

Public Necessity Rules
of the
Tennessee Student Assistance Corporation

Statement of Necessity Requiring Public Necessity Rules

Pursuant to T.C.A. § 49-4-924(d), the Tennessee Student Assistance Corporation (TSAC) is authorized to promulgate public necessity rules to implement the Helping Heroes Grant Program. These rules are being promulgated as public necessity rules due to Public Chapter No. 1142 of the 2008 Tennessee Public Acts enacted the Helping Heroes Act of 2008, creating a grant scholarship program as part of the TELS Program in Tennessee Code Annotated, Title 49, Chapter 4, Part 9. Effective implementation of these rules precludes the use of other rulemaking procedures described in Tennessee Code Annotated, Title 4, Chapter 5 for the promulgation of permanent rules.

For complete copies of the text of the notice, please contact Peter Abernathy, Senior Associate Executive Director and Staff Attorney, Tennessee Student Assistance Corporation, Suite 1510, 404 James Robertson Parkway, Nashville, TN 37243-0820, 615-532-6065.

Public Necessity Rules
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Chapter 1640-01-22

Helping Heroes Grant Program

New Rules

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1640-01-22-.01 Definitions.

- (1) Corporation: Tennessee Student Assistance Corporation.
- (2) Degree: A two-year associate degree or four-year baccalaureate degree conferred on students by a postsecondary educational institution upon completion of a unified program of study at the undergraduate level.

- (3) Eligible Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.
- (4) Full-time student: The term is defined in T.C.A. § 49-4-902.
- (5) Part-time student: The term is defined in T.C.A. § 49-4-902.
- (6) Semester: The term is defined in T.C.A. § 49-4-902.
- (7) Semester hours: The term is defined in T.C.A. § 49-4-902.
- (8) Successful completion of a course: The term is defined in T.C.A. § 49-4-902.
- (9) Tennessee National Guard: The term is defined in T.C.A. § 49-4-926(b)(3).
- (10) "TSAC" means the Tennessee Student Assistance Corporation.
- (11) Veteran: A former member of the armed forces of the United States, or a former member of a reserve or Tennessee National Guard unit who was called into active military service of the United States, as defined in T.C.A. § 58-1-102.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.02 Scholarship Award Amounts and Classifications.

- (1) The Helping Heroes Grant is intended to provide financial awards to offset costs associated with pursuing postsecondary education. The Corporation shall award no more than three hundred seventy-five (375) eligible students per semester on a first come, first-served basis not to exceed seven hundred fifty thousand dollars (\$750,000) per year.
- (2) Award amounts for the Helping Heroes Grant shall be determined in accordance with T.C.A. § 4-51-111 and shall be set in the General Appropriations Act. A Helping Heroes Grant awarded to a student shall be one thousand dollars (\$1,000) per semester in which the student successfully completes twelve (12) or more semester hours.
 - (a) The full amount of the grant is awarded to a student who successfully completes twelve (12) or more semester hours.
 - (b) One-half (1/2) of the full amount of the grant is awarded to a student who successfully completes six (6) to eleven (11) semester hours.
 - (c) A student successfully completing fewer than six (6) semester hours shall not be eligible for the grant, but may subsequently be eligible for the grant in a semester in which the student successfully completes at least six (6) semester hours; provided, that the student meets all other eligibility requirements during that semester.
- (3) In the event that net lottery proceeds are insufficient to fully fund the Helping Heroes Grant the Corporation shall determine the appropriate manner in which the awards shall be reduced.
- (4) Receipt of student financial aid from sources other than the Helping Heroes Grant that are applied to educational expenses will not operate to reduce the student's grant as long as the student's total aid does not exceed the total cost of attendance. In the event that a student's total aid exceeds the cost of attendance, the eligible

postsecondary institution shall, to the extent it does not violate applicable federal regulations, use its institutional policy in reducing the student's total aid package.

- (5) The receipt of a Helping Heroes Grant is contingent upon admission and enrollment at an eligible postsecondary institution. Qualifying for this grant does not guarantee admission to an eligible postsecondary institution.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.03 Application Process.

- (1) The Helping Heroes Grant application shall be the means by which eligible students apply or reapply for the grant after their initial year of eligibility. The Helping Heroes Grant must be submitted by mail or fax as directed on the application.
- (2) The Corporation must receive the application on or before September 1 for fall enrollment, and February 1 for spring and summer enrollment, in determining awards for that academic year. It shall be the responsibility of the student to ensure that the application is submitted and received by the above deadlines.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.04 General Eligibility.

- (1) To be eligible for a Helping Heroes Grant a student shall:
 - (a) Be a Tennessee citizen; and
 - (b) Be a Tennessee resident, as defined by Rule 0240-2-2, Classifying Students In-State and Out-of-State, as promulgated by the Board of Regents, for one (1) year immediately preceding the application deadline date; and
 - (c) Make application for a Helping Heroes Grant by submitting the application as required by Rule 1640-01-22-.03 in which the student successfully completes six (6) or more semester hours; and
 - (d) Be admitted to an eligible postsecondary institution seeking an associate or baccalaureate degree; and
 - (e) Have received an honorable discharge; and
 - (f) Have been awarded the Iraq Campaign Medal, Afghanistan Campaign Medal, or Global War on Terrorism Expeditionary Medal on or after September 1, 2001; and
 - (g) Be in compliance with federal drug-free rules and laws for receiving financial assistance; and
 - (h) Meet each qualification relating to the grant and applicable to the student; and
 - (i) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and
 - (j) Not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program; and

- (k) Not be incarcerated; and
- (l) Have not received a baccalaureate degree; and
- (m) Not be required to meet any academic standard at the time of enrollment in an eligible postsecondary institution.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-904, 49-4-920, and 49-4-924.

1640-01-22-.05 Retention of Award – General Requirements.

- (1) To retain a Helping Heroes Grant award authorized by this chapter, a student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship pursuant to 1640-01-22-.03 and shall reapply by completing the Helping Heroes Grant application pursuant to Rule 1640-1-23-.03 for each academic year.
- (2) A student at an eligible postsecondary institution shall be enrolled in at least six (6) or more hours leading to an associate or baccalaureate degree and shall receive a non-failing grade as the final grade for each course.
- (3) A student may receive a Helping Heroes Grant until the first of the following terminating event occurs:
 - (a) Student earns a baccalaureate degree; or
 - (b) Eighth anniversary of the veteran's honorable discharge from military service; or
 - (c) Student receives the grant for a maximum of the equivalent of eight (8) full semesters. Receipt of the award as a full-time student shall count as one (1) semester – one-half (1/2) semester as a part-time student.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-904, 49-4-920, and 49-4-924.

1640-01-22-.06 Award Made in Error.

- (1) If a student receives a Helping Heroes Grant and it is later determined that the award or some portion of the award was made in error, the student or the postsecondary institution may be required to repay the amount awarded in error.
- (2) If TSAC determines that the error was through no fault of the student, the student will not be required to repay the amount of the payment made in error.
- (3) Repayment from the student will be required if TSAC determines that fraud was committed or the error was through fault of the student. When repayment is required, the student may not receive additional student aid from the Corporation until repayment is made.
- (4) Repayment from the postsecondary institution will be required if TSAC determines that the error was through the fault of the postsecondary institution.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.07 Refund Policy.

- (1) If a recipient of a Helping Heroes Grant fails to complete a semester for any reason, the eligible postsecondary institution shall apply its refund policy to determine whether a refund may be required. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be returned to the student. Additionally, the eligible postsecondary institution shall notify the Corporation of the chargeback, which shall be noted on the student's record. The eligible postsecondary institution shall be responsible for obtaining repayment from the student. The student shall be ineligible for student aid from the Corporation until the refund is paid.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.08 Calculation of Postsecondary Cumulative Grade Point Average.

- (1) The postsecondary cumulative grade point average used to determine eligibility for a renewal of a Helping Heroes Grant must be calculated by the institution the student is attending, utilizing its institutional grading policy.
- (2) All credit hours attempted as a recipient of this grant must be included in the calculation of the postsecondary cumulative grade point average, regardless of whether the receiving institution will apply the credit hours toward the student's degree requirements.
- (3) Credit hours earned by examination are not eligible for payment with this grant and shall not be included in the postsecondary cumulative grade point average.
- (4) Remedial and developmental studies and independent studies courses are eligible for payment with this grant and shall be included in the calculation of the postsecondary cumulative grade point average.
- (5) Courses in which a student enrolls as an audit student for which no college credit will be received cannot be paid with this grant.
- (6) Continuing education courses are not eligible for payment with the Helping Heroes Grant and shall not be included in the postsecondary cumulative grade point average.
- (7) Students who obtain a grade change shall notify the financial aid office within thirty (30) calendar days of the grade change and request reinstatement of his/her award on a form developed by the institution for this purpose. If the grade change makes the student eligible for a Helping Heroes Grant, the student can be awarded retroactively in the current award year. If the grade change affects the student's eligibility from the previous award year, the grant may be adjusted in the current award year. The eligible postsecondary institution shall make necessary reductions in the student's financial aid package if the reinstatement of a a Helping Heroes Grant results in either an over award of need based aid or exceeds the institution's cost of attendance for any semester. If the student's application for reinstatement is denied, he/she may appeal the decision in accordance with Rule 1640-01-22-.11.
- (8) A student enrolled in a matriculating status at an eligible postsecondary institution shall qualify for a Helping Heroes Grant for distance education courses if all other eligibility requirements are met. Students may take courses through more than one eligible postsecondary institution during the same semester. Payment for the

distance education courses shall be made in the same manner as transient students as provided in Rule 1640-01-22-.10.

- (9) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for a Helping Heroes Grant while participating in an internship or co-op program if the student receives college credit from the internship or co-op experience and must pay tuition and fees. The semester hours shall be included in the postsecondary cumulative grade point average.
- (10) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for a Helping Heroes Grant while participating in an alternative study or study abroad program if all other eligibility requirements are met. The eligible postsecondary institution which is the student's home institution must approve the alternative study or study abroad program for credit toward the student's degree and the number of hours that will be applied toward the degree prior to the student's departure.
- (11) Courses that appear on a student's transcript as an "incomplete" shall be considered credit hours attempted. The student's Helping Heroes Grant eligibility, however, shall be determined by excluding the credit hours attributable to the course for which an "incomplete" has been assigned from the cumulative grade point average calculation.
 - (a) If the student fails to retain eligibility for a Helping Heroes Grant as a result of the calculation, but later becomes eligible when the grade for the "incomplete" course is reported, the student is eligible to receive the grant retroactively within the award year and shall retain eligibility. Retroactive grant for previous award years shall be added to the current award year. The eligible postsecondary institution shall, however, make necessary reductions in the student's financial aid package if the reinstatement of a Helping Heroes Grant results in either an over award of need based aid or exceeds the institution's cost of attendance for any semester. It shall be the responsibility of the student to notify the financial aid office at the eligible postsecondary institution that a grade has been awarded and request that the grant be reinstated. Each eligible postsecondary institution shall develop a standard form for use by students to comply with this provision. If the student's application for reinstatement is denied, he/she may appeal the decision in accordance with Rule 1640-01-22-.11.
 - (b) If the student retains eligibility for a grant as a result of the calculation, but later becomes ineligible when the grade for the "incomplete" course is reported as a failing grade, then the student shall be ineligible for all grant awards. Additionally, the student shall reimburse the institution for the grant awards received in the interim.
- (12) If the student is otherwise eligible to receive a grant, but does not receive grant funding, or grant funding is reduced because his or her cost of attendance is covered by other aid, the student shall remain eligible for the grant if all other academic and non-academic requirements continue to be met.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.09 Transfer Students.

- (1) A student receiving a Helping Heroes Grant shall continue receiving the grant at another eligible postsecondary institution so long as continuation requirements are met and the student is enrolled in at least six (6) semester hours.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.10 Transient Students.

- (1) A transient student is eligible to receive a Helping Heroes Grant if all other eligibility requirements are met and if both the home and host institutions are eligible postsecondary institutions. The home institution shall award the grant to the transient student based on certification of eligibility from the host institution. The home institution shall certify to the Corporation that the student is eligible for the grant. Each eligible postsecondary institution shall develop a process to effectuate each provision of this rule and shall notify its students of the process and the availability of the necessary forms to comply with the requirements. At the end of the semester, the host institution shall provide the student's home institution with all information necessary for the home institution to determine continued grant eligibility.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

1640-01-22-.11 Appeal and Exception Process.

- (1) Each eligible postsecondary institution shall establish an Institutional Review Panel (IRP) for the purposes of hearing appeals from decisions denying or revoking applicants' Helping Heroes Grant. Each eligible postsecondary institution shall establish written procedures for an applicant or recipient to appeal a decision of an eligible postsecondary institution to deny or revoke a Helping Heroes Grant. These procedures shall include, but not be limited to, the establishment and composition of the IRP and the process and timelines for appeals to the IRP. Each eligible postsecondary institution shall also establish a process to ensure students applying for or receiving a grant are notified of the procedures to appeal the denial or revocation of the grant including the timeframe within which an appeal must be filed with the TELS Award Appeals Panel. No eligible postsecondary institution official rendering a decision to deny or revoke a grant shall participate in the appeal process for the same applicant or recipient. The IRP may award or reinstate the student's grant without a hearing and shall make such determination no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. If the IRP determines that a hearing is required, the IRP shall hear the appeal no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. Except where exigent circumstances exist, the IRP shall render a decision no later than seven (7) calendar days after hearing an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision and reasons for the decision. The IRP shall provide a copy of the written decision to the appellant as soon as practicable. For the purposes of this rule, it will be presumed that the decision was delivered to the appellant two (2) calendar days after the decision was placed in the U.S. Postal Service addressed to the appellant's official mailing address according to the eligible postsecondary institution's records.
- (2) The Appeals Panel shall be appointed by the Corporation's Executive Director for purpose of hearing appeals from decisions rendered by the IRPs. No official of an eligible postsecondary institution shall sit as a member of the Appeals Panel where the denial or revocation being appealed involves such official's eligible postsecondary institution. A student seeking an appeal of a decision rendered by an IRP shall request an appeal, to include a written statement outlining the basis for the appeal as well as all pertinent information related to the appeal, with the Corporation within forty-five (45) calendar days from the date that the decision was delivered to the student. A complete record of the institutional IRP hearing shall be provided to

the Corporation by the student. The Appeals Panel may award or reinstate the student's grant without a hearing. This decision shall be made no later than thirty (30) calendar days after an appeal is properly filed and the record from the IRP hearing is received. If the Appeals Panel determines that a hearing is required, it shall provide the appellant with notice of the hearing date, and such notice shall include the time and location of the hearing. The Appeals Panel shall hear the appeal no later than forty-five (45) calendar days after the appeal is properly filed, unless an extension is requested by the appellant and granted by the Appeals Panel. Except where exigent circumstances exist, the Appeals Panel shall render a decision no later than fourteen (14) calendar days after hearing an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision. The Appeals Panel shall provide a copy of the written decision to the appellant and the appellant's home institution as soon as practicable. The Appeals Panel is the final administrative appeal.

- (3) The authority of the IRPs and the TELS Award Appeals Panel shall be strictly limited to consideration of appeals arising from eligibility determinations made by an eligible postsecondary institution or the Corporation. Neither appeals panel shall have the authority to rule on the validity of any information provided to the eligible postsecondary institution or Corporation by another entity on which its decision to deny or revoke a Helping Heroes Grant was based, including, but not limited to grades from another eligible postsecondary institution. Additionally, neither appeals panel shall have the authority to consider requests for exceptions to the collegiate grade point average.

Authority: 2008 Tenn. Pub. Acts, Ch. 1142, and T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.

The public necessity rules set out herein were properly filed in the Department of State on the 23rd day of October, 2008, and will be effective from the date of filing for a period of 165 days. These public necessity rules will remain in effect through the 6th day of April, 2009. (10-14-08, DBID 3545)