

HOUSE BILL 712

By Shipley

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 4, Part 9, to enact the "Targeted Education and Economic Development Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§ 49-4-9__.

(a) This section shall be known and may be cited as the "Targeted Education and Economic Development Act."

(b) There shall be established a five-year pilot program to encourage Tennesseans to pursue academic studies in certain developing fields in emerging industries and practice in Tennessee in those emerging areas after such higher education through the Targeted Education and Economic Development ("TEED") scholarships funded from net lottery proceeds.

(c) As used in this section, "academic studies in certain developing fields in emerging industries" means an academic field of study as determined by the board of regents, in conjunction with the community colleges and regional industries, which equips a person for employment in an emerging industry.

(d) To be eligible for a TEED scholarship, a student shall:

(1) Not be ineligible for the scholarship under § 49-4-904;

(2) Be a Tennessee resident, as defined by regulations promulgated by the board of regents under § 49-8-104, for one (1) year immediately preceding

the date of application for a scholarship or grant or for the renewal of a scholarship or grant;

(3) Be classified as an in-state student under the rules of the board of on the date of application for the scholarship and on the date of reapplication for the scholarship each academic year;

(4) Be admitted to and enroll in a community college which is part of the state university and community college system in a program of academic study leading to a certificate or associate of applied science degree;

(4) Have graduated from a high school located in Tennessee, completed high school in a Tennessee home school program or obtained a GED;

(5) Have filed a FAFSA;

(6) Have an adjusted gross income attributable to the student of no more than thirty-six thousand dollars (\$36,000);

(7) Maintain satisfactory progress in the program of study in which the student is enrolled;

(8) Agree to be employed in an emerging industry area after completing a degree or applicable professional certification one (1) year for each year of funding provided by a TEED scholarship;

(9) Not accept any other financial assistance that carries with it a service obligation after graduation or receipt of applicable professional certification, except for a service obligation in the United States armed forces reserve or the national guard; and

(10) Sign a promissory note each year the scholarship is awarded that stipulates the cash repayment obligation incurred if the employment service is not fulfilled. If a scholarship recipient obligates to a service commitment under

another loan-scholarship program other than a service commitment permitted under subdivision (d)(9), fails to complete the degree or applicable professional certification program the recipient enrolled in or fails to be employed in an emerging industry area for the number of years required to fulfill the recipient's obligation pursuant to the award of a TEED scholarship, then all funds obtained from the award of the scholarship shall be repaid with interest; provided, however, that no repayment shall be due if TSAC finds that it is impossible for the recipient to fulfill the service obligation because of death or permanent disability of the recipient.

(e) A scholarship recipient shall not be required to fulfill the service requirement of subdivision (d)(8) or make any repayment of scholarship funds during any period of training required for licensure, including, but not limited to, during active duty service in the United States armed forces or mobilization as a member of the reserve components, but the period shall not exceed six (6) years.

(f) Subject to the amounts appropriated by the general assembly and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, a TEED scholarship awarded to a student attending an eligible postsecondary institution shall be three thousand dollars (\$3,000) for full-time attendance for the 2009-2010 academic year. For academic years subsequent to the 2009-2010 academic year, the amount of such scholarship shall be:

- (1) No more than three thousand dollars (\$3,000);
- (2) Determined in accordance with § 4-51-111; and
- (3) Set in the general appropriations act.

(g) No more than twenty-five (25) students shall be awarded TEED scholarships in the first year of the pilot program and no more than fifty (50) students shall be

awarded TEED scholarships in the second year of the program. No student shall be awarded a TEED scholarship if the program of study in which the student is enrolled cannot be completed by the end of the fifth year of the pilot program.

(h) In the first and fifth years of the pilot program, no more than one hundred fifty thousand dollars (\$150,000) shall be expended from the lottery for education account to fund the program. In the second, third and fourth years of the pilot program, no more than three hundred thousand dollars (\$300,000) shall be expended from the lottery for education account to fund the program.

(i) To continue to receive a TEED scholarship, a student at an eligible community college shall:

(1) Remain enrolled on a continuous basis and complete at least six (6) semester hours per semester;

(2) Meet all nonacademic eligibility requirements; and

(3) Achieve a cumulative grade point average of at least 2.75 upon attempting twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96) or one hundred twenty (120) semester hours.

(j) TSAC, in consultation with the board of regents, is authorized to promulgate rules and regulations for the management and administration of the program, including the payment of the awards, execution of appropriate contracts and promissory notes, the terms of promissory notes, cancellation of the notes and deferment of repayment and, should a scholarship recipient be required to repay a promissory note, the rate of interest and terms of repayment, and to otherwise effectuate the purposes of this section.

Notwithstanding § 4-5-209, TSAC is authorized to promulgate public necessity rules to implement this section.

(k) No retroactive award of a TEED scholarship shall be made under this section.

(l) Scholarships awarded under this section shall commence with the 2009-2010 academic year.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to students seeking postsecondary financial assistance from net lottery proceeds for the 2009-2010 academic year and academic years thereafter.