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Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to T.C.A. §4-5-205 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of the issue of the Tennessee Administrative Register in which the proposed rules are published. To be effective, the petition must be filed with the Agency and be signed by twenty-five (25) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of twenty-five (25) or more members, or any standing committee of the General Assembly.

Agency/Board/Commission:	Tennessee Student Assistance Corporation
Division:	
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Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables. Please enter only ONE Rule Number/RuleTitle per row)

Chapter Number	Chapter Title
1640-1-22	Helping Heroes Grant Program
Rule Number	Rule Title
1640-1-22-.01	Definitions
1640-1-22-.02	Scholarship Award Amounts and Classifications
1640-1-22-.03	Application Process
1640-1-22-.04	General Eligibility
1640-1-22-.05	Retention of Awards – General Requirements
1640-1-22-.06	Award Made in Error
1640-1-22-.07	Refund Policy
1640-1-22-.08	Calculation of Postsecondary Cumulative Grade Point Average
1640-1-22-.09	Transfer Students
1640-1-22-.10	Transient Students
1640-1-22-.11	Appeal and Exception Process

Chapter 1640-1-22
Helping Heroes Grant Program

New Rules

1640-1-22-.01 Definitions.

- (1) Corporation: Tennessee Student Assistance Corporation (TSAC).
- (2) Degree: A two-year associate degree or four-year baccalaureate degree conferred on students by a postsecondary educational institution upon completion of a unified program of study at the undergraduate level.
- (3) Eligible Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.
- (4) Full-time student: The term is defined in T.C.A. § 49-4-902.
- (5) Non-failing grade: Any passing letter grade earned by a student as determined by the institution.
- (6) Part-time student: The term is defined in T.C.A. § 49-4-902.
- (7) Semester: The term is defined in T.C.A. § 49-4-902.
- (8) Semester hours: The term is defined in T.C.A. § 49-4-902.
- (9) Successful completion of a course: The term is defined in T.C.A. § 49-4-902.
- (10) Tennessee National Guard: The term is defined in T.C.A. § 49-4-926(b)(3).
- (11) Veteran: A former member of the armed forces of the United States, or a former member of a reserve or Tennessee National Guard unit who was called into active military service of the United States, as defined in T.C.A. § 58-1-102.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.02 Scholarship Award Amounts and Classifications.

- (1) The Helping Heroes Grant is intended to provide financial awards to offset costs associated with pursuing postsecondary education. The Corporation shall award no more than three hundred seventy-five (375) eligible students per semester on a first come, first-served basis not to exceed seven hundred fifty thousand dollars (\$750,000) per year.
- (2) A Helping Heroes Grant awarded to a student shall be one thousand dollars (\$1,000) per semester in which the student successfully completes twelve (12) or more semester hours, with a maximum of two (2) full semesters per academic year. Award amounts for the Helping Heroes Grant for years subsequent to the 2008-2009 academic year shall be determined in accordance with T.C.A. § 4-51-111 and shall be set in the General Appropriations Act.
 - (a) The full amount of the grant is awarded to a student who successfully completes twelve (12) or more semester hours.
 - (b) One-half (1/2) of the full amount of the grant is awarded to a student who successfully completes six (6) to eleven (11) semester hours.

- (c) A student successfully completing fewer than six (6) semester hours shall not be eligible for the grant, but may subsequently be eligible for the grant in a semester in which the student successfully completes at least six (6) semester hours; provided, that the student meets all other eligibility requirements during that semester.
- (3) In the event that net lottery proceeds are insufficient to fully fund the Helping Heroes Grant, the Corporation shall determine the appropriate manner in which the awards shall be reduced.
- (4) Receipt of student financial aid from sources other than the Helping Heroes Grant that are applied to educational expenses will not operate to reduce the student's grant as long as the student's total aid does not exceed the total cost of attendance. In the event that a student's total aid exceeds the cost of attendance, the eligible postsecondary institution shall, to the extent it does not violate applicable federal regulations, use its institutional policy in reducing the student's total aid package.
- (5) The receipt of a Helping Heroes Grant is contingent upon admission and enrollment at an eligible postsecondary institution. Qualifying for this grant does not guarantee admission to an eligible postsecondary institution.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.03 Application Process.

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

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.04 General Eligibility.

- (1) To be eligible for a Helping Heroes Grant a student shall:
 - (a) Be a Tennessee citizen; and
 - (b) Be a Tennessee resident, as defined by Rule 0240-2-2, Classifying Students In-State and Out-of-State, as promulgated by the Board of Regents, for one (1) year immediately preceding the application deadline date; and
 - (c) Make application for a Helping Heroes Grant by submitting the application as required by Rule 1640-1-22-.03 in which the student successfully completes six (6) or more semester hours; and
 - (d) Be admitted to an eligible postsecondary institution seeking an associate or baccalaureate degree; and
 - (e) Have received an honorable discharge; and
 - (f) Have been awarded the Iraq Campaign Medal, Afghanistan Campaign Medal, or Global War on Terrorism Expeditionary Medal on or after September 1, 2001; and

- (g) Be in compliance with federal drug-free rules and laws for receiving financial assistance; and
- (h) Meet each qualification relating to the grant and applicable to the student; and
- (i) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and
- (j) Not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program; and
- (k) Not be incarcerated; and
- (l) Have not received a baccalaureate degree; and
- (m) Not be required to meet any academic standard at the time of enrollment in an eligible postsecondary institution.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.05 Retention of Award – General Requirements.

- (1) To retain a Helping Heroes Grant award authorized by this chapter, a student at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship pursuant to 1640-1-22-.04 and shall reapply by completing the Helping Heroes Grant application pursuant to Rule 1640-1-22-.03 for each academic year.
- (2) A student at an eligible postsecondary institution shall be enrolled in at least six (6) or more hours leading to an associate or baccalaureate degree and shall receive a non-failing grade as the final grade for each course.
- (3) A student may receive a Helping Heroes Grant until the first of the following terminating event occurs:
 - (a) Student earns a baccalaureate degree; or
 - (b) Eighth anniversary of the veteran's honorable discharge from military service; or
 - (c) Student receives the grant for a maximum of the equivalent of eight (8) full semesters. Receipt of the award as a full-time student shall count as one (1) semester and one-half (1/2) semester as a part-time student.
- (4) If the eighth anniversary of the veteran's honorable discharge occurs after the semester begins, the veteran will be eligible to receive the award if all eligibility requirements are met.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.06 Award Made in Error.

- (1) If a student receives a Helping Heroes Grant and it is later determined that the award or some portion of the award was made in error, the student or the postsecondary institution may be required to repay the amount awarded in error.
- (2) If TSAC determines that the error was through no fault of the student, the student will not be required to repay the amount of the payment made in error.

- (3) Repayment from the student will be required if TSAC determines that fraud was committed or the error was through fault of the student. When repayment is required, the student may not receive additional student aid from the Corporation until repayment is made.
- (4) Repayment from the postsecondary institution will be required if TSAC determines that the error was through the fault of the postsecondary institution.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.07 Refund Policy.

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

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.08 Calculation of Postsecondary Cumulative Grade Point Average.

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

- (8) A student enrolled at an eligible postsecondary institution shall qualify for a Helping Heroes Grant for distance education courses if all other eligibility requirements are met. Students may take courses through more than one eligible postsecondary institution during the same semester. Payment for the distance education courses shall be made in the same manner as transient students as provided in Rule 1640-1-22-.10.
- (9) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for a Helping Heroes Grant while participating in an internship or co-op program if the student receives college credit from the internship or co-op experience and must pay tuition and fees. The semester hours shall be included in the postsecondary cumulative grade point average.
- (10) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for a Helping Heroes Grant while participating in an alternative study or study abroad program if all other eligibility requirements are met. The eligible postsecondary institution which is the student's home institution must approve the alternative study or study abroad program for credit toward the student's degree and the number of hours that will be applied toward the degree prior to the student's departure.
- (11) Courses that appear on a student's transcript as an "incomplete" shall be considered credit hours attempted. The student's Helping Heroes Grant eligibility, however, shall be determined by excluding the credit hours attributable to the course for which an "incomplete" has been assigned from the cumulative grade point average calculation.
 - (a) If the student fails to retain eligibility for a Helping Heroes Grant as a result of the calculation, but later becomes eligible when the grade for the "incomplete" course is reported, the student is eligible to receive the grant retroactively within the award year and shall retain eligibility. Retroactive grants for previous award years shall be added to the current award year. The eligible postsecondary institution shall, however, make necessary reductions in the student's financial aid package if the reinstatement of a Helping Heroes Grant results in either an over-award of need based aid or exceeds the institution's cost of attendance for any semester. It shall be the responsibility of the student to notify the financial aid office at the eligible postsecondary institution that a grade has been awarded and request that the grant be reinstated. Each eligible postsecondary institution shall develop a standard form for use by students to comply with this provision. If the student's application for reinstatement is denied, he or she may appeal the decision in accordance with Rule 1640-1-22-.11.
 - (b) If the student retains eligibility for a grant as a result of the calculation, but later becomes ineligible when the grade for the "incomplete" course is reported as a failing grade, then the student shall be ineligible for all grant awards. Additionally, the student shall reimburse the institution for the grant awards received in the interim.
- (12) If the student is otherwise eligible to receive a grant, but does not receive grant funding, or grant funding is reduced because his or her cost of attendance is covered by other aid, the student shall remain eligible for the grant if all other academic and non-academic requirements continue to be met.

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.09 Transfer Students.

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

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.10 Transient Students.

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

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

1640-1-22-.11 Appeal and Exception Process.

- (1) Each eligible postsecondary institution shall establish an Institutional Review Panel (IRP) for the purposes of rendering a decision to deny or revoke an applicant's Helping Heroes Grant. Each eligible postsecondary institution shall establish written procedures for an applicant or recipient to appeal a decision of an eligible postsecondary institution to deny or revoke a Helping Heroes Grant. These procedures shall include, but not be limited to, the establishment and composition of the IRP and the process and timelines for appeals to the IRP. Each eligible postsecondary institution shall also establish a process to ensure students applying for or receiving a grant are notified of the procedures to appeal the denial or revocation of the grant including the timeframe within which an appeal must be filed with the TELS Award Appeals Panel. No eligible postsecondary institution official rendering a decision to deny or revoke a grant shall participate in the appeal process for the same applicant or recipient. The IRP may award or reinstate the student's grant without a meeting and shall make such determination no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. If the IRP determines that a meeting is required, the IRP shall hear the appeal no later than fourteen (14) calendar days after an applicant or recipient properly files an appeal. Except where exigent circumstances exist, the IRP shall render a decision no later than seven (7) calendar days after meeting to consider an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision and reasons for the decision. The IRP shall provide a copy of the written decision to the appellant as soon as practicable. For the purposes of this rule, it will be presumed that the decision was delivered to the appellant two (2) calendar days after the decision was placed in the U.S. Postal Service addressed to the appellant's official mailing address according to the eligible postsecondary institution's records.
- (2) The TELS Award Appeals Panel shall be appointed by the Corporation's Executive Director for the purpose of meeting to consider appeals from decisions rendered by the IRPs. No official of an eligible postsecondary institution shall sit as a member of the Appeals Panel where the denial or revocation being appealed involves such official's eligible postsecondary institution. A student seeking an appeal of a decision rendered by an IRP shall request an appeal, to include a written statement outlining the basis for the appeal as well as all pertinent information related to the appeal, with the Corporation within forty-five (45) calendar days from the date that the decision was delivered to the student. A complete record of the institutional IRP ruling shall be provided to the Corporation by the student. The Appeals Panel may award or reinstate the student's grant without a meeting. This decision shall be made no later than thirty (30) calendar days after an appeal is properly filed and the record from the IRP meeting is received. If the Appeals Panel determines that a meeting is required, the Appeals Panel shall consider the appeal no later than forty-five (45) calendar days after the appeal is properly filed, unless an extension is requested by the appellant and granted by the Appeals Panel. Except where exigent circumstances exist, the Appeals Panel shall

render a decision no later than fourteen (14) calendar days after ruling on an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision. The Appeals Panel shall provide a copy of the written decision to the appellant and the appellant's home institution as soon as practicable. The Appeals Panel is the final administrative appeal.

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

Authority: T.C.A. §§ 49-4-201, 49-4-902, 49-4-924, and 49-4-938.

The vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Dr. Richard Rhoda	X				
Dr. Claude Pressnell	X				
Mr. Dale Sims	X				
Commissioner Dave Goetz by Ms. Cathy Pierce	X				
Commissioner Tim Webb by Mr. Morgan Branch	X				
Mr. John Morgan	X				
Dr. Nancy Moody	X				
Dr. John Petersen by Dr. Bonnie Yegidis	X				
Dr. Charles Manning by Dr. Bob Adams	X				
Mr. Jeff Gerkin	X				
Ms. Mary Kate Ridgeway	X				
Ms. Deborah Cole	X				

Mr. Clay Petrey	X				
Ms. La-Nikqua Thomas	X				
Mr. Fred Johnson	X				

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Tennessee Student Assistance Corporation Board of Directors on 09/18/2008, and is in compliance with the provisions of TCA 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of thirty (30) days after the publication date of the issue of the Tennessee Administrative Register in which these proposed rules are published.



My Commission Expires MAY 2, 2011

Date: 1.26.09
 Signature: [Handwritten Signature]
 Name of Officer: Richard G. Rhoda
 Title of Officer: Interim Executive Director, Tennessee Student Assistance Corporation

Subscribed and sworn to before me on: January 26, 2009
 Notary Public Signature: [Handwritten Signature]
 My commission expires on: May 2, 2011

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[Handwritten Signature]
 Robert E. Cooper, Jr.
 Attorney General and Reporter
1-29-09
 Date

Department of State Use Only

Filed with the Department of State on: 1/30/09
 Effective on: 5/29/09

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[Handwritten Signature]
 Tre Hargett
 Secretary of State

Regulatory Flexibility Economic Impact Statement Addendum

Regulatory Flexibility Act of 2007, Public Chapter 464
Economic Impact Statement
Tennessee Student Assistance Corporation
Helping Heroes Grant Program Chapter (1640-1-22)

Public Chapter 464 of the 2007 Tennessee Public Acts, effective June 21, 2007, requires that prior to initiating the rulemaking process pursuant to Tenn. Code Ann. §§ 4-5-202(a)(3) and 4-5-202(a), all boards and commissions shall review all proposed rules and the impact that the proposed rule has on small businesses. The public chapter requires that as a part of its analysis, each agency shall prepare an economic impact statement as an addendum to each rule that is deemed to affect small businesses, which shall be published in the Tennessee Administrative Register, filed with the Secretary of State's Office, and made available to all interested parties, including the Secretary of State, Attorney General, and the House and Senate Government Operations Committees.

This economic impact statement shall include the following: the type or types of small businesses and an identification and estimate of the number of small businesses subject to the proposed rule that would bear the cost of, and/or directly benefit from the proposed rules; the projected reporting, recordkeeping and other administrative costs required for compliance with the proposed rule, including the type of professional skills necessary for preparation of the report or record; a statement of the probable effect on impacted small businesses and consumers; a description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and/or objectives of the proposed rule that may exist, and to what extent, such alternative means might be less burdensome to small businesses; a comparison of the proposed rule with any federal or state counterparts; and analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the proposed rule.

Description of Proposed Rule

Pursuant to T.C.A. § 4-5-202, the Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules, Chapter 1640-1-22, Helping Heroes Grant Program, as new rules, in lieu of a rulemaking hearing. It is the intent of TSAC to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of issue of the Tennessee Administrative Register in which the proposed rules are published.

These rules are being promulgated as proposed rules to adopt the Helping Heroes Grant Program (Chapter 1640-1-22,) enacted by the 105th General Assembly as 2008 Tennessee Public Acts, Chapter 1142, as part of the Tennessee Education Lottery Scholarship (TELS) Program in Tennessee Code Annotated, Title 49, Chapter 4, Part 9. The Helping Heroes Grant Program will assist Tennessee veterans in completing their college education. Awards will be available to honorably discharged veterans from the armed forces of the United States or a former member of a reserve or Tennessee National Guard unit called into active duty, that have been awarded the Iraq Campaign Medal, the Afghanistan Campaign Medal, or the Global War on Terrorism expeditionary Medal (awarded on or after September 11, 2001).

Economic Impact Statement

1. Types of small businesses directly affected:

Independent postsecondary education institutions that employ fifty (50) or fewer full-time employees that have students in attendance receiving a TELS award.

2. Projected reporting, recordkeeping, and other administrative costs:

There are no significant changes in reporting, recordkeeping, or other administrative costs that will result from the promulgation of these proposed rules.

3. Probable effect on small businesses:

The proposed rules were drafted to facilitate administration of the program for all postsecondary education institutions and should have a positive effect on the independent postsecondary institutions employing fifty (50) or fewer full-time employees.

4. Less burdensome, intrusive, or costly alternative methods:

As these proposed rules present no foreseeable cost to small businesses, there is no alternative method to propose.

5. Comparison with federal and state counterparts:

There are no federal or state counterparts to the issues addressed by these proposed rules.

6. Effect of possible exemption of small businesses:

There will be no exemptions created by these proposed rules.

Regulatory Flexibility Analysis Addendum

Regulatory Flexibility Act of 2007, Public Chapter 464
Regulatory Flexibility Analysis
Methods of Minimizing Adverse Impact of Rules on Small businesses
Tennessee Student Assistance Corporation
Helping Heroes Grant Program Chapter (1640-1-22)

Public Chapter 464 of the 2007 Tennessee Public Acts, effective June 21, 2007 requires that prior to initiating the rulemaking process pursuant to Tenn. Code Ann. §§ 4-5-202(a)(3) and 4-5-202(a), all regulatory agencies shall review all proposed rules and the impact that the proposed rule has on small businesses. The public chapter requires that, "each agency shall employ a regulatory flexibility analysis utilizing regulatory methods that accomplish the objectives of applicable statutes while minimizing any adverse impact on small business."

The public chapter further provides that the agency shall consider, without limitation, certain methods of reducing the impact of the proposed rule on small businesses while remaining consistent with health, safety and well-being and those methods are as follows: the extent to which the proposed rule or rules may overlap, duplicate, or conflict with other federal, state, and local governmental rules; clarity, conciseness, and lack of ambiguity in the proposed rule or rules; the establishment of flexible compliance and/or reporting requirements for small businesses; the establishment of friendly schedules or deadlines for compliance and/or reporting requirements for small businesses; the consolidation or simplification of compliance or reporting requirements for small businesses; the establishment of performance standards for small businesses as opposed to design or operational standards required in the proposed rule; and the unnecessary creation of entry barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs.

Description of Proposed Rule

Pursuant to T.C.A. § 4-5-202, the Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules, Chapter 1640-1-22, Helping Heroes Grant Program, as new rules, in lieu of a rulemaking hearing. It is the intent of TSAC to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within thirty (30) days of the publication date of issue of the Tennessee Administrative Register in which the proposed rules are published. These rules are being promulgated as proposed rules due to the enactment of 2008 Public Chapter No. 1142, establishing the Helping Heroes Act of 2008. This Act creates a grant scholarship program that will assist Tennessee veterans in completing their college education, funded from net lottery proceeds as part of the Tennessee Education Lottery Scholarship (TELS) Program in Tennessee Code Annotated, Title 49, Chapter 4, Part 9. Awards will be available to honorably discharged veterans from the armed forces of the United States or a former member of a reserve or Tennessee National Guard unit called into active duty, that have been awarded the Iraq Campaign Medal, the Afghanistan Campaign Medal, or the Global War on Terrorism expeditionary Medal (awarded on or after September 11, 2001).

Regulatory Flexibility Analysis - Methods of Reducing Impact of Rules on Small Businesses

1. Overlap, duplicate, or conflict with other federal, state, and local governmental rules:

The proposed rules will not overlap, duplicate, or conflict with other federal, state, and local governmental rules.

2. Clarity, conciseness, and lack of ambiguity in the rule or rules:

The proposed rules were patterned to ensure clarity and conciseness of the language of the rules and to eliminate possible ambiguity in the interpretation of the rules.

3. Flexible compliance and/or reporting requirements for small businesses:

The proposed rules were drafted to facilitate administration of the program for all postsecondary education institutions.

4. Friendly schedules or deadlines for compliance and/or reporting requirements:

TSAC worked diligently with key postsecondary education institution personnel to ensure that proposed compliance and/or reporting requirements can be practically applied by institutions administering the program.

5. Consolidation or simplification of compliance or reporting requirements:

The proposed rules were drafted to ensure solid, easily interpreted, compliance and reporting requirements.

6. Performance standards for small businesses:

TSAC expects all education institutions engaged in the administration of the Helping Heroes Grant Program to comply with all applicable rules.

7. Barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs:

The proposed rules do not contain any foreseeable inhibitors to small business entrepreneurial activities.

Responses to the Questions
of the
Government Operations Committee
by the
Tennessee Student Assistance Corporation

Pursuant to T.C.A. § 4-4-225(i)(1), these responses pertain to the rules entitled the "Helping Heroes Grant Program" that were originally filed as public necessity rules on October 23, 2008, Chapter 1640-1-22, in lieu of a rulemaking hearing.

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule:

The proposed rule acts to adopt the Helping Heroes Grant Program (Chapter 1640-1-22) as new rules. These rules establish a program by which the Tennessee Student Assistance Corporation (TSAC) will administer the grant scholarship program enacted by the 105th General Assembly as 2008 Tennessee Public Acts, Chapter 1142 as part of the TELS Program in Tennessee Code Annotated, Title 49, Chapter 4, Part 9.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto:

Chapter 1142 of the 2008 Tennessee Public Acts establishes the Helping Heroes Grant Program that will assist Tennessee veterans in completing their college education. Awards will be available to honorably discharged veterans from the armed forces of the United States or a former member of a reserve or Tennessee National Guard unit called into active duty, that have been awarded the Iraq Campaign Medal, the Afghanistan Campaign Medal, or the Global War on Terrorism expeditionary Medal (awarded on or after September 11, 2001).

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule:

TSAC, the Tennessee Higher Education Commission (THEC), eligible veterans, members of the higher education community, and members of the financial aid community.

The aforementioned organizations, institutions, and governmental entities directly affected by this rule urge adoption of the proposed rules.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule:

None

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less:

None. The Helping Heroes Grant Program shall be funded with Lottery for Education Reserve funds.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and Tim Phelps, TSAC Associate Executive Director for Grants and Scholarships.

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees:

Peter Abernathy, TSAC Senior Associate Executive Director and Staff Attorney, and Tim Phelps, TSAC Associate Executive Director for Grants and Scholarships.

- (H) Office address and telephone number of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees:

Peter Abernathy
Senior Associate Executive Director and Staff Attorney
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.532.6065

Tim Phelps
Associate Executive Director for Grants and Scholarships
Tennessee Student Assistance Corporation
Suite 1510, Parkway Towers
404 James Robertson Parkway
Nashville, TN 37243
615.253.7441

- (I) Any additional information relevant to the rule proposed for continuation that the committee requests:

None received to date.