

SENATE BILL 194

By Norris

AN ACT to amend Tennessee Code Annotated, Title 49,  
Chapter 4, relative to the Tennessee Student  
Assistance Corporation.

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

SECTION 1. Tennessee Code Annotated, Section 49-4-203(3), is amended by deleting the subsection in its entirety and substituting instead the following language:

(3)

(A) Receive any gifts, contributions and donations from groups or individuals or from corporations or foundations or from Tennessee Student Assistance Corporation program-generated revenues and administer those funds in accordance with rules and regulations promulgated by the corporation;

(B) The Tennessee student assistance corporation shall have authority to establish endowments for the purpose of funding scholarships and name scholarships or programs funded pursuant to gifts, contributions, or donations received pursuant to subdivision (3)(A) for distinguished United States citizens;

(C) All funds received pursuant to subdivision (3)(A) shall be invested by the state treasurer in the state pooled investment fund established by § 9-4-603, the intermediate-term investment fund established by § 9-4-608, or the chairs of excellence endowment fund established by § 49-7-501 for the benefit of the programs established pursuant to subdivision (3)(A). To the extent that the endowment is invested in the chairs of excellence endowment fund, the chairs of excellence endowment fund shall serve exclusively as an investment vehicle;

accordingly, the chairs of excellence program and funding requirements shall not apply;

and is further amended by deleting subdivision 5(C) and substituting instead the following language:

(C) The Tennessee academic scholars program endowment shall be invested as a part of the chairs of excellence endowment fund established by § 49-7-501, the intermediate-term investment fund established by § 9-4-608, or in the state pooled investment fund established by § 9-4-603. To the extent that the endowment is invested in the chairs of excellence endowment fund, the chairs of excellence endowment fund shall serve exclusively as an investment vehicle; accordingly, the chairs of excellence program and funding requirements shall not apply; and

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 4, Part 7, is amended by adding the following language as a new, appropriately designated section:

**49-4-708** The Tennessee student assistance corporation shall administer a need-based grant program funded through an endowment for Tennessee citizens seeking an associate's degree or certificate from a public, two-year postsecondary institution under the following terms and conditions:

(1) All funds appropriated for this grant program shall be placed in an endowment fund created solely for the program, the income from which shall be used to provide need-based financial aid for program recipients. The corpus of the endowment shall not be expended. Any matching funds made available for the program may be, but are not required to be, placed into the endowment;

(2) Funds for the grant will be made available through the accrued interest from the principal of the endowment and from any other such appropriations as may be made;

(3) The corporation shall develop the selection and renewal criteria and shall have the authority to work with outside organizations to develop the most effective means in delivering the grant awards;

(4) Awards made through the grant program shall be applied to the cost of attendance, as defined by the corporation, at any public two-year postsecondary institution in the state of Tennessee;

(5) The endowment shall be invested as a part of the chairs of excellence endowment fund established by § 49-7-501, the intermediate-term investment fund established by § 9-4-608, or in the state pooled investment fund established by § 9-4-603. To the extent that the endowment is invested in the chairs of excellence endowment fund, the chairs of excellence endowment fund shall serve exclusively as an investment vehicle; accordingly, the chairs of excellence program and funding requirements shall not apply; and

(6) The corporation is authorized to promulgate such rules and regulations as it deems necessary to carry out the purposes of this section. All such rules and regulations shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.