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Sequence Number: 12-01-09
Rule ID(s): 4543
File Date: 12/01/2009
Effective Date: 05/31/2010

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:	
Contact Person:	Peter Abernathy
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Revision Type (check all that apply):
X 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**
1640-01-19	Tennessee Education Lottery Scholarship Program
Rule Number	**Rule Title**
1640-01-19-.05	Eligibility – Tennessee HOPE Scholarship
1640-01-19-.12	Retention of Awards – General Requirements
1640-01-19-.16	Continuation of Tennessee Education Lottery Scholarship Award
1640-01-19-.22	Calculation of Postsecondary Cumulative Grade Point Average

Chapter 1640-01-19
Tennessee Education Lottery Scholarship Program

Amendments

Paragraph (7) of Rule 1640-01-19-.05 Eligibility - Tennessee HOPE Scholarship is amended by deleting the paragraph in its entirety so that as amended the paragraph shall read:

(7) In addition to the requirements of T.C.A. § 49-4-931, to be eligible for a Tennessee HOPE Scholarship, a non-traditional student shall meet the general eligibility requirements of Rule 1640-01-19-.04 and:

(a) Is at least twenty-five years (25) of age; and

(b) Has an adjusted gross income attributable to the student that does not exceed the amount as described in T.C.A. § 49-4-915(a)(2); and

(c) Has enrolled in an eligible postsecondary institution and, except as provided by T.C.A. § 49-4-919, has maintained continuous enrollment at the eligible postsecondary institution either as a first time freshmen; or at least two (2) calendar years since the end of the semester of previously attending any postsecondary institution; and

(d) Since meeting the requirements of subparagraph (7)(c), has attended an eligible postsecondary institution and has maintained satisfactory progress in a course of study, in accordance with the standards and practices used for Federal Title IV programs at the postsecondary institution attended, either in an associate's degree program at a community college; or in an associate's or bachelor's degree program at a four-year institution; and

(e) Meets the GPA requirements at the end of the twelve (12) semester hours as described in T.C.A. § 49-4-931(b); and

(f) Enrolls in the semester immediately succeeding the semester in which eligibility is established.

(g) If the student fails to maintain continuous enrollment as required by subparagraphs (c) and (g) of this paragraph (7), the student must wait two (2) calendar years from the end of the semester of attending any postsecondary institution, before attempting to establish eligibility.

Authority: T.C.A. §§ 49-4-201, 49-4-905, 49-4-907, 49-4-908, 49-4-909, 49-4-910, 49-4-918, 49-4-924, 49-4-926, 49-4-930, 49-4-931, 49-4-934, and 49-4-935.

Paragraph (1) of Rule 1640-01-19-.12 Retention of Awards – General Requirements is amended by adding the phrase ", including a non-traditional student," within the body of the text so that as amended the paragraph shall read:

(1) To retain a TELS award authorized by this chapter, a student, including a non-traditional student, at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply by completing the FAFSA or Renewal FAFSA pursuant to Rule 1640-01-19-.03 for the applicable award for each academic year.

Paragraph (2) of Rule 1640-01-19-.12 Retention of Awards – General Requirements is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(2) Eligibility for the HOPE Scholarship shall be reviewed in accordance with T.C.A. § 49-4-911. These benchmarks for students receiving the TELS as a non-traditional student shall only apply to grades earned and credit hours attempted after enrolling in accordance with rule 1640-01-19-.05(7)(c).

Paragraph (3) of Rule 1640-01-19-.12 Retention of Awards – General Requirements is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(3) Except as provided in paragraph (4) of this rule and Rules 1640-01-19-.20 and 1640-01-19-.21, a student may receive a Tennessee HOPE Scholarship until a terminating event as described in T.C.A. § 49-4-913 occurs. For students receiving the TELS as a non-traditional student, the five (5) year limitation will be determined when the sum of the number of years the student received the TELS award as a traditional student, and the years during which the student has received the TELS award as non-traditional student equals five (5) years.

Paragraph (4) of Rule 1640-01-19-.12 Retention of Awards – General Requirements is amended by deleting the current language in its entirety and substituting the following language so that as amended the paragraph shall read:

(4) The attempted credit hour includes remedial and developmental studies and all regular college credit courses attempted after high school graduation. These benchmarks for students receiving the TELS as a non-traditional student shall only apply to grades earned and credit hours attempted after enrolling in accordance with Rule 1640-01-19-.05(7)(c).

Authority: T.C.A. §§ 49-4-201, 49-4-909, 49-4-911, 49-4-912, 49-4-913, 49-4-920, 49-4-921, 49-4-924, and 49-4-931.

Paragraph (1) of Rule 1640-01-19-.16 Continuation of Tennessee Education Lottery Scholarship Award is amended by changing paragraph (2) to subparagraph (a) so that as amended the subparagraph shall read:

(a) During the certification process, all eligible postsecondary institutions shall certify the number of credit hours attempted and the cumulative grade point average of all students receiving a TELS award at the end of the semester at which the student has attempted twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96), or any subsequent multiple of twenty-four (24) semester hours thereafter or as described in T.C.A. § 49-4-911(a)(2).

Paragraph (1) of Rule 1640-01-19-.16 Continuation of Tennessee Education Lottery Scholarship Award is amended by adding subparagraph (b) so that as amended the subparagraph shall read:

(b) Notwithstanding the provisions of subparagraph (1)(a) above to the contrary, only those grades earned and credit hours attempted by a non-traditional student, after enrolling in accordance with Rule 1640-01-19-.05(7)(c), shall count toward the benchmark requirements.

Paragraphs (3), (4), and (5) of Rule 1640-01-19-.16 Continuation of Tennessee Education Lottery Scholarship Award are renumbered so that as amended the rule shall read:

(2) In order to remain eligible for the HOPE Scholarship, the student must meet the minimum requirements pursuant to T.C.A. § 49-4-911.

(3) Students who reach a benchmark during the summer semester shall have their continuing eligibility determined based upon the cumulative grade point average and semester grade point average, if required, as of the end of the summer semester.

(4) Students entering into the provisions of T.C.A. § 49-4-911(a)(2) may enter into these provisions as a part-time student. However, upon receiving the award based on the provisions of T.C.A. § 49-4-911(a)(2), the student must maintain continuous enrollment each semester.

Authority: T.C.A. §§ 49-4-201, 49-4-903, 49-4-911, 49-4-924, and 49-4-931.

Paragraph (1) of Rule 1640-01-19-.22 Calculation of Postsecondary Cumulative Grade Point Average is amended by adding subparagraph (a) so that as amended the subparagraph shall read:

(a) Notwithstanding the provisions of paragraph (1) above to the contrary, only those grades earned and credit hours attempted by a non-traditional student, after enrolling in accordance with Rule 1640-01-19-.05(7)(c), shall count toward the benchmark requirements.

Authority: T.C.A. §§ 49-4-201, 49-4-903, 49-4-911, 49-4-913, 49-4-919, 49-4-924, and 49-4-931.

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

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Governor Bredesen by Cory Curl	X				
Dr. Richard Rhoda	X				
Dr. Claude Pressnell	X				
Commissioner Justin Wilson by Ms. Faye Weaver	X				
Commissioner Dave Goetz by Ms. Cathy Pierce	X				
Commissioner Tim Webb by Mr. Morgan Branch	X				
Commissioner David Lillard	X				
Dr. Nancy Moody	X				
Dr. Charles Manning by Mr. David Gregory	X				
Dr. Jan Simek by Dr. Bonnie Yegidis	X				
Ms. Mary Kate Ridgeway	X				
Dr. Lori May	X				
Ms. Deborah Cole	X				
Mr. Fred Johnson				X	
Mr. Clay Petrey	X				
Mr. Jeff Gerkin	X				
Ms. La-Nikqua Thomas				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 March 19, 2009, 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.

Date: 10.23.09

Signature: Richard G. Rhoda

Name of Officer: Richard G. Rhoda

Title of Officer: Executive Director, Tennessee Student Assistance Corp.

MARCIE REECE MILLS
STATE OF TENNESSEE NOTARY PUBLIC
DAVIDSON COUNTY, TENN.
My Commission Expires MAY 2, 2011

Subscribed and sworn to before me on: 10/23/09

Notary Public Signature: Marcie Reece Mills

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.

R E Cooper Jr.

Robert E. Cooper, Jr.
Attorney General and Reporter

11-24-09
Date

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Filed with the Department of State on: 12/1/09

Effective on: 5/31/10

Tre Hargett

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
Chapter 1640-01-19
Tennessee Education Lottery Scholarship Program

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

The Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules pursuant to T.C.A. § 4-5-202 in lieu of a rulemaking hearing to amend the current rules of Chapter 1640-01-19 Tennessee Education Lottery Scholarship (TELS) Program. 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 clarify the rules regarding non-traditional students to facilitate administration of the program by the postsecondary financial aid community. The changes to these rules include references to applicable statutes, eligibility requirements, retention and continuation requirements, calculation of postsecondary cumulative grade point average (GPA), and terminating events.

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 changes to the rules were drafted to facilitate administration of the program for all secondary and 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 changes 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
Tennessee Education Lottery Scholarship Program Chapter (1640-01-19)

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

The Tennessee Student Assistance Corporation (TSAC) intends to file proposed rules pursuant to T.C.A. § 4-5-202 in lieu of a rulemaking hearing as Chapter 1640-01-19, Tennessee Education Lottery Scholarship (TELS) Program. 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. The proposed rule acts to adopt changes to the Tennessee Education Lottery Scholarship (TELS) Program Chapter 1640-01-19 as proposed rules, clarifying those rules that affect the non-traditional student. These rules regulate a state funded lottery scholarship program designed for qualified Tennessee students attending postsecondary institutions in Tennessee. The changes to these rules include references to applicable statutes, eligibility requirements, retention and continuation requirements, calculation of postsecondary cumulative grade point average (GPA), and terminating events.

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 non-traditional student 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 Tennessee Education Lottery Scholarship 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 Tennessee Education Lottery Scholarship Program that were originally filed as Chapter 1640-01-19 on December 29, 2003 pursuant to Tenn. Code Ann. §§ 49-4-903 and 49-4-924 as rules 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 changes to the Tennessee Education Lottery Scholarship (TELS) Program Chapter 1640-01-22 as proposed rules. These rules regulate a state funded lottery scholarship program designed for qualified Tennessee students attending postsecondary institutions in Tennessee. These changes were necessitated to clarify those rules regarding the non-traditional student.

The changes to these rules include references to applicable statutes, eligibility requirements, retention and continuation requirements, calculation of postsecondary cumulative grade point average (GPA), and terminating events.

(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:

Tenn. Code Ann. § 49-4-903 authorizes the Tennessee Student Assistance Corporation (TSAC) to administer the TELS Program and Tenn. Code Ann. § 49-4-924 authorizes TSAC to promulgate rules and regulations relative to such program.

(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), the Tennessee Independent Colleges and Universities Association, the Tennessee Association of Student Financial Aid Administrators, Tennessee postsecondary institutions and non-traditional students attending or planning to attend eligible postsecondary institutions in Tennessee are most directly affected by these proposed rules.

The aforementioned organizations, corporations, institutions, governmental entities, and individuals 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 TELS 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.

REDLINE

RULES
OF
TENNESSEE STUDENT ASSISTANCE CORPORATION

CHAPTER 1640-01-19
TENNESSEE EDUCATION LOTTERY SCHOLARSHIP PROGRAM

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1640-01-19-.01 DEFINITIONS.

(1) Academic requirement: The term is defined in T.C.A. § 49-4-902.

(2) Academic Year: The term is defined in T.C.A. § 49-4-902.

(3) ACT: The ACT Assessment administered by ACT, Inc., exclusive of the essay and optional subject area battery tests.

(4) Adjusted gross income attributable to the student: The term is defined in T.C.A. § 49-4-902.

(5) Alternative Study program: Program of study including, but not limited to student exchange programs, practicum, co-op programs and internships that includes travel outside the State of Tennessee that is sponsored or offered by:

(a) an eligible postsecondary institution; or

(b) an eligible postsecondary institution in conjunction with either another eligible postsecondary or a postsecondary institution that is accredited by a regional accrediting association.

(6) ASPIRE Award: An award to a student for study in pursuit of an associate or baccalaureate degree at an eligible postsecondary institution who qualifies for a Tennessee HOPE Scholarship and whose adjusted gross income attributable to the student does not exceed the amount as described in T.C.A. § 49-4-915(a)(2).

(7) Award Year: A period of time, typically nine (9) months, in which a full-time student is expected to complete the equivalent of a minimum of two (2) semesters of academic study.

(Rule 1640-01-19-.01, continued)

(8) Board of Regents: The board of regents of the state university and community college system of Tennessee.

(9) Certificate or Diploma: The term is defined in T.C.A. § 49-4-902.

(10) Continuing Education: Courses and programs that do not lead to a certificate, diploma or degree that are designed for personal development and are an extension of the traditional on-campus learning process.

(11) Continuous Enrollment: The term is defined in T.C.A. § 49-4-902.

(12) Corporation: Tennessee Student Assistance Corporation (TSAC).

(13) Cost of Attendance: The term is defined in T.C.A. § 49-4-902.

(14) Credit Hours Attempted: The number of semester hours for which a degree-seeking or diploma/ certificate-seeking student attending a postsecondary institution is enrolled as of the institutionally defined census date shall be considered credit hours attempted, regardless of whether a grade has been assigned. This standard shall apply to any change to a non-credit status, notwithstanding anything in Rule 1640-01-19-.22.

(15) 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.

(16) Dependent Child of a Military Parent: A natural or adopted child or stepchild whom a military parent claims as a dependent for federal income tax purposes; who is under twenty-one (21) years of age; and who resides in another state or nation only while the military parent is engaged in active military service, on full-time national guard duty, or actively employed by the U.S. Department of Defense.

(17) Dependent Child of a Full-time Religious Worker: A natural or adopted child or stepchild whom the parent, who is a religious worker, claims as a dependent for federal income tax purposes; who is under twenty-one (21) years of age; and who resides in another nation only while the parent is actively engaged in full-time religious work.

(18) Distance Education: An educational process that is characterized by the separation, in time or place, between instructor and student. It may include credit hours offered principally through the use of television, audio, or computer transmission, such as open broadcast, closed circuit, cable, or satellite transmission; audio or computer conferencing; video cassettes or discs, or correspondence.

(19) Dual Enrollment Grant: The term is defined in T.C.A. § 49-4-902.

(20) Eligible High School: The term is defined in T.C.A. § 49-4-902.

(21) Eligible Independent Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.

(22) Eligible Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.

(23) Eligible Public Postsecondary Institution: The term is defined in T.C.A. § 49-4-902.

(24) Entering Freshman: The term is defined in T.C.A. § 49-4-902.

(Rule 1640-01-19-.01, continued)

(25) FAFSA: Free Application for Federal Student Aid or the Renewal FAFSA as authorized by the U. S. Department of Education to indicate eligibility for federal and state financial aid programs.

(26) Foster Child: A child who was in the custody of the Tennessee Department of Children's Services as described in T.C.A. § 49-4-933(b).

(27) Full-Time Student: The term is defined in T.C.A. § 49-4-902.

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

(29) General Assembly Merit Scholarship: The term is defined in T.C.A. § 49-4-902.

(30) Gift Aid: The term is defined in T.C.A. § 49-4-902.

(31) Grade Point Average (GPA): The numbered grade average calculated using a 4.0 scale, calculated to the hundredth decimal.

(32) Home School Student: The term is defined in T.C.A. § 49-4-902.

(33) Home Institution: The eligible postsecondary institution in which the student is enrolled and is in a matriculating status working toward a degree, diploma, or certificate.

(34) Host Institution: The eligible postsecondary institution the student is temporarily attending as a transient student.

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

(36) Incarcerated: Currently confined to a local, state, or federal correctional institution, as well as work release or educational release facilities.

(37) Joint Enrollment: An arrangement between a high school and a postsecondary institution wherein a student enrolls in postsecondary classes while attending high school, but for which the student will receive credit from only one of the two institutions.

(38) Junior: The term is defined in T.C.A. § 49-4-902.

(39) Matriculated Status: The student is a recognized candidate for an appropriate degree, diploma, or certificate at an eligible postsecondary educational institution.

(40) Military Parent: The term is defined in T.C.A. § 49-4-926(b)(2).

(41) Nonacademic requirement: The term is defined in T.C.A. § 49-4-902.

(42) Non-Traditional student: The term is defined in T.C.A. § 49-4-902.

(43) Parent: The term is defined in T.C.A. § 49-4-902.

(44) Part-time Student: The term is defined in T.C.A. § 49-4-902.

(45) Regional Accrediting Association: The term is defined in T.C.A. § 49-4-902.

(46) Religious Worker: The term is defined in T.C.A. § 49-4-934(b)(2).

(Rule 1640-01-19-.01, continued)

(47) SAT: The SAT administered by the College Board, exclusive of the essay and optional subject area battery tests.

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

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

(50) Semester grade point average: The grade point average for the semester as calculated by the postsecondary institution utilizing its institutional grading policy.

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

(52) Study Abroad Program: Programs of study for which college credit is earned that include travel outside the United States.

(53) TELS (Tennessee Education Lottery Scholarship) Award: Any scholarship and/or grant provided for by these rules that a student is eligible to receive, excluding the Dual Enrollment Grant.

(54) Tennessee HOPE Access Grant: The term is defined in T.C.A. § 49-4-902.

(55) Tennessee HOPE Foster Child Tuition Grant: A grant in addition to the Tennessee HOPE Scholarship to a foster child to only be used towards the costs of tuition, maintenance fees, student activity fees and required registration or matriculation fees at the eligible postsecondary institution the student attends.

(56) Tennessee HOPE Scholarship: The term is defined in T.C.A. § 49-4-902.

(57) Tennessee National Guard: The term is defined in T.C.A. § 49-4-926(b)(3).

(58) Test Date: The date designated for the ACT test administered by ACT, Inc., or the date designated for the SAT test administered by the College Board at national test centers. This shall also include the administration of either test on other dates as approved by the respective testing entities to accommodate an individual student's documented disability or other hardship, as well as a statewide test date established by the State Department of Education that is sanctioned by the respective test entities.

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

(60) Transient Student: A visiting student enrolled in another institution who is granted temporary admission for the purpose of completing work to transfer back to the home institution and who expects to return to the institution in which he or she was previously enrolled.

(61) Undergraduate Student: A student attending an eligible postsecondary institution and enrolled in a program leading to a diploma/certificate, an associate degree, or a bachelor's degree.

(62) Unweighted Grade Point Average: The term is defined in T.C.A. § 49-4-902.

(63) Weighted Grade Point Average: The term is defined in T.C.A. § 49-4-902.

(64) Wilder-Naifeh Technical Skills Grant: The term is defined in T.C.A. § 49-4-902.

(Rule 1640-01-19-.01, continued)

Authority: *T.C.A. §§ 49-4-201, 49-4-903, 49-4-912, 49-4-914, 49-4-915, 49-4-916, 49-4-919, 49-4-920, 49-4-921, 49-4-922, 49-4-924, 49-4-926, 49-4-930, 49-4-933, 49-4-934, and 49-4-935.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendment filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.02 SCHOLARSHIP AWARD AMOUNTS AND CLASSIFICATIONS.

(1) The Tennessee Education Lottery Scholarship program is intended to provide financial awards to offset costs associated with pursuing postsecondary education.

(2) Award amounts for the following programs shall be determined in accordance with T.C.A. § 4-51-111 and shall be set in the General Appropriations Act:

(a) Tennessee HOPE Scholarship Award pursuant to T.C.A. § 49-4-914 (a) and (b);

(b) Tennessee ASPIRE supplemental award pursuant to T.C.A. § 49-4-915;

(c) General Assembly Merit Scholarship supplemental award pursuant to T.C.A. § 49-4-916;

(d) Tennessee HOPE Access Grant award pursuant to T.C.A. § 49-4-920; and

(e) Wilder-Naifeh Technical Skills Grant pursuant to T.C.A. § 49-4-921.

(3) The Dual Enrollment Grant shall be:

(a) One hundred dollars ($100) per semester hour (or equivalent contact hours at technology centers) for a maximum award of three hundred dollars ($300) per semester and six hundred dollars ($600) per academic year.

(4) Tennessee HOPE Foster Child Tuition Grant amounts shall be pursuant to T.C.A. § 49-4-933.

(5) Recipients of any TELS award as provided by these rules, except for the Dual Enrollment Grant and the Wilder-Naifeh Technical Skills Grant may enroll as a full-time or part-time student at any eligible postsecondary institution. The amount of the award for part-time students shall be based on the hours attempted. Students enrolled in six, seven or eight hours will receive half of the award of full-time students. Students enrolled in nine, ten or eleven hours will receive three quarters of the award of a full-time student.

(6) Except for approved medical or personal leaves of absence as provided in Rule 1640-01-19-.20 or emergency military duty as provided in Rule 1640-01-19-.21, award recipients must be continuously enrolled and maintain satisfactory academic progress at an eligible postsecondary institution.

(Rule 1640-01-19-.02, continued)

(7) In the event that net lottery proceeds are insufficient to fully fund the TELS award program, the Corporation shall determine the appropriate manner in which the various awards shall be reduced.

(8) Receipt of student financial aid from sources other than TELS that are applied to educational expenses will not operate to reduce the student's TELS award 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.

(9) The receipt of a Tennessee HOPE Scholarship, Tennessee HOPE Access Grant, Tennessee ASPIRE Award, Tennessee HOPE Foster Child Grant, General Assembly Merit Scholarship or Dual Enrollment Grant is contingent upon admission and enrollment at an eligible postsecondary institution. Academically qualifying for any of these awards programs does not guarantee admission to an eligible postsecondary institution.

Authority**: T.C.A. §§ 49-4-201, 49-4-903, 49-4-912, 49-4-914, 49-4-915, 49-4-916, 49-4-919, 49-4-920, 49-4-921, 49-4-922, 49-4-924, 49-4-930, and 49-4-933.* ***Administrative History: *Original rule filed December 29, 2003; effective April 29, 2004. Amendment filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Amendments filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.03 APPLICATION PROCESS.

(1) The FAFSA shall be the application for all first year TELS awards and the FAFSA, or Renewal FAFSA, shall be the means by which eligible students reapply for TELS awards after their initial year of eligibility. The FAFSA must be submitted by mail or electronically as directed in the FAFSA instructions. Regardless of the adjusted gross income attributable to the student, he or she is required to complete the FAFSA for each academic year in order to apply for and receive a TELS award.

(2) Students must have a FAFSA received by the U.S. Department of Education on or before September 1 for fall enrollment and February 1 for spring and summer enrollment in determining awards for that academic year. Students enrolling in a Tennessee Technology Center shall have a FAFSA received by the U. S. Department of Education on or before July 1 for the summer trimester, November 1 for the fall trimester and March 1 for the spring trimester. It shall be the responsibility of the student to ensure that the FAFSA is timely submitted to ensure it is received by the above deadlines.

(3) Students shall apply for the Dual Enrollment Grant during their junior and senior years prior to high school graduation by submitting the Dual Enrollment Grant Application to the postsecondary institution to which the student is seeking admission. The student must renew the Dual Enrollment Grant application each postsecondary academic term.

(a) The application deadline shall be set by the high school and postsecondary institution participating in the Dual Enrollment Grant program, but shall be no later than the eligible postsecondary institution's census date for that semester.

(Rule 1640-01-19-.03, continued)

Authority**: T.C.A. §§ 49-4-201, 49-4-924, and 49-4-930.* ***Administrative History: *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Amendment filed November 20, 2007; effective March 28, 2008. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.04 GENERAL ELIGIBILITY.

(1) To be eligible for a TELS award a student shall:

(a) Be a Tennessee citizen; and

(b) Be a Tennessee resident, as defined by Chapter 0240-2-2, Classifying Students In-State and Out-of-State, as promulgated by the Board of Regents, for one year as of the date of enrollment in an eligible postsecondary institution; students enrolling in a Tennessee Technology Center must be a Tennessee resident one year prior to date of term enrollment; and

(c) Make application for a TELS award by submitting the FAFSA or Renewal FAFSA as required by Rule 1640-01-19-.03; and

(d) Be admitted to an eligible postsecondary institution; and

(e) Comply with United States Selective Service System requirements for registration, if such requirements are applicable to the student; and

(f) Be in compliance with federal drug-free rules and laws for receiving financial assistance; and

(g) Meet each qualification relating to the relevant TELS award and applicable to the student; and

(h) Not be in default on a federal Title IV educational loan or Tennessee educational loan; and

(i) Not owe a refund on a federal Title IV student financial aid program or a Tennessee student financial aid program; and

(j) Not be incarcerated.

Authority: *T.C.A. §§ 49-4-201, 49-4-904, 49-4-905, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.05 ELIGIBILITY – TENNESSEE HOPE SCHOLARSHIP.

(1) This paragraph applies to student eligibility requirements as amended effective July 1, 2007. To be eligible for a Tennessee HOPE Scholarship as an entering freshman, a student, who graduated from an eligible high school after December 1, 2003, upon having completed curriculum requirements of the high school for graduation, shall meet the requirements of T.C.A. § 49-4-907.

(2) To be eligible for a Tennessee HOPE scholarship as an entering freshmen, a student who completes high school in a Tennessee home school program after December 1, 2003, who obtains a GED after December 1, 2003, or who graduates from a high school located in Tennessee that is not an eligible high school after December 1, 2003, shall meet the requirements of T.C.A. § 49-4-908.

(3) To be eligible for a Tennessee HOPE scholarship, a student who graduates from an eligible high school, who graduates from a high school located in Tennessee that is not an eligible high school, who completes high school in a Tennessee home school program, or who obtains a GED after January 1, 2003, but prior to December 1, 2003, shall meet the requirements of T.C.A. § 49-4-909.

(4) To be eligible for a TELS award, students entering active duty in the United States Armed Services within two (2) years after graduating from an eligible high school, graduating from a high school located in Tennessee that is not an eligible high school, completing high school in a Tennessee home school program or obtaining a GED, shall meet the requirements of T.C.A. § 49-4-918.

(5) A student who is a Tennessee citizen and a dependent child of a full-time military parent may be eligible for a Tennessee HOPE Scholarship as an entering freshman as provided in this paragraph.

(a) Such students may be eligible if they meet all eligibility requirements for a HOPE Scholarship except that:

1. While the parent is a military parent, the student does not reside in Tennessee immediately preceding the date of application for financial assistance; and

2. The student did not graduate from an eligible high school as defined in T.C.A. § 49-4-902, an ineligible high school, a Tennessee home school or obtain a GED.

(b) Students who graduated from a high school outside of Tennessee may nevertheless be eligible if the high school was:

1. Operated by the United States; or

2. Accredited by the appropriate regional accrediting association for the state in which the school is located; or

3. Accredited by an accrediting association recognized by the foreign nation in which the school is located.

(c) Students graduating from high schools outside Tennessee who do not meet the requirements of part 2. of subparagraph (b) may still be eligible for the HOPE Scholarship if they completed high school in a home school program or obtained a GED.

(d) Paragraph (5) shall only apply to:

(Rule 1640-01-19-.05, continued)

1. Dependent children of members of the armed forces or Tennessee National Guard whose home of record, at the time of entry into military service, is Tennessee; and

2. Dependent children of full-time civilian employees of the U.S. Department of Defense, who are Tennessee residents.

(6) A student who is a Tennessee citizen and a dependent child of a full-time religious worker may be eligible for a Tennessee HOPE Scholarship as an entering freshman as provided in this paragraph.

(a) Such student must meet all Tennessee HOPE Scholarship eligibility requirements except that:

1. While the student's parent is serving in another nation as a religious worker, the student does not reside in Tennessee immediately preceding the date of application for financial assistance; and

2. The student did not graduate from an eligible high school as defined in T.C.A. § 49-4-902, an ineligible high school, a Tennessee home school or obtain a GED.

(b) To be eligible for the Tennessee HOPE Scholarship under this paragraph (6), the student must:

1. Graduate from a high school in the foreign nation where the student's parent is a religious worker that is accredited by a regional accrediting association as defined in T.C.A. § 49-4-902 and meet the academic eligibility requirements of T.C.A. § 49-4-907(3); or

2. Complete high school in a home school in the foreign nation where the student's parent is a religious worker and meet the academic requirements of T.C.A. § 49-4-908(2)(A).

(c) Paragraph (6) only applies to dependent children of religious workers who are engaged in full-time religious work in another nation for more than one (1) year and who were Tennessee residents before leaving the U.S. to do religious work and intend to return to Tennessee upon completion of their assignment as a religious worker.

(7) In addition to the requirements of T.C.A. § 49-4-931, ~~T~~to be eligible for a Tennessee HOPE Scholarship, a non-traditional student shall meet the general eligibility requirements of Rule 1640-01-19-.04 and: ~~49-4-931, as provided in this paragraph.~~

(a) Is at least twenty-five years (25) of age; and

(b) Has an adjusted gross income attributable to the student that does not exceed the amount as described in T.C.A. § 49-4-915(a)(2); and

(c) Has enrolled in an eligible postsecondary institution and, except as provided by T.C.A. § 49-4-919, has maintained continuous enrollment at the eligible postsecondary institution either as a first time freshmen; or at least two (2) calendar years since the end of the semester of previously attending any postsecondary institution; and

(d) Since meeting the requirements of subparagraph (7)(c), has attended an eligible postsecondary institution and has maintained satisfactory progress in a course of study, in accordance with the standards and practices used for Federal Title IV

(Rule 1640-01-19-.05, continued)

programs at the postsecondary institution attended, ~~:~~either ~~l~~in an associate's degree program at a community college; or ~~l~~in an associate's or bachelor's degree program at a four-year institution; and

(e) Meets the GPA requirements at the end of the twelve (12) semester hours as described in T.C.A. § 49-4-931(b); and

(f) Enrolls in the semester immediately succeeding the semester in which eligibility is established.

(g) If the student fails to maintain continuous enrollment as required by subparagraphs (c) and (g) of this paragraph (7), the student must wait two (2) calendar years from the end of the semester of attending any postsecondary institution, before attempting to establish eligibility.

(8) To be eligible for a Tennessee HOPE Scholarship, students graduating from a high school located in a neighboring state in a county contiguous to Tennessee shall meet the requirements of T.C.A. § 49-4-935.

Authority: *T.C.A. §§ 49-4-201, 49-4-905, 49-4-907, 49-4-908, 49-4-909, 49-4-910, 49-4-918, 49-4-924, 49-4-926, 49-4-930, 49-4-931, 49-4-934, and 49-4-935.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendments filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.06 ELIGIBILITY – TENNESSEE ASPIRE AWARD.

(1) Except as provided in T.C.A. § 49-4-931, any student eligible for the Tennessee HOPE Scholarship with an adjusted gross income attributable to the student that does not exceed the amount as described in T.C.A. § 49-4-915(a)(2) will receive the ASPIRE award in addition to the base award. The adjusted gross income attributable to the student shall be reviewed each academic year to determine continuing eligibility for the ASPIRE award. Notwithstanding the provisions of Rule 1640-01-19-.12 to the contrary, a student otherwise eligible for the Tennessee HOPE Scholarship and meeting the requirements of this rule shall receive the ASPIRE award regardless of the student's eligibility for this grant in any prior year. A student eligible for both the ASPIRE award and the General Assembly Merit Scholarship shall be awarded the ASPIRE award, but shall not simultaneously receive both awards.

Authority: *T.C.A. §§ 49-4-201, 49-4-915, 49-4-917, 49-4-924, 49-4-930, and 49-4-931.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. . Public necessity rule*

(Rule 1640-01-19-.06, continued)

filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.

1640-01-19-.07 ELIGIBILITY – GENERAL ASSEMBLY MERIT SCHOLARSHIP.

(1) To be eligible for the General Assembly Merit Scholarship the student shall meet the requirements of T.C.A. § 49-4-916.

(2) Students eligible for both the ASPIRE award and the General Assembly Merit Scholarship shall be awarded the ASPIRE award, but shall not simultaneously be awarded both.

(3) A student eligible for a Tennessee HOPE Scholarship under Rule 1640-01-19-.05(8) shall not be eligible for a General Assembly Merit Scholarship supplemental award under T.C.A. § 49-4-916.

Authority: *T.C.A. §§ 49-4-201, 49-4-916, 49-4-917, 49-4-924, and 49-4-935.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Amendments filed January 25, 2005; effective May 31, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.08 ELIGIBILITY – TENNESSEE HOPE ACCESS GRANT.

(1) In addition to the general eligibility requirements in Rule 1640-01-19-.04, to be eligible for a Tennessee HOPE Access Grant a student shall meet the requirements of T.C.A. § 49-4-920.

Authority: *T.C.A. §§ 49-4-201, 49-4-920, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Amendments filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.09 ELIGIBILITY – TENNESSEE HOPE FOSTER CHILD GRANT.

(1) In addition to the general eligibility requirements in Rule 1640-01-19-.04, to be eligible for the Tennessee HOPE Foster Child Grant a student shall meet the requirements of T.C.A. § 49-4-933.

(2) The Tennessee HOPE Foster Child Tuition Grant shall be the cost of attendance less any gift aid, with the total HOPE Foster Child Tuition Grant amount not to exceed the cost of tuition and mandatory fees at the eligible postsecondary institution attended. Additionally, at an eligible independent postsecondary institution, the Tennessee HOPE Foster Child Tuition Grant shall not exceed the statewide average public tuition and mandatory fee rate for the type of institution (two-year or four-year) attended.

(Rule 1640-01-19-.09, continued)

Authority: *T.C.A. §§ 49-4-201, 49-4-924, and 49-4-933.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.10 ELIGIBILITY – WILDER-NAIFEH TECHNICAL SKILLS GRANT.

(1) In addition to the general eligibility requirements in Rule 1640-01-19-.04, to be eligible for a Wilder-Naifeh Technical Skills Grant a student shall meet the requirement of T.C.A. § 49-4-921.

Authority: *T.C.A. §§ 49-4-201, 49-4-921, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Amendment filed October 21, 2004; effective February 28, 2005. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.11 ELIGIBILITY – DUAL ENROLLMENT GRANT.

(1) To be eligible for a Dual Enrollment Grant a student shall meet the requirements of T.C.A. § 49-4-930.

(2) The student must have completed all of the academic requirements of the 10th grade (high school sophomore) and be classified as an 11th grader (high school junior) or 12th grader (high school senior) by the student's high school or home school program.

(3) The student must not have already received a high school diploma or GED diploma.

(4) A student's participation in the Dual Enrollment Grant program is limited to the remaining amount of time normally required to complete the high school diploma, from the time of initial participation in the program. The grant is available for the regular fall and spring semester, and for summer semesters prior to graduation from high school for those students who did not exceed the maximum award during the regular school year.

Authority: *T.C.A §§ 49-4-201, 49-4-924, and 49-4-930.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.12 RETENTION OF AWARDS – GENERAL REQUIREMENTS.

(1) To retain a TELS award authorized by this chapter, a student, including a non-traditional student, at an eligible postsecondary institution shall continue to meet all applicable requirements for the scholarship and shall reapply by completing the FAFSA or Renewal FAFSA pursuant to Rule 1640-01-19-.03 for the applicable award for each academic year.

(2) Eligibility for the HOPE Scholarship shall be reviewed in accordance with T.C.A. § 49-4-911. These benchmarks for students receiving the TELS as a non-traditional student shall only apply to grades earned and credit hours attempted after enrolling in accordance with rule 1640-01-19-.05(7)(c).

(3) Except as provided in paragraph (4) of this rule and Rules 1640-01-19-.20 and 1640-01-19-.21, a student may receive a Tennessee HOPE Scholarship until a terminating event as described in T.C.A. § 49-4-913 occurs. For students receiving the TELS as a non-traditional student, the five (5) year limitation will be determined ~~by~~ when the sum of the number of years the student received the TELS award as a traditional student, and the years during which the student has received the TELS award as non-traditional student equals five (5) years.

(4) The attempted credit hour includes remedial and developmental studies and all regular college credit courses attempted after high school graduation. These benchmarks for students receiving the TELS as a non-traditional student shall only apply to grades earned and credit hours attempted after enrolling in accordance with Rule 1640-01-19-.05(7)(c).

(5) A student who meets all other requirements for fourth or fifth year eligibility except that he or she is classified at the professional level rather than as an undergraduate, and has not been awarded a baccalaureate degree, is eligible if he or she was accepted into the professional level program of study that is an extension of the student's bachelor's degree program.

(6) If a student ceases to be eligible for any TELS award, except the General Assembly Merit Scholarship, due to failure to achieve the cumulative grade point average required at the end of the semester in which the student has attempted twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96), or any subsequent multiple of twenty-four (24) semester hours thereafter, the student may regain the applicable award or awards by:

(a) Continuing to meet all applicable non-academic requirements for the applicable award or awards; and

(b) Maintaining continuous enrollment at an eligible postsecondary institution without the applicable award or awards; and

(c) Attaining grade point average requirements as described in T.C.A. § 49-4-911 at the end of any semester in which eligibility would have been reviewed, had the student not lost the award or awards; and

(d) Reapplying for the scholarship as provided in Rule 1640-01-19-.03.

(7) The provisions of paragraph (6) of this rule shall also apply to any student who:

(a) Completed high school requirements after December 1, 2003, who, for whatever reason, did not receive a TELS award, notwithstanding the fact that the student met the applicable initial eligibility requirements of Rule 1640-01-19-.05(1); or

(b) Completed high school requirements after January 1, 2003 and prior to December 1, 2003, who completed at least twenty-four (24) semester hours during the 2003-2004

(Rule 1640-01-19-.12, continued)

academic year with a cumulative grade point average under 2.75, but met all other applicable initial eligibility requirements of Rule 1640-01-19-.05(3), and is otherwise eligible for the award.

(8) No retroactive awards shall be made for semester hours attempted in order to regain the scholarship.

(9) A student can utilize the option outlined in paragraph (6) of this rule only one time. A student who, after regaining the award or awards pursuant to paragraph (6) of this rule, subsequently fails to retain any TELS award due to failure to achieve the cumulative grade point average at a regular credit hour checkpoint shall not be eligible to regain the TELS award or become eligible for another TELS award.

(10) Except as provided by Rule 1640-01-19-.20 or 1640-01-19-.21, a student receiving a TELS award provided by this chapter shall maintain continuous enrollment at an eligible postsecondary institution and maintain satisfactory progress in a course of study in accordance with the standards and practices used for Title IV programs by the postsecondary institution in which the student is currently enrolled.

Authority: *T.C.A. §§ 49-4-201, 49-4-909, 49-4-911, 49-4-912, 49-4-913, 49-4-920, 49-4-921, ~~and~~ 49-4-924, and 49-4-931.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendments filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.13 RETENTION OF AWARDS – TENNESSEE HOPE ACCESS GRANT.

(1) In addition to the general requirements for retention of award in Rule 1640-01-19-.12:

(a) A Tennessee HOPE Access Grant shall be awarded to an eligible student only until the end of the semester in which the student has attempted a total of twenty-four (24) semester hours. A student who is eligible for a Tennessee HOPE Scholarship shall be ineligible for a Tennessee HOPE Access Grant.

(b) If a student receiving a Tennessee HOPE Access Grant has achieved a cumulative grade point average of at least 2.75 at the end of the semester in which the student has attempted twenty-four (24) semester hours, the student shall be eligible for a Tennessee HOPE Scholarship. The student will also receive the ASPIRE award referenced in Rule 1640-01-19-.06, if the adjusted gross income attributable to the student at the time of review does not exceed the amount described in T.C.A. § 49-4-915(a)(2).

(c) If a student ceases to be eligible due to failure to achieve the cumulative grade point average required at the end of the semester in which the student has attempted twenty-four (24) semester hours, the student may be eligible to regain the HOPE Scholarship by following the procedure outlined in Rule 1640-01-19-.12(6).

(Rule 1640-01-19-.13, continued)

(d) A student may receive a Tennessee HOPE Scholarship after having received a Tennessee HOPE Access Grant until a terminating event as described in T.C.A. § 49-4-913 occurs.

Authority: *T.C.A. §§ 49-4-201, 49-4-913, 49-4-915, 49-4-920, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.14 RETENTION OF AWARDS – DUAL ENROLLMENT GRANT.

(1) To be eligible for a Dual Enrollment Grant the student must meet the minimum requirements pursuant to T.C.A. § 49-4-930.

(2) The Dual Enrollment cumulative grade point average used to determine eligibility for a renewal of a Dual Enrollment Grant must be calculated by the institution the student is attending, utilizing its institutional grading policy and must be based on all dual enrollment credit hours attempted, except as otherwise provided in this rule.

(3) Distance education courses and independent studies courses are eligible for payment with a Dual Enrollment Grant and shall be included in the calculation of the postsecondary cumulative grade point average.

(4) Courses in which a student enrolls as an audit student for which no college credit will be received cannot be paid with a Dual Enrollment Grant.

(5) Students who obtain a grade change shall notify the financial aid office within thirty (30) calendar days of the grade change and request reinstatement of his/her award on a form developed by the institution for this purpose. If the grade change makes the student eligible for a Dual Enrollment Grant, the student can be awarded retroactively in the current award year. If the grade change affects the student's eligibility from the previous award year, the award may be adjusted in the current award year.

(6) A student enrolled in a matriculating status at an eligible postsecondary institution shall qualify for award payment for distance education courses.

(7) The grant will pay only for lower division (courses numbered 100-200 or 1000-2000) postsecondary credit for general education courses and courses in the disciplines. The grant will not pay for upper division courses (numbered 300-400 or 3000-4000).

Authority: *T.C.A. §§ 49-4-201, 49-4-924, and 49-4-930.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendments filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.15 TENNESSEE EDUCATION LOTTERY SCHOLARSHIP AWARD PROCESS.

(Rule 1640-01-19-.15, continued)

(1) On or before June 30 of each year, all eligible high schools shall submit the name, social security number, grade point averages, and highest composite ACT/SAT score on any single test date, for academically eligible students, cumulative through the eighth semester. Students who graduate from summer school shall have their information reported to TSAC on or before August 15 of each year.

(2) Eligible postsecondary institutions that enroll students receiving scholarships or grants shall assist in providing and certifying student information necessary for administering, receiving, and evaluating such programs.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.16 CONTINUATION OF TENNESSEE EDUCATION LOTTERY SCHOLARSHIP AWARD.

(1) All students receiving a TELS award shall reapply for the award by filing a FAFSA or Renewal FAFSA as provided in Rule 1640-01-19-.03 for each subsequent year.

~~(2)~~ (a) During the certification process, all eligible postsecondary institutions shall certify the number of credit hours attempted and the cumulative grade point average of all students receiving a TELS award at the end of the semester at which the student has attempted twenty-four (24), forty-eight (48), seventy-two (72), ninety-six (96), or any subsequent multiple of twenty-four (24) semester hours thereafter or as described in T.C.A. § 49-4-911(a)(2).

(b) Notwithstanding the provisions of subparagraph (1)(a) above to the contrary, only those grades earned and credit hours attempted by a non-traditional student, after enrolling in accordance with Rule 1640-01-19-.05(7)(c), shall count toward the benchmark requirements.

(~~3~~2) In order to remain eligible for the HOPE Scholarship, the student must meet the minimum requirements pursuant to T.C.A. § 49-4-911.

(~~4~~3) Students who reach a benchmark during the summer semester shall have their continuing eligibility determined based upon the cumulative grade point average and semester grade point average, if required, as of the end of the summer semester.

(~~5~~4) Students entering into the provisions of T.C.A. § 49-4-911(a)(2) may enter into these provisions as a part-time student. However, upon receiving the award based on the provisions of T.C.A. § 49-4-911(a)(2), the student must maintain continuous enrollment each semester.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, 49-4-911, ~~and~~ 49-4-924~~.~~, and 49-4-931.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public*

(Rule 1640-01-19-.16, continued)

necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendments filed January 30, 2009; effective May 29, 2009.

1640-01-19-.17 AWARD MADE IN ERROR.

(1) If a student receives a TELS award 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 and 49-4-924.* ***Administrative History****: Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.18 REFUND POLICY.

(1) If a recipient of a TELS award or a Dual Enrollment 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 also 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 and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.19 CONVERTING FROM FULL-TIME TO PART-TIME ENROLLMENT.

(1) Students enrolled in a full-time status, as of institutionally defined census date, may not convert to part-time status within the same semester and receive a scholarship award for the succeeding semesters unless the student requests and the institution approves the change to part-time status.

(Rule 1640-01-19-.19, continued)

(2) An institution may allow a change from full-time to part-time status within the same semester only when there are documented medical or personal grounds. Such medical or personal grounds shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, or other extraordinary circumstances beyond the student's control where continued full-time attendance by the student creates a substantial hardship.

(3) Each eligible postsecondary institution shall adopt procedures for considering student requests for change from full-time to part-time status within the semester. In the event an institution denies a student's request to change from full-time status to part-time status within a semester, the student may appeal the decision pursuant to Rule 1640-01-19-.26.

(4) In the event that the decision to deny the change of status is upheld through the appeals process, the student shall be ineligible to regain the TELS award or become eligible for another TELS award.

(5) In the event the change to part-time status is approved, 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 Corporation. Additionally, the eligible postsecondary institution shall notify the Corporation of the chargeback, which shall be noted on the student's record.

(6) For the purposes of this rule, only courses that are included in the calculation of the grade point average pursuant to Rule 1640-01-19-.22 are to be considered in determining full-time status.

(7) In the event the student is eligible for the HOPE Scholarship as defined in T.C.A. § 49-4-911(a)(2) then the student shall maintain continuous enrollment on a semester-by-semester basis.

Authority: *T.C.A. §§ 49-4-201, 49-4-911, 49-4-912, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed October 23, 2008; effective through April 6, 2009. Public necessity rule filed October 23, 2008 and effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.20 PERSONAL OR MEDICAL LEAVE OF ABSENCE.

(1) A student may be granted medical or personal leaves of absence from attendance at an eligible postsecondary institution and resume receiving an award(s) upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. Each eligible postsecondary institution shall adopt procedures for considering student requests for leaves of absence. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, to fulfill a religious commitment expected of all students of that faith, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. Acceptable reasons shall also include a student's participation in an internship or co-op program that is required or encouraged as part the academic program in which he/she is enrolled. In the event an institution denies a

(Rule 1640-01-19-.20, continued)

student's request for a medical or personal leave of absence, the student may appeal the decision in accordance with Rule 1640-01-19-.26.

(2) Students granted a medical or personal leave of absence who resume their education at an eligible postsecondary institution shall retain TELS award eligibility until a terminating event as described in T.C.A. § 49-4-913 occurs.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, 49-4-913, 49-4-919, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.21 MILITARY MOBILIZATION OF ELIGIBLE STUDENTS.

(1) Members of the United States Armed Services, National Guard, or Armed Forces Reserves receiving a TELS award who are mobilized for active duty during a semester that is already in progress shall be granted a personal leave of absence by the eligible postsecondary institution the student is attending and shall not have their TELS award eligibility negatively impacted.

(2) If, as a result of being mobilized, a student elects to completely withdraw from an eligible postsecondary institution, then the hours attempted during the semester will not be taken into consideration for purposes of determining future TELS award eligibility.

(3) If due to a military mobilization the student elects to receive an "incomplete" in any or all courses, the provisions of Rule 1640-01-19-.22 shall apply.

(4) Upon re-enrollment within one year following mobilization, the student's TELS award eligibility will resume as if no break in enrollment had occurred and shall retain TELS award eligibility until a terminating event as described in T.C.A. § 49-4-913 occurs.

(5) An eligible postsecondary institution shall be authorized to consider a request for a leave of absence from a student whose spouse, child, father or mother is mobilized for active duty as a valid basis for a personal leave of absence. This request shall be made in accordance with the provisions of this rule. If the request is granted the student shall receive the same accommodations described above.

(6) Tennessee residents attending an out-of-state institution, otherwise eligible, shall not have their TELS award eligibility negatively impacted by military mobilization upon their return to the state as a transfer student attending an eligible postsecondary institution.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, 49-4-913, 49-4-919, and 49-4-924.* ***Administrative History:*** *Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.22 CALCULATION OF POSTSECONDARY CUMULATIVE GRADE POINT AVERAGE.

(Rule 1640-01-19-.22, continued)

(1) The postsecondary cumulative grade point average used to determine eligibility for a renewal of a TELS award, must be calculated by the institution the student is attending, utilizing its institutional grading policy and must be based on all credit hours attempted after high school graduation, except as otherwise provided in this rule and as described in T.C.A. § 49-4-911.

(a) Notwithstanding the provisions of paragraph (1) above to the contrary, only those grades earned and credit hours attempted by a non-traditional student, after enrolling in accordance with Rule 1640-01-19-.05(7)(c), shall count toward the benchmark requirements.

(2) All credit hours attempted at all postsecondary institutions the student has attended after graduating from high school and their corresponding grades 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. Except as provided in subparagraph (a) of this paragraph, credit hours that were repeated shall be included in the postsecondary cumulative grade point average calculation.

(a) A student shall have a one-time option to repeat one course and utilize only the higher of the two grades in the calculation of their postsecondary grade point average for purposes of determining continued eligibility for a TELS award. The semester hours for both attempted courses, however, will be included in the overall number of attempted hours for determining HOPE Scholarship eligibility.

(b) It shall be the responsibility of the student to advise the appropriate official of the eligible postsecondary institution when this option is being exercised.

(3) Grades received for courses attempted prior to high school graduation, completion of a home school program in Tennessee or GED attainment, including those attempted with the Dual Enrollment Grant, do not count in the postsecondary cumulative grade point average or in the attempted hours for determining HOPE Scholarship eligibility.

(4) Credit hours earned by examination are not eligible for payment with TELS awards and shall not be included in the postsecondary cumulative grade point average or in the attempted hours for determining HOPE Scholarship eligibility.

(5) Credit hours attempted as part of a diploma or certificate program of study are not considered to be college credit hours and therefore shall not be included in the postsecondary cumulative grade point average or in the attempted hours for determining HOPE Scholarship eligibility unless those hours are accepted toward a degree.

(6) Remedial and developmental studies and independent studies courses are eligible for payment with TELS awards and shall be included in the calculation of the postsecondary cumulative grade point average and in the attempted hours for determining HOPE Scholarship eligibility.

(7) Courses in which a student enrolls as an audit student for which no college credit will be received cannot be paid with a TELS award or included in the attempted hours for determining HOPE Scholarship eligibility.

(8) Continuing education courses are not eligible for payment with TELS awards and shall not be included in the postsecondary cumulative grade point average or in the attempted hours for determining HOPE Scholarship eligibility.

(9) 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

(Rule 1640-01-19-.22, continued)

developed by the institution for this purpose. If the grade change makes the student eligible for a TELS award, the student can be awarded a TELS award retroactively in the current award year. If the grade change affects the student's eligibility from the previous award year, the TELS award 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 TELS award 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 1640-01-19-.26.

(10) A student enrolled in a matriculating status at an eligible postsecondary institution shall qualify for TELS award payment for distance education courses if all other eligibility requirements are met. Students may take courses through more than one eligible postsecondary institution during the same semester. Payment for the distance education courses shall be made in the same manner as transient students as provided in Rule 1640-01-19-.24.

(11) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for TELS award payment 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.

(12) A student enrolled in a matriculating status at an eligible postsecondary institution may qualify for TELS award payment 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.

(13) Courses that appear on a student's transcript as an "incomplete" shall be considered credit hours attempted. The student's TELS award 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 TELS award as a result of the calculation of an incomplete, but later becomes eligible when the grade for the "incomplete" course is reported, the student is eligible to receive a TELS award retroactively within the award year and shall retain eligibility. Retroactive TELS awards 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 TELS award 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 TELS award be reinstated. Each eligible postsecondary institution shall develop a standard form for use by students to comply with this provision. If the student's application for reinstatement is denied, he/she may appeal the decision in accordance with Rule 1640-01-19-.26.

(b) If the student retains eligibility for a TELS award as a result of the calculation, but later becomes ineligible when the grade for the "incomplete" course is reported, then the student shall be ineligible for all TELS awards. Additionally, the student shall reimburse the institution for TELS awards received in the interim.

(Rule 1640-01-19-.22, continued)

(14) Courses in which a student withdraws shall not be used in calculating the cumulative grade point average. The hours shall be included in the attempted hours for determining HOPE Scholarship eligibility.

(15) Courses in which a student takes a pass/fail course shall not be used in calculating the cumulative grade point average. The hours shall be included in the attempted hours for determining HOPE Scholarship eligibility.

***Authority**: T.C.A. §§ 49-4-201, 49-4-903, 49-4-911, 49-4-913, 49-4-919, ~~and~~ 49-4-924, and 49-4-931.* ***Administrative History:** Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009; rule reverted to its previous status. Amendments filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.23 TRANSFER STUDENTS.

(1) To be eligible for a Tennessee HOPE scholarship as a transfer student from a regionally accredited postsecondary institution located outside of Tennessee, a student shall meet the requirements of T.C.A. § 49-4-929.

(2) Any student who was initially eligible for a Tennessee HOPE Scholarship or HOPE Access Grant but who instead of enrolling at either an eligible 2-year or 4-year postsecondary institution enrolled at a Tennessee Technology Center and obtained the Wilder-Naifeh Technical Skills Grant and completed a diploma program is eligible for a HOPE Scholarship at either an eligible 2-year or 4-year postsecondary institution. The student must apply for a HOPE Scholarship within three (3) years of completing the diploma program.

***Authority:** T.C.A. §§ 49-4-201, 49-4-910, 49-4-911, 49-4-924, 49-4-929, and 49-4-937.* ***Administrative History**: Original rule filed December 29, 2003; effective April 29, 2004. Public necessity rule filed October 4, 2005; effective through March 18, 2006. Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to rules in effect on October 3, 2005. Repeal and new rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendment filed January 30, 2009; effective May 29, 2009.*

1640-01-19-.24 TRANSIENT STUDENTS.

(1) A transient student is eligible to receive a TELS award 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 TELS funds 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 a TELS award. 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

(Rule 1640-01-19-.24, continued)

semester, the host institution shall provide the student's home institution with all information necessary for the home institution to determine continued TELS award eligibility.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, and 49-4-924.* ***Administrative History:*** *Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Amendment filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.25 DENIAL OF INITIAL ELIGIBILITY – FAILURE TO TIMELY ENROLL.

(1) A student who fails to timely enroll in an eligible postsecondary institution as required by Rule 1640-01-19-.05 may be granted an exception if the student failed to meet the requirement for any reason provided for in this rule. An exception shall be granted only for medical or personal reasons. Acceptable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, to fulfill a religious commitment expected of all students of that faith, or other extraordinary circumstances beyond the student's control where timely enrollment by the student would create a substantial hardship. In the event a student's request for an exemption for failing to timely enroll is denied, the student may appeal the decision pursuant to the Rule 1640-01-19-.26.

Authority: *T.C.A. §§ 49-4-201, 49-4-903, and 49-4-924.* ***Administrative History:*** *Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Amendment filed November 20, 2007; effective March 28, 2008.*

1640-01-19-.26 APPEAL AND EXCEPTION PROCESS.

(1) Each eligible postsecondary institution shall establish an Institutional Review Panel (IRP) for the purposes of rendering a decision in order to deny or revoke an applicant's TELS award. 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 TELS award. 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 TELS award are notified of the procedures to appeal the denial or revocation of a TELS award 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 TELS award shall participate in the appeal process for the same applicant or recipient. The IRP may award or reinstate the student's TELS award 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.

(Rule 1640-01-19-.26, continued)

(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 TELS award 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 TELS award was based, including, but not limited to high school grade point average, ACT or SAT scores, or grades from another eligible postsecondary institution. Additionally, neither appeals panel shall have the authority to consider requests for exceptions to the high school or collegiate grade point average.

Authority: *T.C.A. §§ 49-4-201 and 49-4-924.* ***Administrative History****: Public necessity rules 1640-01-19-.01 through 1640-01-19-.26 filed October 4, 2005, expired on March 18, 2006. On March 19, 2006, rules 1640-01-19-.01 through 1640-01-19-.26 reverted to reserved status. Original rule filed November 9, 2005; effective March 30, 2006. Public necessity rule filed November 30, 2006; expires May 14, 2007. Amendment filed November 30, 2006; effective March 30, 2007. Public necessity rule filed November 20, 2007; effective through May 3, 2008. Repeal and new rule filed November 20, 2007; effective March 28, 2008. Public necessity rule filed October 23, 2008; effective through April 6, 2009, expired on April 7, 2009; rule reverted to its previous status. Amendments filed January 30, 2009; effective May 29, 2009.*