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Sequence
 Number: 08-12-15
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 File Date: 08/13/15

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee Student Assistance Corporation
Division:	Higher Education
Contact Person:	Peter Abernathy
Address:	Suite 1510, Parkway Towers, 404 James Robertson Parkway, Nashville, TN
Phone:	37243
Email:	615.532.6065
	Peter.Abernathy@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Peter Abernathy
Address:	Suite 1510, Parkway Towers, 404 James Robertson Parkway; Nashville, TN 37243
Phone:	615.532.6065
Email:	Peter.Abernathy@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Suite 1803, Parkway Towers		
Address 2:	404 James Robertson Parkway		
City:	Nashville		
Zip:	37243		
Hearing Date :	10/05/2015		
Hearing Time:	10:00 A.M.	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Additional Hearing Information:

The TN Promise Scholarship Program provides an opportunity for graduating high school seniors, regardless of socioeconomic status or academic performance, to obtain a certificate, diploma, or associate's degree, free of tuition and fees, by providing students with a last-dollar scholarship. This program also provides individual guidance to each participant through a statewide network of volunteer mentors and engages the student by requiring eight hours of community service each semester the scholarship is received.

The proposed revisions were required due to the enactment of 2015 Public Chapter 186 and to provide for clarification to existing rules. Specifically, the amended rule will allow for leaves of absence greater

than six months; allow less than full-time enrollment in the semester of graduation; allow partnering organizations to serve students residing outside their service area; clarify that tuition waivers and discounts apply before the use of gift aid; and clarify the FAFSA verification process.

Emergency Rules have been filed, effective August 8, 2015 through January 31, 2016, since these revisions are necessary to accommodate circumstances that may arise as early as the fall semester of the 2015 academic year.

The proposed rules may be reviewed at <http://share.tn.gov/sos/rules/1640/1640-01-26.20150904.pdf>.

Oral or written comments are invited at the hearing. Additionally, written comments may be submitted prior to the public hearing to: Peter Abernathy, Senior Associate Executive Director and Counsel, Suite 1510, Parkway Towers, 404 James Robertson Parkway, Nashville, TN 37243, telephone 615.532.6065, or by email at Peter.Abernathy@tn.gov. However, any written comments submitted prior to the hearing must be received by 4:30 PM CDT, October 2, 2015, to ensure consideration.

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Chapter Number	Chapter Title
1640-01-26	Tennessee Promise Scholarship Program
Rule Number	Rule Title
1640-01-26-.01	Definitions
1640-01-26-.02	Scholarship Award Amounts and Classifications
1640-01-26-.03	Application Process
1640-01-26-.04	Eligibility – Tennessee Promise Scholarship Program
1640-01-26-.05	Eligibility - Early High School Graduation
1640-01-26-.06	Personal or Medical Leave of Absence
1640-01-26-.07	Community Service Program Requirements
1640-01-26-.09	Partnering Organization Requirements
1640-01-26-.10	Partnering Organizations – Service in Counties
1640-01-26-.11	Terminating Events
1640-01-26-.13	Certification of Eligibility

Chapter 1640-01-26
Tennessee Promise Scholarship Program

Amendments

Rule 1640-01-26-.01 Definitions is amended by adding paragraph (2) as a new paragraph defining "Academic Year" and renumbering each subsequent paragraph so that as amended the rule shall read:

- (2) Academic Year: Three (3) consecutive semesters beginning with a fall semester and including the immediately following spring and summer semesters.

Rule 1640-01-26-.01 Definitions is amended by adding paragraph (11) as a new paragraph defining "Eligible Postsecondary Program" and renumbering each subsequent paragraph so that as amended the rule shall read:

- (11) Eligible Postsecondary Program: The term is defined in T.C.A. § 49-4-708.

Paragraph (12) of Rule 1640-01-26-.01 Definitions is amended by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (12) Entering Freshman: A student who enrolls in an eligible postsecondary institution as a participant in the Tennessee Promise Scholarship program in the fall term immediately following high school graduation, completion of a home school program, or attainment of a GED or HiSET diploma. Exceptions to this enrollment requirement may be made for students enrolled in a TCAT, for students enrolled in a four-year postsecondary institution but not immediately admitted into an eligible postsecondary program, or for personal or medical leaves of absence as outlined in these rules.

Paragraph (17) of Rule 1640-01-26-.01 Definitions is amended by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (17) HiSET: The term is defined in T.C.A. § 49-4-902.

Paragraph (23) of Rule 1640-01-26-.01 Definitions is amended by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (23) Resident: A resident of Tennessee as defined by regulations promulgated by the Tennessee Board of Regents.

Paragraph (29) of Rule 1640-01-26-.01 Definitions is amended by deleting the parenthetical reference "(Program)" so that as amended the paragraph shall read:

- (29) Tennessee Promise Scholarship Program: A scholarship program which provides last-dollar financial aid, mentoring, and community service opportunities for Tennessee students upon graduation from high school or home school, or attainment of a GED or HiSET.

Rule 1640-01-26-.01 Definitions is amended by adding paragraph (30) as a new paragraph and renumbering each subsequent paragraph so that as amended the rule shall read:

- (30) Tennessee Promise Scholarship Student: The term is defined in T.C.A. § 49-4-708.

Paragraph (34) of Rule 1640-01-26-.01 Definitions is amended by adding the text "online courses" so that as amended the paragraph shall read:

- (34) Tuition and Mandatory Fees: Tuition and mandatory fees required for the enrollment or attendance of a student at an eligible postsecondary institution that are charged to all students, and shall not include fees charged for the Regents Online Degree Program, online courses, specific programs of study, books, or supplies even if such fees are considered necessary for enrollment.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-708, and 49-4-902.

Paragraph (4) of Rule 1640-01-26-.02 Scholarship Award Amounts and Classifications is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (4) Recipients of a Tennessee Promise Scholarship award as provided by these rules must be enrolled and attending full time in an eligible postsecondary institution. A student may enroll less than full time in the semester of graduation if full-time enrollment is not required to complete the program of study, and for semesters in which the student receives an approved leave of absence.

Paragraph (5) of Rule 1640-01-26-.02 Scholarship Award Amounts and Classifications is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (5) Except for approved medical or personal leaves of absence, award recipients must be continuously enrolled and maintain the required grade point average or satisfactory academic progress at an eligible postsecondary institution as provided in Tenn. Comp. R. & Regs. 1640-01-26-.04.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-708, and 2015 Tenn. Pub. Acts Ch. 186.

Paragraph (4) of Rule 1640-01-26-.03 Application Process is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (4) Students are required to complete the Tennessee Promise Scholarship award application for the initial year of enrollment no later than November 1 of their senior year of high school. For each successive year of participation students shall submit a renewal application no later than July 1 prior to the successive academic year giving notice to TSAC of their intent to participate in the Tennessee Promise Scholarship program. If either deadline occurs on a weekend or state holiday, then the application deadline will be the next business day.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Subparagraph (1)(b) of Rule 1640-01-26-.04 Eligibility – Tennessee Promise Scholarship Program is revised by adding the text “graduate high school as a dependent child of a military parent as outlined in T.C.A. § 49-4-926” so that as amended the subparagraph shall read:

- (b) Graduate from an eligible high school, graduate high school as a dependent child of a military parent as outlined in T.C.A. § 49-4-926, complete high school as a home school student, or obtain a GED or HiSET diploma, provided that the student obtains a GED or HiSET diploma prior to the student reaching nineteen (19) years of age;

Subparagraph (1)(m) of Rule 1640-01-26-.04 Eligibility – Tennessee Promise Scholarship Program is revised by deleting the phrase “a minimum of” so that as amended the subparagraph shall read:

- (m) Complete eight (8) hours of community service for each semester while participating in the Tennessee Promise Scholarship program; and

Subparagraph (1)(n) of Rule 1640-01-26-.04 Eligibility – Tennessee Promise Scholarship Program is revised by deleting the subparagraph in its entirety and substituting the following language so that as amended the subparagraph shall read:

- (n) Submit all necessary documentation to allow the postsecondary institution to complete FAFSA verification by August 1 if enrolled at a two-year or four-year eligible institution or by October 1 if enrolled at a TCAT. Verification shall be completed regardless of eligibility for federal or state grants.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Subparagraph (3)(a) of Rule 1640-01-26-.05 Eligibility - Early High School Graduation is revised by adding the text “or a regionally accredited postsecondary institution located outside this state” so that as amended the subparagraph shall read:

- (a) Enroll in an eligible postsecondary institution or a regionally accredited postsecondary institution located outside this state;

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Rule 1640-01-26-.06 Personal or Medical Leave of Absence is amended by deleting the rule in its entirety and substituting the following language so that as amended the rule shall read:

- (1) A student may be granted a medical or personal leave of absence from timely enrollment in the initial semester, full-time attendance, or continuous enrollment at an eligible postsecondary institution as long as all other applicable eligibility criteria are met. Allowable medical or personal reasons may include illness of the student; illness or death of an immediate family member; extreme financial hardship of the student or student's immediate family; fulfillment of a religious commitment encouraged of members of that faith; fulfillment of required initial active duty for training as a National Guard or Reserve member or for National Guard or Reserve mobilization; attendance in a program of study at a TCAT which only begins in the spring or summer academic term or when openings are unavailable for the fall academic term; full-time attendance at an eligible four-year postsecondary institution while waiting for admission to an eligible postsecondary program; or other extraordinary circumstances beyond the student's control where attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may appeal the decision in accordance with these rules.
- (2) A student granted a medical or personal leave of absence shall enroll full time in an eligible postsecondary institution in the first semester following the end of the leave of absence and shall retain the Tennessee Promise Scholarship until a terminating event occurs. A leave of absence of six (6) months or less shall not count against the five semester limit at an eligible postsecondary institution, and a leave of absence may extend beyond six (6) months for military, religious, or other extraordinary circumstances as described in this rule.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-708, and 2015 Tenn. Pub. Acts Ch. 186.

Paragraph (1) of Rule 1640-01-26-.07 Community Service Program Requirements is revised by deleting the text "a minimum of" from the paragraph so that as amended the paragraph shall read:

- (1) A student participating in the Tennessee Promise Scholarship program shall perform eight (8) hours of community service for each semester the scholarship is received. Service shall be performed prior to the beginning of each academic semester, including the initial fall semester, in which the Promise Scholarship is received according to the following deadlines:

Paragraph (6) of Rule 1640-01-26-.07 Community Service Program Requirements is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (6) Community service in excess of eight (8) hours performed in any semester shall not be carried over into subsequent semesters. Unless the student is on an approved leave of absence, failure to complete the eight (8) hours of community service prior to an academic semester will result in the immediate termination of eligibility for the Tennessee Promise Scholarship. Community service performed during an approved leave of absence shall count towards fulfillment of the community service requirement in the first semester following the leave of absence.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Subparagraph 1(i) of Rule 1640-01-26-.09 Partnering Organization Requirements is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (i) Where a student cannot attend either mandatory meeting due to required attendance at a school-sponsored activity, required attendance at a religious-based activity, documented illness of the student, or other extenuating circumstances, the Partnering Organization shall provide opportunities for the student to receive the training prior to the March 1 or May 31 deadline, or as soon thereafter as practicable.

Authority: T.C.A. §§ 39-13-527, 39-13-532, 39-17-417, 40-35-501, 49-4-201, 49-4-204, and 49-4-708.

Paragraph (1) of Rule 1640-01-26-.10 Partnering Organizations – Service in Counties is revised by deleting the paragraph in its entirety and substituting the following language so that as amended the paragraph shall read:

- (1) A Partnering Organization that agrees to provide Tennessee Promise Scholarship program services in a county shall make the program available to all eligible high school, home school, and GED/HiSET students in that county. The Partnering Organization shall continue to work with students from that county through a terminating event, regardless of which eligible postsecondary institution the student attends. Partnering Organizations may work with students from high schools or counties outside their assigned counties as agreed upon between the Partnering Organizations.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Paragraph (1) of Rule 1640-01-26-.11 Terminating Events is revised by adding the text “as outlined in T.C.A. § 49-4-708” so that as amended the paragraph shall read:

- (1) A student shall receive the Tennessee Promise Scholarship until reaching a terminating event as outlined in T.C.A. § 49-4-708.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

Rule 1640-01-26-.13 Certification of Eligibility is amended by deleting the rule in its entirety and substituting the following language so that as amended the rule shall read:

- (1) Each Partnering Organization shall determine student eligibility based on attendance at mandatory meetings and fulfillment of community service requirements as required in these rules, and shall certify such eligibility to TSAC.
- (2) TSAC will create a master certification roster of students for each institution. The master list will contain students who have met all requirements for the Tennessee Promise Scholarship.
- (3) The eligible postsecondary institution shall certify each student's eligibility for a financial award from the Tennessee Promise Scholarship based on continuing eligibility requirements established in these rules. The award amount reported to TSAC shall be the amount of tuition and mandatory fees remaining after other gift aid has first been applied to the student's tuition and mandatory fees. All tuition waivers and discounts for which a student or parent qualifies shall first be deducted from the student's tuition and mandatory fees before gift aid is credited.
- (4) Once the eligible postsecondary institution has certified the student's eligibility for a financial award, the certification information shall be electronically transmitted to TSAC.
- (5) TSAC shall process a payment request directly to the eligible postsecondary institution on behalf of all Tennessee Promise Scholarship recipients who are eligible for a financial award. No funds shall be disbursed directly to the Partnering Organizations or to the students.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708.

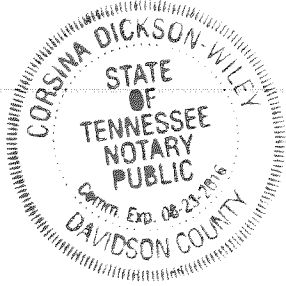
I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 8/13/15

Signature: [Handwritten Signature]

Name of Officer: Dr. Russ Deaton

Title of Officer: Interim Executive Director



Subscribed and sworn to before me on: 08-13-15

Notary Public Signature: [Handwritten Signature]

My commission expires on: 08-23-16

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Filed with the Department of State on: 08/13/15

[Handwritten Signature]

Tre Hargett
Secretary of State

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