

By: Representative Gunn

To: Universities and
Colleges; Appropriations

HOUSE BILL NO. 431

1 AN ACT TO CREATE THE MISSISSIPPI PROMISE SCHOLARSHIP ACT OF
2 2015; TO PROVIDE DEFINITIONS; TO PROVIDE THAT THE POSTSECONDARY
3 EDUCATION FINANCIAL ASSISTANCE BOARD SHALL ADMINISTER THE
4 SCHOLARSHIP PROGRAM; TO PROVIDE THAT THE SCHOLARSHIP PROGRAM IS
5 FOR MISSISSIPPI RESIDENTS SEEKING AN ASSOCIATE'S DEGREE,
6 CERTIFICATE OR DIPLOMA FROM A PUBLIC OR PRIVATE ELIGIBLE
7 POSTSECONDARY INSTITUTION; TO PROVIDE CRITERIA FOR RECEIVING AND
8 RETAINING THE SCHOLARSHIP, INCLUDING PARTICIPATION IN MENTORING
9 AND COMMUNITY SERVICE; TO PROVIDE THE TERMS OF THE SCHOLARSHIP
10 AMOUNT AND TIME LIMIT; TO CREATE THE MISSISSIPPI PROMISE
11 SCHOLARSHIP ENDOWMENT AS AN IRREVOCABLE TRUST; TO PROVIDE FOR
12 TRUSTEES; TO PROVIDE VARIOUS PROVISIONS REGARDING THE TRUST; TO
13 PROVIDE THAT THE POSTSECONDARY EDUCATION FINANCIAL ASSISTANCE
14 BOARD SHALL APPOINT A SPECIAL ADVISORY COMMITTEE COMPRISED OF
15 REPRESENTATIVES FROM EXISTING COLLEGE ACCESS PROGRAMS IN THE
16 STATE; TO PROVIDE THE POSTSECONDARY EDUCATION FINANCIAL ASSISTANCE
17 BOARD WITH RULEMAKING AUTHORITY REGARDING THE SCHOLARSHIP PROGRAM;
18 AND FOR RELATED PURPOSES.

19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

20 **SECTION 1.** (1) This act shall be known and may be cited as
21 the "Mississippi Promise Scholarship Act of 2015."

22 **SECTION 2.** As used in this act, the following words shall
23 have the following meanings, unless the context clearly indicates
24 otherwise:



25 (a) "Eligible high school" means a high school
26 accredited by a state or regional accrediting agency or
27 approved/licensed by the State Department of Education;

28 (b) "Eligible postsecondary institution" means a public
29 community or junior college, or another approved institution, as
30 defined in Section 37-106-5, offering an associate's degree
31 program approved by PEFAB;

32 (c) "Gift aid" means scholarships and grants from any
33 source that do not require repayment, including funds provided
34 through the federal Foster Care Independence Act of 1999, compiled
35 generally in Title 42 USC, and other similar programs. Student
36 loans and work-study awards shall not be considered gift aid;

37 (d) "Regident" shall have the same meaning as provided
38 in Section 37-106-5.

39 **SECTION 3.** The Postsecondary Education Financial Assistance
40 Board (PEFAB) shall administer the Mississippi Promise Scholarship
41 Program for Mississippi residents seeking an associate's degree,
42 certificate or diploma from an eligible postsecondary institution
43 under the following terms and conditions:

44 (a) To be eligible for the scholarship a student shall
45 be admitted to, and enrolled full time in, an eligible
46 postsecondary program in the fall term following graduation from
47 an eligible high school, or completion of high school as a
48 Mississippi home school student, or obtaining a high school
49 equivalency diploma; provided, that the student obtains the high



50 school equivalency diploma prior to the student reaching nineteen
51 (19) years of age. Exceptions to initial enrollment may be made
52 for extenuating circumstances as provided in rules and regulations
53 promulgated by PEFAB;

54 (b) Students applying for the scholarship shall
55 complete the Mississippi Promise Scholarship Program application
56 for their initial year of enrollment in accordance with the
57 schedule determined by PEFAB. Students shall complete the free
58 application for federal student aid (FAFSA) each academic year in
59 which they seek to receive the Mississippi Promise Scholarship;

60 (c) To continue to receive a Mississippi Promise
61 Scholarship at an eligible postsecondary institution, a student
62 shall maintain a minimum cumulative grade point average of 2.0 as
63 set forth in the rules promulgated by PEFAB;

64 (d) Scholarship recipients shall participate in
65 mentoring and community service programs under the rules and
66 regulations promulgated by PEFAB. PEFAB shall develop the
67 selection and renewal criteria for students and shall have the
68 authority to work with outside organizations to develop the most
69 effective means for delivering the scholarships. In selecting
70 outside organizations for participation in the Mississippi Promise
71 Scholarship Program, PEFAB shall give preference to locally
72 established entities that meet designated standards specified by
73 the program's promulgated rules and regulations;



74 (e) A Mississippi Promise Scholarship at a Mississippi
75 public community or junior college shall be the cost of tuition
76 and mandatory fees at the college attended less all other gift
77 aid. Gift aid shall be credited first to the student's tuition
78 and mandatory fees;

79 (f) Notwithstanding paragraph (e) of this section, the
80 amount of the Mississippi Promise Scholarship at an eligible state
81 institution of higher learning or a private eligible postsecondary
82 institution shall be the average cost of tuition and mandatory
83 fees at the state institutions of higher learning less all other
84 gift aid. Gift aid shall be credited first to the average tuition
85 and mandatory fees as described in paragraph (e) of this
86 subsection;

87 (g) A Mississippi Promise Scholarship student who has
88 an approved medical or personal leave of absence from an eligible
89 postsecondary institution may continue to receive the scholarship
90 upon resuming the student's education at an eligible postsecondary
91 institution so long as the student continues to meet all
92 applicable eligibility requirements. The sum of all approved
93 leaves of absence shall not exceed six (6) months;

94 (h) A student shall be eligible for the Mississippi
95 Promise Scholarship until the occurrence of the first of the
96 following events:

97 (i) The student has earned a diploma or
98 associate's degree; or



99 (ii) The sum of the number of years the student
100 attended a postsecondary institution, exclusive of approved leaves
101 of absence, equals two and one-half (2-1/2) years from the date of
102 the student's initial enrollment at an eligible postsecondary
103 institution; and

104 (i) Except for a medical or personal leave of absence,
105 as approved by an eligible postsecondary institution, a
106 Mississippi Promise Scholarship student shall maintain continuous
107 enrollment at an eligible postsecondary institution.

108 **SECTION 4.** The Mississippi Promise Scholarship Endowment
109 Fund is created. The Mississippi Promise Scholarship Endowment
110 Fund shall be established and funded under the following terms and
111 conditions:

112 (a) This fund shall be an irrevocable trust that the
113 State Treasurer shall administer. The Attorney General shall
114 approve the terms of the trust instrument. The trust shall
115 consist of the Mississippi Promise Endowment Account and the
116 Mississippi Promise Scholarship Special Reserve Account;

117 (b) The trustees of the trust shall be as follows:

118 (i) The Governor, or his designee;

119 (ii) The State Treasurer;

120 (iii) The Secretary of State;

121 (iv) The State Fiscal Officer;

122 (v) Three (3) members appointed by the Governor

123 who shall serve at the pleasure of the governor;



124 (c) The State Treasurer shall serve as the chair of the
125 trustees and shall preside over all meetings and proceedings of
126 the trustees;

127 (d) The trust may invest in any security or investment
128 in which the Public Employees' Retirement System is permitted to
129 invest; provided, that investments by the trust shall be governed
130 by the investment policies and guidelines adopted by the trustees
131 of the trust in accordance with the provisions of this act. The
132 State Treasurer shall be responsible for the investment and
133 reinvestment of trust funds in accordance with the policies and
134 guidelines established by the trustees;

135 (e) The initial deposit, from appropriated monies or
136 any other sources, shall constitute the principal of the trust.
137 Subsequent transfers to the trust and trust income shall not
138 increase, or constitute an addition to, the principal of the
139 trust, but shall be placed in the Mississippi Promise Scholarship
140 Special Reserve Account;

141 (f) The Mississippi Promise Scholarship Special Reserve
142 Account shall be a part of the trust, and the funds in the special
143 reserve account may be commingled with, co-invested with, and
144 invested or reinvested with the other assets of the trust;

145 (g) The principal of the trust shall not be expended
146 for any purpose. Trust income shall be expended only to fund the
147 Mississippi Promise Scholarship Program and pay expenses incurred
148 in administering and investing the trust assets. Trust income



149 means the income from the trust's investment portfolio from
150 whatever source derived, including, but not limited to, interest,
151 dividends, and realized capital gains or losses;

152 (h) Any trust income not allocated or distributed to
153 the beneficiaries of the Mississippi Promise Scholarship Program
154 shall be maintained in a Mississippi Promise Scholarship Special
155 Reserve Account and may be subject to future allocations and
156 distributions in accordance with this section;

157 (i) Any funds transferred for the Mississippi Promise
158 Scholarship Program after the initial deposit, including matching
159 funds or future appropriations made by the Legislature, shall be
160 placed in the Mississippi Promise Scholarship Special Reserve
161 Account of the trust. Unexpended funds remaining in the trust in
162 any fiscal year, whether principal or funds in the Mississippi
163 Promise Scholarship Special Reserve Account shall not lapse into
164 the General Fund;

165 (j) The funds transferred to this trust may be
166 commingled with, co-invested with, and invested or reinvested with
167 other assets transferred to the trust. All or a portion of the
168 trust may be invested, reinvested and co-invested with other
169 funds, not a part of the trust, which are held by the State
170 Treasurer. The State Treasurer shall account for such trust funds
171 in one or more separate accounts in accordance with this section
172 and other law;



173 (k) Notwithstanding any other provision of law to the
174 contrary, all funds placed in the Mississippi Promise Scholarship
175 Special Reserve Account shall be available for allocation and
176 distribution as authorized herein only to the extent that funds
177 are available in the Mississippi Promise Scholarship Special
178 Reserve Account, and the state shall not be liable for any amount
179 in excess of such sum. All requests for withdrawals for the
180 payment of program funding that are presented to the State
181 Treasurer shall be used only to fund the Mississippi Promise
182 Scholarship Program. Such requests for withdrawals shall not be
183 commingled with requests for withdrawals presented to the State
184 Treasurer for any other purpose, and the individual or entity
185 requesting the withdrawal of funds shall attest to the same upon
186 presentation of the request for withdrawal to the State Treasurer;
187 and

188 (1) The provisions of the irrevocable trust are
189 provided in this section, but the trust shall not include the
190 provisions contained in other subsections of this act, which shall
191 be subject to amendment by legislative enactment.

192 **SECTION 5.** The Postsecondary Education Financial Assistance
193 Board (PEFAB) and the Board of Trustees of State Institutions of
194 Higher Learning shall provide assistance to the Legislature by
195 researching and analyzing data concerning the scholarship program
196 created under this act, including, but not limited to, student
197 success and scholarship retention. PEFAB shall report its



198 findings annually to the Universities and Colleges Committees of
199 the House of Representatives and Senate by March 15.

200 **SECTION 6.** The State Treasurer shall review and study the
201 Mississippi Promise Scholarship Program to determine the
202 effectiveness of the program. The study shall be done in the
203 third year of the program and every four (4) years thereafter.
204 The State Treasurer shall report the findings and conclusions of
205 the study to the Speaker of the House of Representatives, the
206 Lieutenant Governor and the members of the Universities and
207 Colleges Committees of the House of Representatives and the
208 Senate.

209 **SECTION 7.** The Postsecondary Education Financial Assistance
210 Board (PEFAB) shall appoint a special advisory committee comprised
211 of representatives from existing college access programs in the
212 state. The committee shall take steps necessary to eliminate
213 barriers to access to scholarships and hold mentoring
214 organizations to the highest standard in serving the students
215 receiving the scholarship. Members of the committee shall serve
216 without compensation.

217 **SECTION 8.** The Postsecondary Education Financial Assistance
218 Board (PEFAB) is authorized to promulgate rules to effectuate the
219 purposes of this act, including the determination of student
220 eligibility and for the distribution of funds appropriated for
221 scholarships under the program. Such rules shall include
222 adjustments to scholarship amounts and student eligibility in the



223 event that net proceeds from the trust account established under
224 this section are insufficient to fund fully the Mississippi
225 Promise Scholarship Program.

226 **SECTION 9.** This act shall take effect and be in force from
227 and after July 1, 2015.

