

**INSTITUTIONAL ASSISTANCE GRANTS ACT, THE**  
**Act of Jul. 18, 1974, P.L. 483, No. 174**  
AN ACT

Cl. 24

Authorizing the Pennsylvania Higher Education Assistance Agency to make institutional assistance grants on behalf of Pennsylvania State scholarship students attending independent institutions of higher education in the Commonwealth, and making an appropriation.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Short Title.--This act shall be known and may be cited as "The Institutional Assistance Grants Act."

Section 2. Legislative Findings.--The General Assembly has found and hereby declares that:

(a) The Commonwealth is committed to the development and preservation of a planned and diverse system of higher education which encompasses both public and independent institutions. The percentage of students attending independent institutions in the Commonwealth is forty-two per cent (42%), which figure is much higher than the national average of twenty-four per cent (24%). Independent institutions make a significant contribution to higher education in the Commonwealth and it is in the public interest to facilitate optimum utilization of all higher education resources in the Commonwealth.

(b) Tuition and fees charged to students by independent institutions, even when financed by various types of student financial aid, do not cover the cost of education. Many independent institutions are, therefore, presently faced with serious financial difficulties. These difficulties inhibit their ability to provide higher education to the Commonwealth students and, therefore, impair the provision of higher education in the Commonwealth and increase the burden on public institutions.

(c) The institutional assistance grants on behalf of Pennsylvania scholarship students attending independent institutions authorized herein are designed to assure maximum educational choice by preserving the quality of independent institutions and will tend to moderate the costs charged to students at independent institutions.

Section 3. Definitions.--As used in this act:

"Agency" shall mean the Pennsylvania Higher Education Assistance Agency.

"Assistance grant" shall not exceed four hundred dollars (\$400).

"Assistance grant fund" shall mean the aid received pursuant to this act on behalf of Pennsylvania State scholarship students by each eligible institution.

"Community colleges" shall mean institutions now, or hereafter, created pursuant to the act of August 24, 1963 (P.L.1132, No.484), known as the "Community College Act of 1963."

"Educational cost" shall not include expenses for sectarian and denominational instruction, the construction or maintenance of sectarian and denominational facilities or for any other sectarian and denominational purpose or activity.

"Eligible institution" shall mean an independent institution of higher education located in and chartered by, the Commonwealth, which is neither a State-owned institution, State-related institution nor a community college, which is operated not for profit, which is determined by the agency not to be a theological seminary or school of theology or a sectarian and denominational institution and which is approved by the agency for assistance grants pursuant to the provisions of this act.

"Pennsylvania State scholarship student" shall mean an individual who received aid in the form of a grant pursuant to the act of January 25, 1966 (P.L.1546, No.541) or the act of October 11, 1972 (P.L.899, No.213) or the act of October 11, 1972 (P.L.909, No.216).

"State-owned institutions" shall mean the fourteen Pennsylvania State colleges and university.

"State-related institutions" shall mean the Pennsylvania State University, the University of Pittsburgh, Temple University, Lincoln University and their branch campuses, and any institution which is hereafter designated "State-related" by the Commonwealth.

Section 4. Certification of Recipients.--At such time and in such manner, as directed by the agency in order for it to administer this act, each eligible institution shall certify to the agency, the number of Pennsylvania State scholarship students attending the eligible institution.

Section 5. Institutional Assistance Grants.--For the academic year beginning on or about September 1, 1974, the agency shall allot, on behalf of each Pennsylvania State scholarship student attending the eligible institution as certified pursuant to section 4, an assistance grant as defined in section 3, such allotment to be made to each eligible institution from the funds appropriated to the agency pursuant to section 10.

Section 5.1. Prohibition Against Discrimination.--No eligible institution receiving assistance grants shall discriminate against any applicant for admission because such applicant will not qualify as a Pennsylvania State scholarship student.

Section 6. Assistant Grant Fund.--The Institutional Assistance Grant Fund shall be maintained in a separate account and shall not be commingled with other funds of the eligible institution. The moneys in the fund may be used only for, or in connection with, expenses incurred by the eligible institution for educational cost. Each institution shall cause an audit of such separate account to be made annually, which audit shall indicate the manner in which the moneys in the assistance grant fund have been expended. A copy of the audit shall be forwarded to the agency.

Section 7. Forfeiture.--Any eligible institution which refuses to submit such certification or audit as required by this act or submits misrepresentations or false statements

knowingly with intent fraudulently to obtain moneys from the agency shall be denied status as an eligible institution under the provisions of this act.

Section 8. Audits and Reports.--The activities of the agency under this act shall be subject to the audit of the Department of Auditor General, but it shall not be required to pay a fee for any such audit.

Section 9. Severability.--If any part of this act shall be held invalid, such holding shall not affect the validity of the remaining parts of this act. If a part of this act is invalid in one or more of its applications, the remaining parts of this act shall remain in effect as to all valid applications that are severable from the invalid application.

Section 10. Appropriation.--The sum of twelve million dollars (\$12,000,000), is hereby appropriated to the Pennsylvania Higher Education Assistance Agency for the purposes, and administration, of this act for the fiscal year July 1, 1974 to June 30, 1975.

Section 11. Effective Date.--This act shall take effect immediately.