



Tennessee Student Assistance Corporation

May 27, 2015
Board of Directors Meeting

A G E N D A

Tennessee Student Assistance Corporation
THEC Board Room
Nashville, Tennessee
Wednesday, May 27, 2015
10:00 a.m. CDT

Adoption of Agenda

Approval of Minutes of the September 19, 2014 Board Meeting

Chairman's Report

Executive Director's Report

TASFAA President's Report

I. Decision Items

- A. Selection of 2014-15 Officers and Committee Members
- B. Approval of Partnering Organizations and Assigned Counties
- C. Adoption of Rules – Tennessee Promise Scholarship
- D. Adoption of Rules – Tennessee Student Assistance Awards
- E. Transfer funds from Operating Fund to the Tennessee Promise Special Reserve Account

II. Discussion Items

- A. Federal Family Education Loan Program Update
- B. Budget and Legislative Update
- C. Communication Services Update
- D. Audit Update

III. Other Business

- A. Conflict of Interest Policy Statement

**Tennessee Student Assistance Corporation
Board of Directors Meeting Minutes
September 19, 2014
10:00 a.m. CST**

The Board of Directors of the Tennessee Student Assistance Corporation met on Friday, September 19, 2014. The meeting was called to order by Mr. Mark Cate at 10:00 a.m.

ROLL CALL

The following board members/alternate representatives were present:

Gary Adcox
Mark Cate, representing Governor Bill Haslam
Celena Tulloss
Katie High, representing President Joe DiPietro, via conference call
Tom Hughes
Treasurer David Lillard
Keri McInnis
David Gregory, representing Chancellor John Morgan
Claude Pressnell
Richard Rhoda
Greg Turner, representing Commissioner Larry Martin
Joseph Woodson, representing Comptroller Justin Wilson

ADOPTION OF AGENDA

Mr. Cate called for a motion to adopt the agenda. Ms. Keri McInnis made a motion to approve the agenda as presented. Mr. Tom Hughes seconded the motion; the motion was duly adopted.

ADOPTION OF THE MINUTES FOR THE JUNE 24, 2014, MEETING

Mr. Cate called for a motion to adopt the minutes from June 24, 2014 meeting. Treasurer David Lillard made a motion to approve. Ms. McInnis seconded the motion; the motion was duly adopted.

CHAIRMAN'S REPORT

Mr. Cate welcomed all to the meeting and thanked special guests for their attendance. He briefly discussed the Tennessee Promise program and recognized Mr. Mike Krause, Executive Director for Drive to 55 and TN Promise, to provide an update on the Tennessee Promise Program. Mr. Krause began his report by noting the application period is mid-point in the process. He then highlighted the multi-layered system, which provides better options for participants by including local school systems, county mayors, state leaders, and high school guidance counselors to spread the word by launching training efforts at seventeen sites, training 1,100 guidance counselors across the state. Mr. Krause stated over 17,000 students have applied to the Promise program since the beginning of the application process. He then noted the need for mentors, stating to date, 3,090 mentors have been obtained of the needed 6,000. Mr. Krause then noted the Community College Scholarship Saturday,

where all community colleges will be open for students to submit applications for the Promise program. He also stated that the TCAT's Scholarship Saturday will be held on October 18.

Mr. Cate then recognized Treasurer Lillard to brief the board on the Tennessee Promise Endowment Trust. Treasurer Lillard stated the first meeting of the Tennessee Promise Endowment Trust board was held to adopt the trust instrument. He noted the trust has been established and funds are being transferred in increments in the near future.

EXECUTIVE DIRECTOR'S REPORT

Dr. Richard Rhoda was recognized to provide the executive director's report. Dr. Rhoda welcomed all and introduced Ms. Celena Tulloss, the new TASFAA president. He then introduced Dr. Pius Achanga, Senior Higher Education Officer at the National Council for Higher Education (NCHE) in Uganda, who will be with THEC through an exchange program of the IREX Corporation in Washington. He stated that Dr. Achanga's primary research interest is governance. Dr. Rhoda then commended Governor Haslam and Mike Krause on the success of the Promise program and how the program complements other initiatives such as LEAP (Labor and Education Alignment Program).

Dr. Rhoda then briefed the board on the closure of two proprietary institutions, Victory University in Memphis and Anthem Career College. He discussed student placement and teach outs and noted that other proprietary institutions have volunteered to assist in the placement/teach out of those students. Dr. Rhoda commended the THEC and TSAC staffs for their diligent work in assisting the displaced students with other options for completing their program and to find solutions regarding financial aid and loan concerns.

TASFAA PRESIDENT'S REPORT

Ms. Celena Tulloss was recognized to provide her report. Ms. Tulloss advised the board of the upcoming TASFAA Fall training being held October 7-9 on the campuses of Union University, Tennessee State University, and TCAT Knoxville. She also advised the board of the upcoming SASFAA conference in February and the 2015 Spring conference in Murfreesboro.

DECISION ITEMS

Approval of Partnering Organizations and Assigned Counties

Mr. Peter Abernathy, Senior Associate Executive Director and Staff Attorney, was recognized. Mr. Abernathy reviewed the Tennessee Promise Scholarship program rule 1640-01-26-.08, which states the board must approve the partnering organizations in each assigned county. He stated six months ago, there were six potential partnering organizations, however, a total of three were selected: the Ayers Foundation, REDI, and Tennessee Achieves. Mr. Cate called for a motion. Dr. Claude Pressnell made a motion to approve the Partnering Organizations and Assigned Counties, as presented (Included as Attachment A to the official copy of the minutes). Dr. Gary Adcox seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		
David Gregory	x		
Treasurer David Lillard	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Rhoda	x		
Celena Tulloss	x		
Greg Turner	x		
Joseph Woodson	x		

Proposed Budget Request for 2015-16

Mr. Abernathy then reviewed the proposed budget request for 2015-16. He stated that TSAC staff is recommending a continuation of the current fiscal year base budget. He also noted that the Administration requested a plan a seven percent budget reduction applicable only to the administrative code. Mr. Abernathy then noted the recommendation of a \$29.4 million budget improvement for fiscal year 2015-16 for the Tennessee Student Assistance Award (TSAA) program and a \$550,000 budget improvement for fiscal year 2015-16 to offset future federal revenue reductions for agency operations.

Treasurer Lillard made a motion to approve the recommended budget and that the TSAC Board of Directors authorizes its Executive Director to make any necessary technical corrections prior to submission to the Department of Finance and Administration. The recommendations are included as Attachment B to the official copy of the minutes. Dr. Pressnell seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		
David Gregory	x		
Treasurer David Lillard	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Rhoda	x		
Celena Tulloss	x		
Greg Turner			x
Joseph Woodson			x

Transfer from the Operating Fund to the Promise Endowment

Mr. Abernathy then reviewed Appropriations Bill language that allows for the transfer of funds from the federal loan program operating fund to the Tennessee

Promise Endowment. He recommended the Board authorize TSAC to recommend to F&A future transfers in the current fiscal year as amounts justify. Currently there is approximately \$29 million in the operating fund. He stated that the \$47 M transfer from last year became part of the endowment fund and noted future transfers would be determined at the time of the transfer and available funds. Mr. Tom Hughes made a motion to approve. Ms. McInnis seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		
David Gregory	x		
Treasurer David Lillard	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Rhoda	x		
Celena Tulloss	x		
Greg Turner	x		
Joseph Woodson	x		

Adoption of the 2015-16 TSAA Over-commitment Ratio

Mr. Tim Phelps, Associate Executive Director for Grant and Scholarship Programs, was recognized. Mr. Phelps stated that the staff recommends the same over-commitment ratio of 153 percent for the 2015-16 Tennessee Student Assistance Award (TSAA) program. He stated the recommendation would further authorize TSAC to make additional awards to TSAA-eligible students beyond the approved over-commitment ratio on an as needed basis for the purpose of expending all available funding. Mr. Phelps noted that to fully expend available TSAA resources, it is necessary to offer aid to more students than will accept the award in the event that some students withdraw from school, drop enrollment from full time to part time, or otherwise become ineligible for the award. He stated that complete funding levels have not been determined for the 2015-16 academic year, however, once all sources of funding have been approved, additional awards within the approved over-commitment ratio will be awarded. Mr. Phelps also stated that staff is recommending \$4M be transferred from the Tennessee Student Loan Program (TSLP) reserve and noted those funds would be used as an additional resource for 2015-16 TSAA awards. Dr. David Gregory made a motion to approve the 2015-16 over-commitment ratio of 153 percent and allow the use of \$4M from reserve on an as needed basis. Dr. Adcox seconded the motion; the motion was duly adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		

David Gregory	x
Treasurer David Lillard	x
Keri McInnis	x
Claude Pressnell	x
Richard Rhoda	x
Celena Tulloss	x
Greg Turner	x
Joseph Woodson	x

Adoption of Rules – Tennessee Promise Scholarship

Mr. Tim Phelps provided an overview of the proposed rules for the Tennessee Promise Scholarship. Mr. Phelps stated these rules provide several clarifications to the rules adopted in the June 2014 board meeting. Changes include removing the restriction on academic credit for community service, allowing community service to begin as early as January of the high school senior year, and adding specific deadlines for completion of community service and reporting to TSAC. The rules are included as Attachment C to the official copy of the minutes.

Ms. McInnis made a motion that the Tennessee Assistance Student Corporation adopt the proposed rules and the TSAC Board of Directors authorize the Executive Director to make any necessary technical corrections to these rules including changes required by the Tennessee Attorney General. Mr. Joseph Woodson seconded the motion; the motion was adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		
David Gregory	x		
Treasurer David Lillard	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Rhoda	x		
Celena Tulloss	x		
Greg Turner	x		
Joseph Woodson	x		

Adoption of Rules – Tennessee Education Lottery Scholarship

Mr. Phelps reviewed the amended rules for the TELS program. He stated these rules provide numerous housekeeping updates and other substantive changes, including revising the Dual Enrollment award amounts, clarifying the impact on a student’s HOPE from Dual Enrollment, payment certification for transient students, and adding the Reconnect grant. Mr. Phelps noted that under section 1640-1-19-.02 Scholarship Award Amounts and Classifications, section 4 (a) Dual Enrollment Grant Amounts, should read “up to five hundred dollars

(\$500) per course for the first and second course” instead of “five hundred dollars (\$500) per course for the first and second courses.” The rules are included as Attachment D to the official copy of the minutes.

Treasurer Lillard made a motion that the Tennessee Assistance Student Corporation adopt the proposed rules for the Tennessee Education Lottery Scholarship and the TSAC Board of Directors authorize the Executive Director to make any necessary technical corrections to these rules including changes required by the Tennessee Attorney General. Mr. Woodson seconded the motion; the motion was adopted by the following roll call vote:

	<u>Aye</u>	<u>No</u>	<u>Abstain</u>
Gary Adcox	x		
Mark Cate	x		
Katie High	x		
Tom Hughes	x		
David Gregory	x		
Treasurer David Lillard	x		
Keri McInnis	x		
Claude Pressnell	x		
Richard Rhoda	x		
Celena Tulloss			x
Greg Turner	x		
Joseph Woodson	x		

DISCUSSION ITEMS

Federal Family Education Loan Program Update

Ms. Jane Pennington was recognized to provide the update on the Federal Family Education Loan Program. Ms. Pennington noted that on July 1, new federal regulations became effective and the Loan Division is in the process of implementing these changes which affect administrative wage garnishment, loan rehabilitation, and satisfactory repayment arrangements. She noted that Policy and Procedures are being updated, and staff is receiving training for working with defaulted borrowers utilizing these new regulations. Ms. Pennington then commented on staff training initiatives for collections, license revocation, default prevention and management, and collections and loan rehabilitation, and noted that the loan division rankings at the national level continue to improve.

Grants and Scholarship Programs Status Report

Mr. Tim Phelps was recognized to provide the update on the Grants and Scholarship Programs. He stated that Tennessee Student Assistance Awards (TSAA) totaling about \$101 million was awarded to students for the 2014-15 academic year, and funds were awarded to students who applied through March 3, 2014. He stated that available TSAA resources for 2014-15 totaled about \$65 million; however, the Board approved a 153 percent over-commitment that resulted in the total of \$101 million in awards. Mr. Phelps noted that available TSAA resources for 2014-15 total approximately \$65 million and the year-end figures for 2013-14 indicate 89 percent actual

expenditures, representing approximately 33,000 students receiving \$61.4 million. He also noted the Tennessee Education Lottery Scholarship (TELS) concluded the 2013-2014 academic year by providing awards to just over 103,000 students totaling \$304 million.

Communications Services Update

Ms. Diane LeJeune was recognized to provide the update on communication and outreach services. She discussed the outreach statistics such as college fairs, visits to administrators, financial aid presentations, personal finance classes, and school visits to educate students on financial aid. Ms. LeJeune also provided information on call center statistics, the THEC High School Counselor Survey, and the social media outreach.

Internal Audit Update

Ms. Ann Collett, Internal Auditor, was recognized to provide an audit update. Ms. Collett affirmed that the State Audit Financial and Compliance Audit of TSAC for the fiscal year ended June 30, 2013 and contained two findings: some state-funded scholarship loan forgiveness program participants were charged more interest than allowed by state law; and the process used to estimate the Allowance for Doubtful Account balances did not reflect the amounts likely to be repaid by loan program participants. Ms. Collett noted that both findings have been identified and are in the process of being corrected.

OTHER BUSINESS

There being no further business, the meeting adjourned at 11:45 a.m.

Approved:

Dr. Claude O. Pressnell, Jr., Secretary

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DECISION ITEM A: Selection of 2015-16 Officers and Committee Members

Staff Recommendation: That the board elects its 2015-16 officers and committee members.

Background: TSAC bylaws state that the corporation's officers shall consist of a Chairman, Vice-Chairman, Secretary, and Treasurer; each elected by the directors of the corporation from among their own number. The term of office is one year.

The bylaws authorize the Chairman to appoint board committees. In practice, the Chairman brings committee appointments to the full board.

Following today's report from the chairman, 2015-16 officers and committee members will be selected. Below is a list of current (2014-15) officers and committee members.

Supporting Document: *Tennessee Student Assistance Corporation: 2014-15 Officers and Committees*

Tennessee Student Assistance Corporation
2014-15 Officers and Committees

Officers

Governor Bill Haslam, Chairman
Russ Deaton, Vice Chair
David Lillard, Treasurer
Claude Pressnell, Secretary

Executive Committee

Governor Bill Haslam, Chairman
Russ Deaton
David Lillard
Larry Martin
Claude Pressnell
Justin Wilson

Appeals Committee

John Morgan, Chair
Gary Adcox
Russ Deaton
Joe DiPietro
Justin Wilson

Audit Committee

Claude Pressnell, Chairman
Larry Martin
Keri McInnis

Tennessee Student Assistance Corporation

Wednesday, May 27, 2015

DECISION ITEM B: Tennessee Promise – Partnering Organizations by County

Staff Recommendation That the TSAC Board of Directors approve the assignment of Tennessee Promise partnering organizations in each county.

Background Tennessee Promise Scholarship Program rule 1640-01-26-.08 – Selection of Partnering Organizations – states that the Board of Directors shall approve the selection of partnering organizations and their assigned counties.

Supporting Document *Tennessee Promise – Partnering Organizations by County*

**Tennessee Promise Scholarship
Partnering Organizations by County
2015-2016**

<u>Ayers</u>	<u>tnAchieves (cont.)</u>
Decatur	Jefferson
Henderson	Johnson
Perry	Knox
	Lake
REDI	Lauderdale
Chester	Lawrence
Crockett	Lewis
Fayette	Lincoln
Gibson	Loudon
Hardin	Macon
Haywood	Madison
Tipton	Marion
	Marshall
tnAchieves	Maury
Anderson	McMinn
Bedford	McNairy
Benton	Meigs
Bledsoe	Monroe
Blount	Montgomery
Bradley	Moore
Campbell	Morgan
Cannon	Obion
Carroll	Overton
Carter	Pickett
Ceatham	Polk
Claiborne	Putnam
Clay	Rhea
Cocke	Roane
Coffee	Robertson
Cumberland	Rutherford
Davidson	Scott
Dekalb	Sequatchie
Dickson	Sevier
Dyer	Shelby
Fentress	Smith
Franklin	Stewart
Giles	Sullivan
Grainger	Sumner
Greene	Trousdale
Grundy	Unicoi
Hamblen	Union
Hamilton	Van Buren
Hancock	Warren
Hardeman	Washington
Hawkins	Wayne
Henry	Weakley
Hickman	White
Houston	Williamson
Humphreys	Wilson
Jackson	

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DECISION ITEM C: Emergency and Proposed Rules
Tennessee Promise Scholarship

Staff Recommendation: (1) That the Tennessee Assistance Student Corporation adopts Rule 1640-1-26 as emergency and proposed rules.

(2) That the TSAC Board of Directors authorizes the Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background: In addition to making various clarifications to existing language, these rules make several modifications based on the passage of Public Acts of 2015, Chapter 186.

Supporting Document: *Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-26, Tennessee Promise Scholarship*

Tennessee Promise Rule Summary

Section -.01 DEFINITIONS

- Adds and Clarifies program definitions

Section -.02 SCHOLARSHIP AWARD AMOUNTS AND CLASSIFICATIONS

- Adds that a student may enroll in less than full-time attendance in semester of graduation if full-time attendance is not required to complete program

Section -.03 APPLICATION PROCESS

- Moves application deadline to following business day if deadline is on weekend or holiday

Section -.04 ELIGIBILITY – TENNESSEE PROMISE SCHOLARSHIP PROGRAM

- Clarifies that a dependent child of a military parent may graduate from an out-of-state high school where parent is serving, in accordance with T.C.A. 49-4-926
- Clarifies that student must submit documentation in time for school to complete verification, and that verification must be completed regardless of aid eligibility

Section -.06 PERSONAL OR MEDICAL LEAVE OF ABSENCE

- Adds language to allow for leave of absence for military service and for full-time enrollment while waiting for acceptance in eligible program of study
- Adds language to allow for leaves of absence beyond six months

Section -.07 COMMUNITY SERVICE PROGRAM REQUIREMENTS

- Clarifies language on community service

Section -.09 PARTNERING ORGANIZATION REQUIREMENTS

- Adds language to allow excused absence from mandatory meetings to attend school-sponsored activities and religious activities, and for illness of student

Section -.10 PARTNERING ORGANIZATIONS – SERVICE IN COUNTIES

- Adds language to allow partnering organizations to serve students residing in counties outside their service area if attending high school in their service area

Section -.13 CERTIFICATION OF ELIGIBILITY

- Adds language to allow partnering organization to certify program eligibility to TSAC based on student meeting attendance and community service
- Adds language for institutions to apply tuition waivers and discounts before use of gift aid

**RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-01-26
TENNESSEE PROMISE SCHOLARSHIP PROGRAM**

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1640-01-26-.01 DEFINITIONS.

- (1) Academic Requirement: A requirement of a specified grade point average or satisfactory academic progress that determines the continuing eligibility for postsecondary financial assistance from the Tennessee Promise Scholarship.
- (2) Academic Year: Three (3) consecutive semesters beginning with a fall semester and including the immediately following spring and summer semesters.
- ~~(32)~~ Board of Directors: The board of directors of the Tennessee Student Assistance Corporation.
- ~~(43)~~ Board of Regents: The board of regents of the state university and community college system of Tennessee.
- ~~(54)~~ Certificate or Diploma: A credential, other than a degree, the receipt of which indicates satisfactory completion of training in a program of study offered by an eligible postsecondary institution.
- ~~(65)~~ Continuous Enrollment: The term is defined in T.C.A. 49-4-708.
- ~~(76)~~ Cumulative Grade Point Average: The grade point average as calculated by the eligible postsecondary institution.
- ~~(87)~~ Degree: A two-year associate degree conferred on students by an eligible postsecondary institution.
- ~~(98)~~ Eligible High School: The term is defined in T.C.A. § 49-4-902.
- ~~(109)~~ Eligible Postsecondary Institution: The term is defined in T.C.A. § 49-4-708.
- (11) Eligible postsecondary program: The term is defined in T.C.A. § 49-4-708.
- ~~(120)~~ 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

(Rule 1640-01-26-.01, continued)

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.

(~~134~~) FAFSA: The term is defined in T.C.A. § 49-4-902.

(~~142~~) Full-Time Student: The term is defined in T.C.A. § 49-4-708.

(~~153~~) GED: The term is defined in T.C.A. § 49-4-902.

(~~164~~) Gift Aid: The term is defined in T.C.A. § 49-4-708.

(~~175~~) HiSET: The term is defined in T.C.A. § 49-4-902.~~The High School Equivalency Test credential awarded by a state-approved institution or organization.~~

(~~186~~) Home School Student: The term is defined in T.C.A. § 49-4-708.

(~~1947~~) Immediate Family Member: Spouse, parents, children, or siblings.

(~~2048~~) Mentor: An individual who is assigned by a Partnering Organization to assist Tennessee Promise Scholarship program participants in the college application and financial aid process. Mentors may serve in a volunteer or employed capacity at the discretion of the Partnering Organization. Volunteer mentors shall be at least twenty-one (21) years of age.

(~~2149~~) Parent: The parent or legal guardian of a student.

(~~2022~~) Partnering Organization: A not-for-profit organization selected by TSAC to administer the Tennessee Promise Scholarship program.

(~~2423~~) Resident: A student meeting the definition of "in-state" in Tenn. Comp. R. & Regs. 0240-02-02-~~03~~.

(~~2224~~) Satisfactory Academic Progress: Progress in a course of study in accordance with the standards and practices used for Title IV programs by the TCAT at which the student is currently enrolled.

(~~2325~~) Semester: The term is defined in T.C.A. § 49-4-902.

(~~2426~~) Semester Hour: The credit hour used by a postsecondary institution, if the institution is on a semester system, or its equivalent, if the institution is on a system other than a semester system. "Semester hour" includes each semester hour attempted, whether remedial or for credit toward a degree, but shall not include any semester hour attempted before graduating from high school or earning a GED® or HiSET.

(~~2527~~) TCAT: Tennessee College of Applied Technology.

(~~2628~~) Tennessee Promise Scholarship: A last-dollar scholarship to be applied to a participating student's tuition and mandatory fees after other gift aid for which a student is eligible is applied first to tuition and mandatory fees.

(~~2729~~) Tennessee Promise Scholarship Program ~~("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, continued)

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

~~(2831)~~ Terminating Event: The occurrence of an event described in T.C.A. § 49-4-708(c)(8).

~~(2932)~~ Title IV: The term is defined in T.C.A. § 49-4-902.

~~(3033)~~ TSAC: Tennessee Student Assistance Corporation.

~~(3134)~~ 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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. Original rule filed August 14, 2014; effective November 12, 2014. Amendments filed December 19, 2014; effective March 19, 2015.

1640-01-26-.02 SCHOLARSHIP AWARD AMOUNTS AND CLASSIFICATIONS.

- (1) The Tennessee Promise Scholarship program is intended to provide financial assistance to offset tuition and mandatory fees associated with pursuing postsecondary education after other gift aid has been credited to tuition and mandatory fees.
- (2) Award amounts for the program shall be determined in accordance with T.C.A. § 49-4-708 and shall be set in the General Appropriations Act.
- (3) In the event that funds are insufficient to fully fund the Tennessee Promise Scholarship award program, TSAC may reduce the award amount in accordance with these rules.
- (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.
- (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~~(1)(e)~~.
- (6) 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.
- (7) Gift aid from sources other than the Tennessee Promise Scholarship shall be credited first to tuition and mandatory fees to reduce the student's Tennessee Promise Scholarship award. If other gift aid exceeds tuition and mandatory fees then the student shall not be eligible for the Tennessee Promise Scholarship award, but shall remain eligible for all other services available through the Tennessee Promise Scholarship program, provided the student maintains all academic and non-academic requirements.
- (8) The receipt of a Tennessee Promise Scholarship is contingent upon admission to and enrollment in an eligible postsecondary institution. Qualifying for the Tennessee Promise Scholarship does not guarantee admission to an eligible postsecondary institution.

(Rule 1640-01-26-.02, continued)

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#) [Amendment filed December 19, 2014; effective March 19, 2015.](#)

1640-01-26-.03 APPLICATION PROCESS.

- (1) Students participating in the Tennessee Promise Scholarship program shall file a FAFSA, or renewal FAFSA, in each year of program participation. The FAFSA must be submitted by mail or electronically as directed in the FAFSA instructions.
- (2) Students enrolled in a community college, public four-year postsecondary institution, or private institution shall file the FAFSA or renewal FAFSA according to the following deadlines:
 - (a) No later than February 15 for fall enrollment, or
 - (b) No later than November 1 for spring and summer enrollment.
- (3) Students enrolled in a TCAT shall file the FAFSA or renewal FAFSA according to the following deadlines:
 - (a) No later than February 15 for summer and fall enrollment, or
 - (b) No later than November 1 for spring enrollment.
- (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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.04 ELIGIBILITY – TENNESSEE PROMISE SCHOLARSHIP PROGRAM.

- (1) To be eligible to receive a Tennessee Promise Scholarship a student shall:
 - (a) Be a Tennessee resident;
 - (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;
 - (c) Attend full time in an eligible postsecondary institution in the fall term immediately following graduation from an eligible high school or home school, or attainment of the GED or HiSET diploma; except that a student enrolling in a certificate or diploma program at a TCAT may enroll in the summer prior to the fall term;
 - (d) Maintain continuous enrollment as a full-time student at an eligible postsecondary institution unless granted a medical or personal leave of absence;

(Rule 1640-01-26-.04, continued)

- (e) Maintain a minimum cumulative grade point average of 2.0, as determined by the eligible postsecondary institution, at the end of each academic year if enrolled in an associate degree program, or maintain satisfactory academic progress as determined by the TCAT;
- (f) Comply with United States Selective Service System requirements for registration, if such requirements are applicable to the student;
- (g) Be in compliance with federal drug-free rules and laws for receiving financial assistance;
- (h) Not be in default on a federal Title IV educational loan or Tennessee educational loan;
- (i) Not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program;
- (j) Not be incarcerated;
- (k) Not have earned an associate degree prior to enrolling in the initial academic term following graduation from a high school or home school program;
- (l) Prior to initial fall enrollment in a postsecondary institution, attend one mandatory meeting related to financial aid and FAFSA completion, and the college application process; and a second mandatory meeting related to college orientation. Participants may, but are not required to, attend additional meetings as offered by a Partnering Organization;
- (m) Complete a minimum of eight (8) hours of community service for each semester while participating in the Tennessee Promise Scholarship program; and
- (n) ~~Complete FAFSA verification, if selected by the postsecondary institution, 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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. Original rule filed August 14, 2014; effective November 12, 2014. Repeal and new rule filed December 19, 2014; effective March 19, 2015.

1640-01-26-.05 ELIGIBILITY - EARLY HIGH SCHOOL GRADUATION.

- (1) A student who graduates early from an eligible high school, or completes an eligible home school program or obtains a GED or HiSET diploma prior to the spring semester preceding the initial fall enrollment may immediately enroll in an eligible postsecondary institution. Such student shall not be eligible for the Tennessee Promise Scholarship until the subsequent fall semester, but shall otherwise meet all initial eligibility requirements, and upon receipt of a Tennessee Promise Scholarship meet all continuing eligibility requirements as outlined in these rules.
- (2) Notwithstanding the provisions of this section, a student may be eligible for a Tennessee Promise Scholarship at a TCAT prior to the subsequent fall term if eligible for an exception as provided in these rules.

(Rule 1640-01-26-.05, continued)

- (3) During all academic terms in which a student is enrolled in a postsecondary institution prior to the fall term following graduation from an eligible high school, the student shall:
 - (a) Enroll in an eligible postsecondary institution;
 - (b) Attend all mandatory meetings provided by the Partnering Organization;
 - (c) Not be required to participate in community service, except that the student must complete the amount of community service required by Tenn. Comp. R. & Regs. 1640-01-26-.07(1) before the subsequent fall semester; and
 - (d) Have no minimum requirement for credit hours or academic performance.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.06 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

- (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 ~~expected-encouraged~~ of members of that faith; fulfillment of required ~~military service initial active duty for training as a National Guard or Reserve member or for National Guard or Reserve mobilization~~; ~~the 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 who resumes full-time attendance at an eligible postsecondary institution~~ shall retain the Tennessee Promise Scholarship until a terminating event occurs. ~~However, a leave of absence of six (6) months or less shall not count against the two and one-half years from the date of the student's initial enrollment at an eligible postsecondary institution. A leave of absence of six (6) months or less shall not count against the five semester limit at an eligible postsecondary institution, except that 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, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.07 COMMUNITY SERVICE PROGRAM REQUIREMENTS.

- (1) A student participating in the Tennessee Promise Scholarship program shall perform a minimum of 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,

(Rule 1640-01-26-.07, continued)

- including the initial fall semester, in which the Promise Scholarship is received according to the following deadlines:
- (a) August 1 for students attending the fall academic term.
 - (b) December 1 for students attending the spring academic term.
 - (c) May 1 for students attending the summer academic term.
- (2) A student who is granted a leave of absence which precludes the performance of community service shall complete the community service in the first academic term following the period for which the leave of absence was granted. Such community service shall be in addition to any other community service required in the same academic term.
 - (3) Upon completion of the community service, each student shall verify to the Partnering Organization a description of service performed, the date(s) the service was performed, the total hours of service provided, and the name and address of the organization for which the service was provided.
 - (4) Community Service shall not include:
 - (a) Service performed prior to the January preceding the initial academic term;
 - (b) Service resulting in payment or remuneration of any kind; or
 - (c) Service that directly benefits family members.
 - (5) Community service may be performed with or under the direction of a faith-based organization, but shall not include religious persuasion or proselytizing.
 - (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.
 - (7) A student who knowingly provides false verification of community service shall be ineligible to receive additional benefits under the Tennessee Promise Scholarship program.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. Original rule filed August 14, 2014; effective November 12, 2014. Repeal and new rule filed December 19, 2014; effective March 19, 2015.

1640-01-26-.08 SELECTION OF PARTNERING ORGANIZATIONS.

- (1) To participate in the Tennessee Promise Scholarship program, a Partnering Organization shall be recommended by the mayor or executive of each county in which the Partnering Organization participates and approved by the Board of Directors.
- (2) An approved Partnering Organization may continue to serve in such capacity unless it is no longer recommended by a county mayor or executive or approved by the Board of Directors. Final approval to serve as a Partnering Organization shall be given at the discretion of the

(Rule 1640-01-26-.08, continued)

Board of Directors and based on the Partnering Organization's satisfactory performance and compliance with these rules.

- (3) A negative recommendation by one county mayor or executive shall not automatically disqualify the Partnering Organization from participating in other counties but will be considered in the Board of Directors' evaluation of the Partnering Organization's continued participation in the Program.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.09 PARTNERING ORGANIZATION REQUIREMENTS.

- (1) Partnering Organizations that participate in the Tennessee Promise Scholarship program shall meet the following requirements:
 - (a) Be established as a not-for-profit organization, except that a postsecondary institution that receives funding under the Tennessee Promise Scholarship program shall not be permitted to participate as a partnering organization.
 - (b) Operate as a college access and success program serving Tennessee residents at an eligible postsecondary institution.
 - (c) Demonstrate annually to TSAC that funding exists within the Partnering Organization's budget to provide all services under the Tennessee Promise Scholarship program for a minimum of one (1) year. No funds under this program shall be provided for the direct or indirect benefit of a Partnering Organization.
 - (d) Adhere to rules promulgated by TSAC for the administration of this program.
 - (e) Provide a mentoring program with a ratio of one (1) volunteer mentor to no more than ten (10) eligible student applications. This ratio shall apply to eligible student applications and may be reduced in proportion to the number of students who drop from participation in the program.

The minimum age and ratio requirements shall not apply to full- or part-time paid mentors or counselors that work directly with students.

- (f) Select volunteer mentors prior to December 1 for the following academic year and provide one (1) mandatory training meeting for all paid and volunteer mentors prior to January 31. This meeting may be offered on multiple dates prior to the January 31 deadline. This meeting shall cover at least the following topics:
 1. Program overview,
 2. Appropriate mentor-student relationships,
 3. Financial aid,
 4. FAFSA completion,
 5. College applications and admissions, and
 6. Community service requirements.

(Rule 1640-01-26-.09, continued)

- (g) Provide one (1) mandatory meeting for all Tennessee Promise Scholarship program participants prior to March 1 preceding the initial enrollment in an eligible postsecondary institution. This meeting may be offered on multiple dates prior to the March 1 deadline, and shall provide training on the following topics:
1. An overview of the Tennessee Promise Scholarship program,
 2. Appropriate relationships with mentors,
 3. Financial aid opportunities,
 4. FAFSA completion, and
 5. The college application process.
- (h) Provide one (1) mandatory meeting for all Tennessee Promise Scholarship program participants after March 1 and prior to May 31 preceding the initial enrollment in an eligible postsecondary institution. This meeting may be offered on multiple dates prior to the May 31 deadline and shall provide training on topics related to college orientation, making the transition from high school to college, and community service requirements.
- (i) Where a student cannot attend either mandatory meeting due to required attendance at school-sponsored activity, required attendance at a religious-based activity, documented illness of the student, or other extenuating circumstances, Partnering Organizations shall provide opportunities for the student to receive the training prior to the March 1 ~~and or~~ May 31 deadline, or as soon thereafter as practicable.
- (j) Provide a minimum of one (1) mentor contact monthly with each assigned Tennessee Promise Scholarship program participant beginning February 1 of the senior year of high school. Contact shall be maintained throughout the student's participation in the Program.
- (k) Organize a local advisory council to serve as an advocate for the Program. The advisory council shall be comprised of a minimum of five (5) members, with at least one (1) member representative from each the local education agency, the county mayor's or executive's office, and a local postsecondary institution. Organizations that have been in existence for a minimum of three (3) years may use existing boards or boards of trustees as the local advisory council if the board or board of trustees is substantially similar to the requirements of this subsection.
- (l) Obtain a certified background check on all mentors prior to service as a mentor. A mentor shall not be eligible to participate in the Tennessee Promise Scholarship program if convicted of any felony or offense listed at T.C.A. §§ 39-13-527, 39-13-532, 39-17-417, and 40-35-501(i)(2). For purposes of this section, "conviction" includes entry of a plea of guilty or nolo contendere or entry of an order granting pre-trial or judicial diversion.
- (m) Submit to audits on a periodic basis as determined by TSAC.
- (n) Enter into a memorandum of understanding with TSAC regarding program requirements and Partnering Organization obligations and provide requested information to TSAC as required in the memorandum of understanding.

(Rule 1640-01-26-.09, continued)

- (o) Provide electronic notification to TSAC when Tennessee Promise participants have completed their mandatory meetings and community service requirements. Reporting of community service performed in the previous academic term shall be provided to TSAC for each student no later than:
 - 1. August 15 for students attending the fall academic term.
 - 2. December 15 for students attending the spring academic term.
 - 3. May 15 for students attending the summer academic term.
- (p) Provide performance metrics as outlined in the memorandum of understanding entered into with TSAC.
- (q) Obtain an insurance policy that, at a minimum, limits liability of the Partnering Organization against physical and sexual abuse or misconduct directed toward participants of the Program by its officers, directors, employees, and volunteers.

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.
Administrative History: Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014. Repeal and new rule filed December 19, 2014; effective March 19, 2015.](#)

1640-01-26-.10 PARTNERING ORGANIZATIONS – SERVICE IN COUNTIES.

- (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. [A Partnering Organization 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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.11 TERMINATING EVENTS

- (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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.12 TENNESSEE PROMISE SCHOLARSHIP REFORMS.

- (1) In the event funds are insufficient to fully fund the cost of Tennessee Promise scholarships, TSAC is authorized to take one or more of the following actions:
 - (a) Establish a maximum award amount,
 - (b) Establish additional eligibility criteria for new applicants entering the program,

(Rule 1640-01-26-.12, continued)

- (c) Administer the program on a first-come, first-served basis.
- (2) Any action taken by TSAC as described in subsection (1) shall require approval by TSAC's board of directors and notification shall be provided to the chairs of the Senate and House Education Committees of the Tennessee General Assembly.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.13 CERTIFICATION OF ELIGIBILITY.

- (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.
- (32) The eligible postsecondary institution ~~will be responsible for certifying~~ 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.
- (43) Once the eligible postsecondary institution has certified the student's eligibility for a financial award, the certification information shall be electronically transmitted to TSAC.
- (54) 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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.14 EVALUATION OF THE TENNESSEE PROMISE SCHOLARSHIP.

- (1) TSAC, along with the Tennessee Higher Education Commission, shall review the Tennessee Promise Scholarship program annually. The review shall include, at a minimum, the number of recipients, total cost of the program, student persistence, hours of community service completed, and scholarship retention. These findings shall be reported to the education committee members of the Senate and House of Representatives of the Tennessee General Assembly.
- (2) TSAC shall convene a meeting of its Special Advisory Committee at least annually to review the effectiveness and best practices of the Tennessee Promise Scholarship program.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.15 AWARD MADE IN ERROR.

- (1) Repayment from the student shall not be required if TSAC determines that the error was through no fault of the student.
- (2) Repayment from the student shall be required if TSAC determines that fraud was committed or the error was due to the fault of the student. When repayment is required, the student may not receive additional student aid from TSAC until repayment is made.
- (3) Repayment from the postsecondary institution will be required if TSAC determines that the error was due to the fault of the postsecondary institution.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.16 REFUND POLICY.

- (1) If a recipient of a Tennessee Promise Scholarship award 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 and funds returned to TSAC. The eligible postsecondary institution shall provide the student with a notice indicating the amount to be returned to the student or the amount to be refunded to TSAC. Additionally, the eligible postsecondary institution shall notify TSAC of the refund, which shall be noted on the student's record. The eligible postsecondary institution shall also be responsible for obtaining repayment from the student. The student shall be ineligible for student aid from TSAC until the refund is paid.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-708. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.17 TRANSFER STUDENTS.

- (1) A student who meets all academic and non-academic requirements of the Tennessee Promise Scholarship may transfer from one eligible postsecondary institution to another eligible postsecondary institution and maintain the scholarship, provided the student is able to complete the diploma or associate degree in the amount of time remaining before 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. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

1640-01-26-.18 APPEAL AND EXCEPTION PROCESS.

- (1) Each eligible postsecondary institution shall use their existing Institutional Review Panel (IRP) for purposes of reviewing and rendering decisions regarding appeals for the Tennessee Promise Scholarship program. The IRP shall use the same procedures and timelines as those that currently exist for the review of Tennessee Education Lottery Scholarship (TELS) appeals as outlined in Tenn. Comp. R. & Reg. 1640-01-19.
- (2) TSAC shall use the existing TELS Appeals Panel to consider appeals and render decisions for those students who appeal a decision made by the IRP. The same guidelines shall exist for appeals of the Tennessee Promise Scholarship program as those that are currently in place for TELS as outlined in Tenn. Comp. R & Reg.1640-01-19.

(Rule 1640-01-26-.18, continued)

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-708, and 49-4-924. **Administrative History:** Emergency rule filed August 14, 2014; effective through February 10, 2015. [Original rule filed August 14, 2014; effective November 12, 2014.](#)

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DECISION ITEM D: Proposed Rules
Tennessee Student Assistance Award

Staff Recommendation: (1) That the Tennessee Assistance Student Corporation adopts Rule 1640-1-01 as proposed rules.

(2) That the TSAC Board of Directors authorizes the Executive Director to make any necessary technical corrections to these rules including changes suggested by the Tennessee Attorney General.

Background: These rules make various clarifications to existing language of the Tennessee Student Assistance Award.

Supporting Document: *Rules of the Tennessee Student Assistance Corporation, Chapter 1640-1-01, Tennessee Student Assistance Award*

Tennessee Student Assistance Award Rule Summary

Section -.01 DEFINITIONS

- Clarifies program definitions

Section -.02 STUDENT ELIGIBILITY-AWARD USE

- Clarifies eligibility language

Section -.03 FINANCIAL NEED

- Clarifies program language

Section -.04 REPORTS AND RECORD ACCESS

- Clarifies program language and references use of TSAC's open record policy for records requests

Section -.05 STANDARDS FOR INSTITUTIONAL REVIEWS AND ERROR RESOLUTION

- Clarifies program language

**RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION
CHAPTER 1640-01-01
TENNESSEE STUDENT ASSISTANCE PROGRAM**

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1640-01-01-.01 DEFINITIONS.

- (1) Academic Term: A semester, trimester, quarter, or 300 clock hours of training.
- (2) Academic Year: A period of time, typically eight or nine months, in which a full-time student is expected to complete the equivalent of two semesters, two trimesters, or three quarters at an eligible postsecondary institution using credit hours, or at least 900 clock hours of training for a program using clock hours. A clock hour is a 50 to 60 minute class, lecture, recitation, or a faculty supervised laboratory, shop training, or internship.
- (3) Application: The Free Application for Federal Student Aid (FAFSA).
- ~~(4) Contribution Index: The Expected Family Contribution (EFC), which is a measure of parental and/or student ability to contribute toward payment of educational expenses as determined by the FAFSA.~~
- ~~(5) Eligible Postsecondary Institution: Those institutions which are entitled to enroll student assistance award recipients as provided in T.C.A. § 49-4-301.~~
- ~~(5) Expected Family Contribution (EFC): A measure of parental and/or student ability to contribute toward payment of educational expenses as determined by the FAFSA.~~
- ~~(6) Financially Independent Student: A person who meets the conditions established by the U.S. Department of Education as used in the administration of student assistance programs authorized by the Higher Education Act of 1965, as amended.~~
- (7) Incarcerated: Currently confined to a local, state, or federal correctional institution, which would include work release or educational release facilities.
- (8) Institution of Higher Education: A postsecondary educational institution in Tennessee which:
 - (a) Is a public university, community college or ~~technology center~~Tennessee college of applied technology; a private business, trade, or technical school; or a nonprofit institution of higher education as defined in these rules;
 - (b) Admits as regular students only persons who have a high school diploma, the recognized equivalent of a high school diploma, or are beyond the age of compulsory school attendance in Tennessee and who have the ability to benefit from the training offered;
 - (c) Is legally authorized to provide an educational program beyond secondary education in Tennessee;

(Rule 1640-01-01-.01, continued)

(d) Provides an educational program for which it awards an associate or baccalaureate degree, or provides at least a two-year program which is acceptable for full credit toward a baccalaureate degree, or provides at least a one-year training program which leads to a certificate or degree and prepares students for gainful employment in a recognized occupation; and

(e) Is accredited by:

1. The Southern Association of Colleges and Schools; or
2. The Accrediting Council for Independent Colleges and Schools, the Council on Occupational Education, or the Accrediting Commission of Career Schools and Colleges of Technology; and is authorized to operate by the Tennessee Higher Education Commission pursuant to the Postsecondary Education Authorization Act of 1974; or
3. A regional accrediting agency if the institution is a private, nonprofit institution providing exclusively competency-based education through predominantly on-line degree programs.

(98) Nonprofit Institution of Higher Education: An institution of higher education owned and operated by one or more nonprofit corporations or associations whose net earnings do not benefit, and cannot lawfully benefit any private shareholder or entity.

(409) Pell Grant Program: The program of federal student assistance authorized by Part A, Title IV, Higher Education Act of 1965, as amended.

[\(10\) TSAA: Tennessee Student Assistance Award](#)

[\(4111\)](#) TSAC: Tennessee Student Assistance Corporation ~~(TSAC)~~.

[\(4212\)](#) Undergraduate student: Those persons enrolled in an eligible postsecondary institution as defined in T.C.A. § 49-4-301 and who have not received a baccalaureate degree.

Authority: T.C.A. §§ 49-4-201, 49-4-204, ~~and 49-4-301, and 2013 Tenn. Pub. Acts Ch. 18549-7-2004.~~
Administrative History: Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed July 6, 1976; effective August 5, 1976. Amendment filed October 31, 1980; effective January 28, 1981. Amendment filed July 30, 1982; effective October 13, 1982. Amendment filed October 20, 1982; effective January 14, 1983. Amendment filed October 21, 1987; effective January 27, 1988. Amendment filed February 9, 1990; effective May 29, 1990. Amendment filed July 12, 1990; effective October 29, 1990. Amendment filed March 5, 1992; effective June 29, 1992. Amendment filed September 3, 1992; effective December 29, 1992. Amendment filed April 28, 1993; effective July 28, 1993. Amendment filed May 27, 1999; effective September 28, 1999. Amendment filed June 30, 2000; effective October 28, 2000. ~~Repeal and new rule filed November 10, 2010; effective April 30, 2011. Amendments filed March 1, 2013; effective August 29, 2013. Amendment filed September 3, 2013; effective February 28, 2014.~~

1640-01-01-.02 STUDENT ELIGIBILITY-AWARD USE.

(1) ~~A person shall be eligible for a student assistance award upon submission of an application and when TSAC determines To be eligible to receive TSAA, a student shall:~~

- (a) ~~The applicant is~~Be a resident of Tennessee, as defined by regulations promulgated by the Tennessee Board of Regents.
- (b) ~~The applicant has~~Have financial need.

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(Rule 1640-01-01-.02, continued)

- (c) ~~The applicant is~~Be enrolled or intends to enroll in an eligible postsecondary institution as an undergraduate student on at least a half-time basis ~~as established by federal financial aid minima.~~
 - (d) ~~The applicant has~~Have applied for a Federal Pell Grant under Title IV-A-1 of the Higher Education Act of 1965, as amended, and has been assigned an ~~Expected Family Contribution (EFC)~~EFC by the U.S. Department of Education or its contractor, ~~and has that EFC on file at the postsecondary institution to be attended.~~
 - (e) ~~If previously enrolled in the eligible postsecondary institution, that the applicant remains~~Remain in good standing and ~~is making~~make satisfactory progress according to the standards and practices of the institution.
 - (f) ~~The applicant does n~~Not owe a refund or repayment on any grant, and ~~is not~~ be in default on any loan, received at any institution under provisions of Title IV of the Higher Education Act of 1965, as amended.
 - (g) ~~The applicant is n~~Not be incarcerated ~~as defined in rule 1640-01-01-.01(07).~~
- (2) Award recipients must use ~~student assistance awards~~the TSAA for educationally related expenses. ~~A recipient to whom credit has been extended during the enrollment process should give first priority to the liquidation of that obligation before using the proceeds of the awards to defray other educational expenses. All state financial aid granted to students~~TSAA awards shall be first applied to tuition and fees, room and board, and the excess, if any, shall be distributed to the recipient according to Title IV of the Higher Education Act of 1965, as amended. ~~TSAA awards shall not exceed the recipient's cost of attendance when combined with other financial aid received.~~
- (3) Enrolled award recipients who withdraw prior to or after certification of enrollment, but prior to the completion of the term ~~will~~ may have a portion of the award paid in accordance with the institution's published refund policies.
- (4) Award recipients who desire to transfer their ~~student assistance award~~TSAA from one eligible postsecondary institution to another must make a request ~~in writing~~ to TSAC ~~or transmit the information by updating their FAFSA.~~
- (5) Award recipients may receive awards to a maximum for:
- (a) A four-year program, up to 8 semesters or 12 quarters;
 - (b) A three-year program, up to 6 semesters or 9 quarters;
 - (c) A two-year program, up to 4 semesters or 6 quarters;
 - (d) A one-year program, up to 2 semesters or 3 quarters; ~~and or~~
 - (e) A six-month program, up to 1 semester or 2 quarters or until completion of the program of study, whichever comes first, assuming all other eligibility requirements are met.

Authority: T.C.A. §§ 49-4-201, 49-4-203, 49-4-204, 49-4-209, 49-4-301, and 49-4-302. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed July 6, 1976; effective August 5, 1976. Amendment filed January 9, 1979; effective February 23, 1979. Amendment filed October 31, 1980; effective January 28, 1981. Amendment filed July 30, 1982; effective October 13, 1982. Amendment filed July 10, 1984; effective October 14, 1984. Amendment filed

(Rule 1640-01-01-.02, continued)

September 3, 1985; effective December 14, 1985. Amendment filed April 10, 1986; effective July 14, 1986. Amendment filed December 5, 1986; effective March 31, 1987. Amendment filed January 20, 1987; effective April 29, 1987. Amendment filed October 21, 1987; effective January 27, 1988. Amendment filed February 9, 1990; effective May 29, 1990. Amendment filed May 7, 1991; effective August 28, 1991. Amendment filed September 3, 1992; effective December 29, 1992. Amendment filed April 28, 1993; effective July 28, 1993. Amendment filed October 26, 1993; effective March 1, 1994. Amendment filed May 27, 1999; effective September 28, 1999. Amendment filed August 28, 2002; effective December 27, 2002. Repeal and new rule filed November 10, 2010; effective April 30, 2011. Amendments filed March 1, 2013; effective August 29, 2013.

1640-01-01-.03 FINANCIAL NEED.

- (1) The parents' or students' ~~ability to contribute to educational expenses~~ EFC shall be measured using the same guidelines as those used in determining eligibility for assistance under the Federal Pell Grant Program, ~~as those guidelines may be changed or amended.~~
- (2) The maximum award paid each year shall be based on available funds and shall be determined by the TSAC Board of Directors. TSAC shall develop and publish the payment table annually.
- (3) TSAC will establish a maximum ~~contribution index~~ EFC level based on anticipated appropriations. Students with ~~a contribution index~~ an EFC equal to or less than the maximum amount will receive award commitments ~~on a first-come, first-served basis~~ until appropriated funds are exhausted.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-301. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Repeal and new rule filed July 6, 1976; effective August 5, 1976. Amendment filed January 9, 1979; effective February 23, 1979. Amendment filed December 27, 1979; effective March 30, 1980. Amendment filed October 31, 1980; effective January 28, 1981. Amendment filed November 30, 1981; effective March 1, 1982. Amendment filed October 20, 1982; effective January 14, 1983. Amendment filed July 10, 1984; effective October 14, 1984. Amendment filed May 7, 1991; effective August 28, 1991. Repeal and new rule filed November 10, 2010; effective April 30, 2011. Amendments filed March 1, 2013; effective August 29, 2013.

1640-01-01-.04 REPORTS AND RECORD ACCESS.

- (1) Postsecondary institutions enrolling ~~student assistance award~~ TSAA recipients shall certify and report the following information to TSAC before payments of assistance are made:
 - (a) That the student is or was enrolled for the appropriate academic term for half-time, three-fourths, or full-time enrollment.
 - (b) That the student is in good standing and making satisfactory progress according to the standards and practices of the institution, under provisions of Title IV of the Higher Education Act of 1965, as amended.
 - (c) That the student does not owe a refund on any grant or is not in default on any loan received at any institution under provisions of Title IV of the Higher Education Act of 1965, as amended.
 - ~~(d) The student's current Expected Family Contribution.~~
 - (ed) That the student's total resources, which when combined with payments by TSAC will not result in the student receiving funds in excess of his or her cost of education attendance as determined by ~~criteria employed by~~ the institution in administration of

(Rule 1640-01-01-.04, continued)

other programs of student financial assistance authorized by Title IV of the Higher Education Act of 1965, as amended.

- (fe) That the student has on file with the institution a Statement of Registration Compliance for periods of instruction beginning on or after July 1, 1983 certifying that ~~he or she~~the student is registered with Selective Service or that ~~he or she~~the student is not required to be registered.
- (gf) That the student has on file with the institution a statement for the periods of instruction beginning on or after July 1, 1989 certifying that ~~he or she~~the student is in compliance with the Anti-Drug Abuse Act.
- (2) Postsecondary institutions enrolling ~~student assistance award~~ TSAA recipients shall ~~furnish such reports as may be~~provide information as required by TSAC concerning the recipients, ~~and shall, during regular office hours,~~ make institutional records available to TSAC concerning the recipients, ~~and shall, during regular office hours,~~ make institutional records available to TSAC staff for the purpose of validating any information which affects the recipients' eligibility or the amount of assistance they would receive.
- (3) ~~Postsecondary institutions shall not violate the~~The confidential relationship of the student ~~shall not be violated.~~ Student files shall be utilized only by the TSAC staff. Confidential information will not be released without written approval from the ~~applicant student.~~ Statistical data may be released provided such reports do not identify individuals. Public requests for program records and information shall adhere to TSAC's open records policy.~~Outside research projects may utilize reported statistical information, other requests will require approval by the TSAC Board of Directors; and should such requests require special computer programming, care shall be taken to protect the student's confidentiality and any expense generated by special requests shall be paid by the outside research project, provided; however, student records shall be accessible to the Comptroller of the Treasury for audit purposes.~~
- (4) Persons applying for ~~awards of student assistance~~ the TSAA shall be required to furnish to TSAC or the postsecondary institution such data as is necessary to validate the information on their application. An applicant's social security number shall be furnished in all cases and is required for identity of the applicant and as an account number ~~in order~~ to record necessary data accurately.
- (5) A ~~student assistance award~~ TSAA recipient who is discovered to have willingly provided false reports or information to TSAC or the postsecondary institution shall, upon evidence, have the award revoked and shall not thereafter be entitled to further payment of benefits.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-301. **Administrative History:** Original rule filed January 23, 1976; effective April 15, 1976. Repealed and refiled July 6, 1976; effective August 5, 1976. Amendment filed January 9, 1979; effective February 23, 1979. Amendment filed October 31, 1980; effective January 28, 1981. Amendment filed October 20, 1982; effective January 14, 1983. Amendment filed February 9, 1984; effective May 15, 1984. Amendment filed July 10, 1984; effective October 14, 1984. Amendment filed September 3, 1985; effective December 14, 1985. Amendment filed April 10, 1986; effective July 14, 1986. Amendment filed August 25, 1986; effective November 29, 1986. Amendment filed February 9, 1990; effective May 29, 1990. Amendment filed April 28, 1993; effective July 28, 1993. Repeal and new rule filed November 10, 2010; effective April 30, 2011. Amendments filed March 1, 2013; effective August 29, 2013.

1640-01-01-.05 STANDARDS FOR INSTITUTIONAL REVIEWS AND ERROR RESOLUTION.

(Rule 1640-01-01-.05, continued)

- (1) TSAC shall conduct periodic program reviews to evaluate the general operation of the financial aid office relative to the institution's management of the ~~Tennessee Student Assistance Award Program~~TSAA:
- (a) The Chief Executive Officer (CEO) of the institution typically will be notified of the visit ~~two-four~~ to ~~three~~six weeks in advance; the exact date for the visit usually will be scheduled with the Director of Financial Aid. Extenuating circumstances such as a request from the U.S. Department of Education or the school's regulatory board may preclude TSAC from ~~_____~~scheduling the review in advance.
 - (b) At the conclusion of the visit, the reviewer shall meet with the ~~Chief Executive Officer~~CEO, or ~~his or her~~their representative(s), and the Director of Financial Aid to discuss the preliminary findings and recommendations resulting from the visit.
 - (c) Following the exit interview, a preliminary report shall be sent to the ~~Chief Executive Officer~~CEO of the institution requesting a response within thirty (30) days. One extension of up to thirty (30) days may be requested in writing by the institution.
 - (d) The final report of findings incorporating the institution's response shall be transmitted to the ~~institution's Chief Executive Officer~~CEO within thirty (30) days of receipt of the institution's response or within thirty (30) days of the date the response should have been received. The final report shall, when necessary, request restitution and/or corrective action.
- (2) TSAC shall resolve disputes related to the final report of an institution's Program Review as noted below:
- (a) The institution shall be allowed an additional thirty (30) day period to request a hearing and/or to provide additional documentation for review by TSAC's Executive Director.
 1. If the Executive Director's review of the additional documentation does not resolve the dispute, the institution may request a hearing within thirty (30) days of the Executive Director's decision.
 2. If a hearing is requested, such hearing shall be requested in writing and sent to the Executive Director. The hearing shall be conducted in accordance with Tenn. Comp. R. & Regs. Chapter 1360-04-01, Uniform Rules of Procedure for Hearing Contested Cases Before State Administrative Agencies, Rules of Secretary of State, by the ~~Tennessee Student Assistance Corporation~~TSAC Appeals Committee. Such Appeals Committee, composed of five (5) members of the ~~Tennessee Student Assistance Corporation~~TSAC Board of Directors, appointed annually as needed by the Chairman, shall within a reasonable period of time, set a date for the hearing. The Appeals Committee shall, in consultation with U.S. Department of Education officials, when necessary, render a decision within thirty (30) days of the hearing.
 - (b) Final resolution, which may include financial restitution and/or a plan for corrective action to prevent recurrence, must be made within thirty (30) days of the Appeals Committee's decision.
 - (c) Should the institution fail to respond within forty-five (45) days of the final report or to take corrective action or to make restitution within thirty (30) days after the decision from the Appeals Committee hearing, TSAC shall begin proceedings to suspend the institution from participation in TSAC programs for sixty (60) days. This suspension will be effective twenty (20) days from receipt by the school of TSAC's notification of

(Rule 1640-01-01-.05, continued)

suspension. Notification of suspension, along with copies of all findings and responses, will be sent to the U.S. Department of Education.

- (d) Should the school fail to take corrective action or to make restitution within forty-five (45) days of the suspension, TSAC shall terminate the institution by informing the institution that within twenty (20) days from receipt of notification, the institution is terminated from all TSAC programs.
- (e) If an institution is suspended or terminated during a term, all enrolled students attending that institution who received ~~Tennessee Student Assistance Award~~[TSAA Program](#) award letters ~~or on whose behalf TSAC endorsed an educational loan~~ before the effective date of the suspension or termination will be paid [for that term](#):
 - (1) ~~For that term, as in the case of a grant, or~~
 - (2) ~~For "the period of the loan," as in the case of an educational loan.~~
- (f) Reinstatement of eligibility may be requested of the ~~Tennessee Student Assistance Corporation~~[TSAC](#) Board after a period of one (1) year after date of termination, but only if the institution is eligible for other Title IV programs.

Authority: T.C.A. §§ 49-4-201 and 49-4-204. **Administrative History:** Original rule filed July 10, 1984; effective October 14, 1984. Amendment filed February 9, 1990; effective May 29, 1990. Amendment filed September 3, 1992; effective December 29, 1992. [Repeal and new rule filed November 10, 2010; effective April 30, 2011. Amendments filed March 1, 2013; August 29, 2013.](#)

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DECISION ITEM E: Transfer funds from Operating Fund to the Tennessee Promise Special Reserve Account

Staff Recommendation: That the TSAC Board of Directors approve a transfer of funds from the federal loan program Operating Fund to the Tennessee Promise Special Reserve Account.

Background: Senate Bill 1399, Section 29, Item 23 of the 109th General Assembly authorizes TSAC to recommend to the Commissioner of Finance and Administration a transfer of funds from the Federal Operating Fund to the Tennessee Promise special reserve account:

“...such sum as is determined to be available to the Tennessee Promise special reserve account for the purpose of funding the Tennessee Promise scholarships. Transfers from the operating fund may be made at any time that an excess in the operating fund justifies.”

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DISCUSSION ITEM A: Federal Family Education Loan Program Update

Staff Recommendation For discussion only.

Background An update will be provided regarding default aversion, license suspensions, and loan rehabilitations.

Tennessee Student Assistance Corporation

Wednesday May 27, 2015

DISCUSSION ITEM B: 2015 Budget and Legislative Report

Staff Recommendation: For discussion only.

Background: The first session of the 109th General Assembly adjourned on April 22nd, 2015, having adopted a final 2015-2016 budget and considered 17 bills related to TSAC and financial aid issues. Brief summaries of the bills enacted and final budget are provided below.

- HB 107 (McCormick)**
SB 118 (Norris) Makes various revisions to the Tennessee Promise Scholarship, including clarifying the definition of “gift aid”, adding a definition for “eligible postsecondary program”, changing the two and one-half year terminating event to five semesters, and providing for leaves of absence beyond six months.
- HB 126 (Brooks, K.)**
SB 461 (Bell) Allows a child of a military parent whose home of record is outside Tennessee to be eligible for the HOPE Scholarship if the child is classified as an in-state student at the time of enrollment.
- SB 605 (Norris)**
HB 646 (McCormick) Creates the Community College Reconnect Grant, a last-dollar scholarship for independent students seeking to complete an associate of applied science degree at a Tennessee Community College.
- SB 624 (Gresham)**
HB 945 (Brooks, H.) Allows recipients of the HiSET and revised GED high school equivalency tests to be eligible for the HOPE scholarship, and allows for retroactive payment for these students who would have qualified for the HOPE during the 2013-2014 academic year if they remain eligible in the current academic year.

Tennessee Student Assistance Corporation
Estimated 2014-15 and Base 2015-16 Budgets

		<u>Estimated 2014-2015</u>	<u>Base 2015-2016</u>
TN Student Assistance Awards 332.03	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	64,562,500	74,562,500
	Total	<u>64,562,500</u>	<u>74,562,500</u>
	State	57,762,500	67,762,500
	Lottery	6,800,000	6,800,000
<hr/>			
FFELP 332.04	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	158,900,000	158,900,000
	Total	<u>158,900,000</u>	<u>158,900,000</u>
	Federal	150,000,000	150,000,000
	Current Services	8,900,000	8,900,000
<hr/>			
Administration 332.05	Salaries & Benefits	\$ 3,997,700	\$ 4,459,400
	* Operational Expenditures	24,942,200	25,078,600
	Total	<u>28,939,900</u>	<u>29,538,000</u>
	* State	1,333,900	2,519,000
	Federal	2,505,500	2,501,900
	Current Services	22,500,000	21,950,000
	Lottery	2,600,500	2,567,100
<hr/>			
Academic Scholars 332.06	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	790,500	790,500
	Total	<u>790,500</u>	<u>790,500</u>
	State	411,800	411,800
	Current Services	378,700	378,700
<hr/>			
Loan/Scholarships 332.07	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	3,594,900	3,416,700
	Total	<u>3,594,900</u>	<u>3,416,700</u>
	State	1,220,800	1,220,800
	Federal	178,200	-
	Non-Governmental	700,000	700,000
	Current Services	141,000	141,000
	Lottery	1,354,900	1,354,900
<hr/>			
Lottery for Education Account 332.19	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	331,600,000	331,600,000
	Total	<u>331,600,000</u>	<u>331,600,000</u>
	Lottery	331,600,000	331,600,000
<hr/>			
Endowment Scholarships 332.45	Salaries & Benefits	\$ -	\$ -
	Operational Expenditures	1,250,000	-
	Total	<u>1,250,000</u>	<u>-</u>
	State	1,250,000	-
<hr/>			
TOTAL TSAC	Salaries & Benefits	\$ 3,997,700	\$ 4,459,400
	Operational Expenditures	585,640,100	594,348,300
	Total	<u>589,637,800</u>	<u>598,807,700</u>
	State	\$ 61,979,000	\$ 71,914,100
	Federal	152,683,700	152,501,900
	Non-Governmental	700,000	700,000
	Current Services	31,919,700	31,369,700
	Lottery	342,355,400	342,322,000

Tennessee Student Assistance Corporation

DISCUSSION ITEM C: Communication Services Update

Staff Recommendation: For discussion only.

Background: An update will be provided discussing activity taking place within the Communication Services Division.

Supporting Document: *Communication Services Update:
May, 2015*



TSAC Outreach Presentations and Workshops Offered

Outreach presentations are tailored to the needs of the organization where presentations are requested. We offer to assist with the following types of events as well:

- | | |
|----------------------------|---|
| * College Fairs | * College Goal Sunday/Tennessee Events |
| * Financial Aid Nights | * Career Fairs |
| * Personal Finance Classes | * Scholarship Award Presentations |
| * YMCA College Nights | * Leadership Summits |
| * ACT & SAT Workshops | * Preparing For College Presentations |
| * FAFSA Nights | * Middle School Presentation - TN Diploma Project |
| * Focusing on Seniors | * Junior/Underclassmen Presentations |

2014-15 Snapshot of Outreach Statistics

	2014-15	2013-14	2012-13	2011-12
College Fairs				
# of college fairs:	201	202	210	200
Attendance:	31,164	25,664	19,803	31,676
Courtesy Visits to Administrators				
# of courtesy visits:	1,682	1,208	1,321	1,084
Administrators reached:	2,041	1,524	1,850	1,700
Financial Aid Presentations				
# of presentations:	854	707	670	350
Attendance:	41,067	30,152	31,104	25,602
FAFSA Nights				
# of presentations:	232	216	208	105
Attendance:	6496	4,750	4,380	2,272
Number of Visits				
High Schools:	1,969	1,474	1,546	1,041
Middle Schools:	498	249	232	81
Postsecondary:	242	299	246	274
Other:	260	311	385	343

Breakdown of Outreach Activity

	2014-15	2013-14	2012-13	2011-12	2010-11
Adult Learners	17	44	n/a	n/a	n/a
Boys and Girls Clubs	3	46	42	10	7
Chambers of Commerce	15	10	14	40	41
Churches	12	16	10	19	6
Colleges	242	299	246	274	288
High Schools	1,969	1,474	1,546	1,041	928
Libraries	88	87	50	125	120
Middle Schools	498	249	232	81	127
School District Offices	20	18	5	23	103
Legislative	7	12	12	6	72
YMCA	9	13	31	7	17
Other	89	65	221	113	111

TSAC Call Center Stats

	<u>2015*</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Telephone calls received:	12,555	56,611	36,941	31,391
Live Chat conversations:	1,523	4,788	3,653	2,624
Info Aid Emails:	1,013	3,331	2,046	1,309

(*January – April)

We receive calls, emails and questions through Live Chat about the HOPE scholarship programs, TN Promise Scholarship, application deadlines, FAFSA completion, transfer school forms, student loan questions, e*GRandS log-in resets, TSAA awards, College Goal Tennessee, and brochure orders – just to name a few.

New ACT Reports

ACT introduced a new score report which will include, in addition to the composite and regular sub-scores: a STEM score, English/Language Arts score, a progress toward career readiness indicator, and a understanding complex texts indicator. These additions will not factor into the composite score.

TN Promise Outreach Activity

In January, Communication Services updated the Tennessee Higher Education Commission on our activity as it relates to the TN Promise Scholarship. This report outlines the specific aspects to our outreach.

New TSAC Website

The Governor’s Office has implemented a new website template for all state agencies. We have submitted our new website layout for approval. If all goes well, the new “look” will go live on June 1st. The website address will not change. As well, the College Goal Tennessee website has been updated with the same template.

TSAC Online

TSAC website: www.TN.gov/collegepays

Twitter: [@TNFinancialAid](https://twitter.com/TNFinancialAid)

Facebook: <http://www.facebook.com/TnSAC>

College Goal Tennessee: <http://www.tn.gov/collegegoalsunday>

Tennessee Student Assistance Corporation
Wednesday May 27, 2015

DISCUSSION ITEM D: Audit Update

Staff Recommendation: For discussion only.

Background:

THEC/TSAC Audit Committee

The committee is scheduled to meet at 9:00 a.m. prior to the TSAC Board meeting. A brief summary of the meeting will be presented at the Board meeting.

External Audits

The State Audit Financial and Compliance Audit of TSAC for the fiscal year ended June 30, 2014 is in process. They have also begun work on the audit of FFELP for the year ending June 30, 2015 for the State's 2015 Single Audit.

TSAC has not received a report from the USDOE regarding their review conducted in March 2015.