, the State of Montana has an inherent interest in providing its foster-care youth with opportunities for success.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Scholarship program for foster-care youth. (1) There is a scholarship program administered by the department to assist Montana students who have been placed by the department in foster care. The scholarship program must assist eligible students with the costs of postsecondary education.

(2) The department shall use money appropriated by the legislature for the scholarship program and may accept donations from public or private sources to distribute in accordance with guidelines established for the scholarship program. Money from private sources must be deposited into the state special revenue account established in [section 7] to pay for scholarships for eligible students enrolled in postsecondary institutions or, when designated by the donor, in Montana private colleges.

NEW SECTION. Section 2. Definitions. Unless the context clearly requires otherwise, in [sections 1 through 7], the following definitions apply:

(1) "Certificate program" means a program generally completed in 1 academic year that requires less than 60 credits and that is not a self-supporting, customized training course or the certificate awarded for

1 completion of the program.

2 (2) "Cost of attendance" means tuition, fees, dormitory costs or monthly rent, meal plans or monthly food
3 expenses, books and supplies, transportation, utilities, child care, and other necessary expenses of attending a
4 postsecondary institution.

5 (3) "Eligible student" means a student who:

6 (a) is at least 16 years of age and not more than 22 years of age;

7 (b) is a resident student, as defined in 20-25-501;

8 (c) is in need of financial aid, as demonstrated through a completed application for federal student aid;

9 (d) has entered or will enter an eligible postsecondary institution within 3 years of graduating from high
10 school or successfully earning the equivalent of a high school diploma; and

11 (e) (i) was in foster care in the state of Montana at the time that the student turned 18 years of age; or

12 (ii) had a guardianship established or adoption finalized on or after the student's 16th birthday.

13 (4) "Montana private college" has the meaning provided in 15-30-163(3)(b).

14 (5) "Postsecondary institution" means:

15 (a) a unit of the Montana university system, as described in 20-25-201.

16 (b) a Montana community college, organized pursuant to 20-15-101; or

17 (c) an accredited tribal community college located in the state of Montana.

18
19 **NEW SECTION. Section 3. Scholarship program -- eligibility -- guidelines.** (1) Scholarship funds
20 are available to eligible students who enroll in postsecondary education.

21 (2) Subject to available funds, the department shall:

22 (a) award a scholarship to each eligible student applying for assistance;

23 (b) cover, to the extent possible, an eligible student's demonstrated need for financial assistance with
24 the cost of attendance at an eligible postsecondary institution of choice; and

25 (c) renew the scholarship each year if the student maintains eligibility requirements set by the
26 postsecondary institution and applies for renewal of the scholarship.

27 (3) A scholarship applicant under this program shall apply for any other grants and scholarships for which
28 the applicant may qualify. The department shall assist the applicant in the application process and may use the
29 federal financial aid grant process to determine the additional funding needs of the applicant.

30 (4) A scholarship award under [sections 1 through 7] is available only to the extent that other grants and

1 scholarships are insufficient to meet the cost of attendance.

2 (5) Funds awarded to an eligible student under this scholarship program are in addition to any other
3 services or funds provided to the student by the department through other transitional educational services.

4 (6) If the scholarship recipient transfers from one eligible postsecondary institution to another and
5 continues to meet eligibility requirements, the scholarship award must be transferred with the recipient.

6 (7) The scholarship award must terminate when the eligible student:

7 (a) finishes the course of study;

8 (b) receives the equivalent of 4 years of undergraduate education; or

9 (c) fails to make satisfactory progress toward the completion of a degree or certificate program.

10 (8) Funds from public sources may not be used to pay for scholarships to eligible students enrolled in
11 Montana private colleges.

12
13 **NEW SECTION. Section 4. Scholarship program -- eligible institutions.** The department may award
14 scholarships for attendance at any of the following:

15 (1) a Montana postsecondary institution;

16 (2) a certificate program operated in Montana; or

17 (3) a Montana private college, to the extent that funds from private sources are available to support the
18 scholarship award. A scholarship award for attendance at a Montana private college may not exceed the
19 maximum amount available for attendance at the Montana university system unit having the highest cost of
20 attendance for the academic year that the scholarship is awarded.

21
22 **NEW SECTION. Section 5. Duties of department -- rulemaking authority.** (1) The department may
23 accept donations from public or private sources for deposit into the special revenue account established in
24 [section 7] to be used for scholarship awards.

25 (2) The department may not use funds from public sources to pay for scholarships to eligible students
26 enrolled in Montana private colleges.

27 (3) The department may contract for the administration of the scholarship program.

28 (4) The department shall establish procedures to allow an eligible student to transfer from one
29 postsecondary institution to another without loss of the scholarship.

30 (5) The department shall adopt rules necessary for implementing [sections 1 through 7] that may include

1 but are not limited to:

2 (a) the application and review process for scholarship awards;

3 (b) methods for determining an eligible student's financial need;

4 (c) procedures for disbursing scholarship awards to eligible postsecondary institutions on behalf of the
5 scholarship recipients;

6 (d) procedures regarding notification to eligible students, parents, teachers, and scholarship
7 administrators of all criteria, procedures, and timelines for applying for the scholarships;

8 (e) expenses for which the scholarship funds may be used; and

9 (f) the standards that an eligible student must meet to demonstrate that the student is making satisfactory
10 progress toward the completion of a degree or certificate program.

11 (6) The department shall ensure compliance with [section 3] if an eligible student transfers from a
12 postsecondary institution to a Montana private college.

13 (7) Rules adopted by the department must take into account, when appropriate, the availability of
14 appropriated funds and changes in the cost of attendance at eligible postsecondary institutions.

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16 **NEW SECTION. Section 6. Program costs.** (1) The costs incurred by the department in administering
17 the scholarship program must be paid with money from the special revenue account established in [section 7].

18 (2) The department may use up to 10% of the money deposited into the account for administrative costs.
19 The department shall keep costs to a minimum and shall use the department's existing office space, personnel,
20 equipment, and supplies to the extent possible.

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22 **NEW SECTION. Section 7. Special revenue account.** There is an account in the state special revenue
23 fund to the credit of the department for providing scholarships under [sections 1 through 7]. Money is payable into
24 the account, as provided in [section 1], and must be allocated from the account as provided in [sections 3 and
25 6].

26
27 **NEW SECTION. Section 8. Fund transfer -- appropriation.** (1) There is transferred \$225,000 from
28 the state general fund in each year of the biennium beginning July 1, 2007, to the special revenue account
29 established in [section 7] to provide scholarships to eligible students.

30 (2) The money in the account is appropriated to the department of public health and human services to

1 be used as provided in [sections 1 through 7].

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3 **NEW SECTION. Section 9. Codification instruction.** [Sections 1 through 7] are intended to be codified
4 as an integral part of Title 52, chapter 2, and the provisions of Title 52 apply to [sections 1 through 7].

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6 **NEW SECTION. Section 10. Notification to tribal governments.** The secretary of state shall send
7 a copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell
8 Chippewa tribe.

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10 **NEW SECTION. Section 11. Effective date -- applicability.** [This act] is effective on passage and
11 approval and applies to scholarships awarded under [sections 1 through 7] beginning with the 2007-08 academic
12 year.

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