

By: Representative Paden

To: Universities and
Colleges; Appropriations A

HOUSE BILL NO. 341

1 AN ACT TO ESTABLISH THE "MISSISSIPPI PROMISE SCHOLARSHIP ACT
2 OF 2025," FOR THE PURPOSE OF CREATING A SCHOLARSHIP AND MENTORING
3 PROGRAM FOCUSED ON INCREASING THE NUMBER OF STUDENTS THAT ATTEND
4 COLLEGE IN THE STATE OF MISSISSIPPI; TO PROVIDE STUDENTS WITH A
5 LAST-DOLLAR SCHOLARSHIP TO COVER THE COST OF TUITION AND MANDATORY
6 FEES NOT COVERED BY PELL GRANT OR ANY OTHER STATE SCHOLARSHIP OR
7 STATE STUDENT ASSISTANCE FUNDS; TO PROVIDE FOR THE USE OF A
8 MISSISSIPPI PROMISE SCHOLARSHIP AT ANY PUBLIC OR PRIVATE
9 POSTSECONDARY INSTITUTION IN THE STATE OR OTHER ELIGIBLE
10 INSTITUTION OFFERING AN ASSOCIATE'S DEGREE PROGRAM; TO PROVIDE
11 THAT THE MISSISSIPPI PROMISE SCHOLARSHIP SHALL BE ADMINISTERED BY
12 THE MISSISSIPPI COMMUNITY COLLEGE BOARD; TO PROVIDE FOR THE
13 FUNDING AND CREATION OF THE MISSISSIPPI PROMISE SCHOLARSHIP; TO
14 PRESCRIBE THE CRITERIA TO BE USED IN DETERMINING THE AMOUNT OF
15 ASSISTANCE ELIGIBLE STUDENTS MAY RECEIVE UNDER THE MISSISSIPPI
16 PROMISE SCHOLARSHIP IN ANY GIVEN ACADEMIC YEAR; TO PROVIDE FOR THE
17 SEVERABILITY OF CONFLICTING PROVISIONS OF THIS ACT WHICH SHALL NOT
18 RENDER THE ENTIRE ACT NULL AND VOID; TO AMEND SECTION 27-115-85,
19 MISSISSIPPI CODE OF 1972, IN CONFORMITY THERETO; AND FOR RELATED
20 PURPOSES.

21 WHEREAS, the Legislature has set the goal of making
22 Mississippi the number one location in the southeast for
23 high-quality jobs; and

24 WHEREAS, high-quality jobs require a workforce that is
25 equipped with the knowledge and skills provided through
26 postsecondary education; and

27 WHEREAS, the Governor and members of the Legislature hear
28 continually from Mississippi employers that the demand for skilled
29 workers exceeds the supply; and

30 WHEREAS, Mississippi lags behind the national average in
31 residents with higher education degrees, ranking forty-third in
32 the percentage of adults with a two-year degree or higher; and

33 WHEREAS, without intervention, the current higher education
34 attainment level of thirty-two percent (32%) among Mississippians
35 is projected to increase to only thirty-nine percent (39%) by
36 2030; and

37 WHEREAS, recognizing these realities, the Legislature is
38 committed to establishing an initiative with postsecondary
39 institutions to increase higher education attainment among
40 Mississippians to fifty-five percent (55%) by 2030, which will
41 require the awarding of four hundred ninety-four thousand
42 (494,000) additional postsecondary credentials; and

43 WHEREAS, these credentials need to be fully aligned with
44 emerging workforce demand, which will require collaboration across
45 education and workforce agencies at the state, regional, and local
46 level; and

47 WHEREAS, the initiative is comprised of strategies to address
48 both traditional and nontraditional students; and

49 WHEREAS, we cannot reach fifty-five percent (55%) without
50 engaging our adult population that has some college but no degree;
51 and



52 WHEREAS, reaching this goal will require focused effort and
53 coordination across all systems and institutions of Mississippi
54 postsecondary education; and

55 WHEREAS, a key to the future economic success of Mississippi
56 is reaching fifty-five percent (55%) higher education attainment
57 by 2030 in order to keep up with projections of the percent of
58 Mississippi jobs that will require a postsecondary credential or
59 degree; NOW, THEREFORE,

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

61 **SECTION 1.** This act shall be known and may be cited as the
62 "Mississippi Promise Scholarship Act of 2025."

63 **SECTION 2.** The following terms shall have the meaning
64 ascribed in this section, unless the context of use clearly
65 requires otherwise:

66 (a) "Continuous enrollment" means a student is enrolled
67 in the fall and spring semesters of a single academic year.
68 Enrollment in summer semester or inter-session terms is not
69 required.

70 (b) "Eligible high school" means:

71 (i) A Mississippi public secondary school;
72 (ii) A private secondary school that is located in
73 this state and is accredited by the State Board of Education or
74 the Mississippi Association of Independent Schools as a secondary
75 school in accordance with the applicable rules and regulations of
76 the respective board or association;



(iii) A secondary school operated by the United States Department of Defense on a military base that is located, in whole or in part, in this state;

(iv) An out-of-state public secondary school located in a county bordering this state that Mississippi residents are authorized to attend; or

(v) An out-of-state boarding school attended by a bona fide Mississippi resident that is accredited by:

1. A regional accrediting association; or
2. A member of the National Association of
Commission on Accreditation.

(c) "Eligible postsecondary institution" means an institution operated by the Mississippi Community College Board.

(d) "FAFSA" means the Free Application for Federal Student Aid.

(e) "Full-time equivalent semester" means any semester in which a student is enrolled full time and receives a Mississippi Promise Scholarship. A semester in which a part-time student attempts six (6), seven (7) or eight (8) semester hours and receives a Mississippi Promise Scholarship shall be counted as one-half (1/2) of a full-time equivalent semester. A semester in which a part-time student attempts nine (9), ten (10) or eleven (11) semester hours and receives a Mississippi Promise Scholarship shall be counted as three-fourths (3/4) of a full-time equivalent semester.



102 (f) "Full-time student" means a student attending an
103 eligible postsecondary educational institution and enrolled for at
104 least twelve (12) semester hours during each semester of
105 attendance.

106 (g) "Gift aid" means scholarships and grants from any
107 source that do not require repayment, including funds provided
108 through the federal Foster Care Independence Act of 1999 (Public
109 Law No. 106-169), and other similar programs. Student loans and
110 work-study awards shall not be considered gift aid.

111 (h) "Homeschool student" means a student who completed
112 high school in a Mississippi homeschool education program. For
113 one (1) year immediately preceding completion of high school as a
114 homeschool student, the student shall have been a student in a
115 homeschool.

116 (i) "Resident" means a student as defined by Section
117 37-103-1, et seq.

118 **SECTION 3.** (1) The Mississippi Community College Board
119 shall administer the Mississippi Promise Scholarship program for
120 Mississippi residents seeking an associate's degree, certificate
121 or diploma from an eligible postsecondary institution under the
122 following terms and conditions:

123 (a) To be eligible for the scholarship a student shall
124 be admitted to and enrolled full time in an eligible postsecondary
125 program in the fall term following graduation from an eligible
126 high school, completion of high school as a Mississippi homeschool



127 student, or obtaining a GED diploma; provided, that the student
128 obtains the GED diploma before reaching nineteen (19) years of
129 age. Exceptions to initial enrollment may be made for extenuating
130 circumstances as provided in rules and regulations promulgated by
131 the Mississippi Community College Board;

132 (b) Students applying for the scholarship shall
133 complete the Mississippi Promise Scholarship application in their
134 initial year of enrollment. Students shall complete the free
135 application for federal student aid (FAFSA) each academic year in
136 which they seek to receive the Mississippi Promise Scholarship;

137 (c) To continue to receive a Mississippi Promise
138 Scholarship, a student shall maintain satisfactory academic
139 progress as determined by the rules and regulations promulgated by
140 the Mississippi Community College Board;

141 (d) Scholarship recipients shall participate in
142 mentoring and community service programs under the rules and
143 regulations promulgated by the Mississippi Community College
144 Board. The Mississippi Community College Board shall develop the
145 selection and renewal criteria for students and shall have the
146 authority to work with outside organizations to develop the most
147 effective means for delivering the scholarships;

148 (e) Subject to the amounts appropriated by the
149 Legislature, a Mississippi Promise Scholarship shall be the cost
150 of tuition and mandatory fees at the eligible postsecondary
151 institution attended, less all other gift aid, as defined in



152 Section 2 of this act. Gift aid shall be credited first to the
153 student's tuition and mandatory fees;

154 (f) A Mississippi Promise Scholarship student who has
155 an approved medical or personal leave of absence from an eligible
156 postsecondary institution may continue to receive the scholarship
157 upon resuming the student's education at an eligible postsecondary
158 institution so long as the student continues to meet all
159 applicable eligibility requirements. The sum of all approved
160 leaves of absence shall not exceed six (6) months. The student
161 shall be eligible for the scholarship until the occurrence of the
162 first of the following events:

163 (i) The student has earned a certificate, diploma
164 or associate degree; or

165 (ii) The sum of the number of years the student
166 attended a postsecondary institution, exclusive of approved leaves
167 of absence, equals two and one-half (2-1/2) years from the date of
168 the student's initial enrollment at an eligible postsecondary
169 institution; and

170 (g) Except for a medical or personal leave of absence,
171 as approved by an eligible postsecondary institution, a
172 Mississippi Promise Scholarship student shall maintain continuous
173 enrollment at an eligible postsecondary institution.

174 (2) The Mississippi Promise Scholarship program shall be
175 funded under the following terms and conditions:

176 (a) There is established an endowment for the purpose
177 of funding the Mississippi Promise Scholarship, which shall be
178 funded from program-generated revenues of the Mississippi
179 Community College Board and shall be invested as a part of the
180 Postsecondary Education Financial Assistance Trust Fund
181 established under Section 37-106-12;

182 (b) In addition to the trust fund described in
183 paragraph (a) of this subsection, there is established an
184 additional endowment for the purpose of funding the Mississippi
185 Promise Scholarship, which shall be funded from a portion of the
186 net proceeds generated by the Alyce G. Clarke Mississippi Lottery
187 Law. Such endowment shall be established as a separate account in
188 the State Treasury. Monies in this endowment shall be invested by
189 the State Treasurer for the sole benefit of that fund;

190 (c) Beginning in the first fiscal year following the
191 establishment of the Alyce G. Clarke Mississippi Lottery Law, all
192 funds deposited into the Lottery Proceeds Fund in excess of Eighty
193 Million Dollars (\$80,000,000.00) shall be transferred into the
194 Education Enhancement Fund as provided under Section 27-115-85,
195 and of the amount, thirty-three and one-third percent (33.333%)
196 shall be transferred on a quarterly basis to the Mississippi
197 Promise Scholarship endowment described in paragraph (b) of this
198 subsection. Such transfers shall occur after all required
199 expenditures have been made for Mississippi education lottery



200 scholarship programs, Mississippi student assistance awards and
201 administrative expenses; and

202 (d) Funds appropriated for the Mississippi Promise
203 Scholarship program, including matching funds or other
204 appropriations made by the Legislature, may be placed in an
205 endowment fund created solely for the program, the interest income
206 from which shall be used to provide scholarships under this
207 section. The corpus of each endowment established under this
208 section shall not be expended. Unexpended funds remaining in each
209 endowment in any fiscal year shall not revert to the General Fund,
210 but shall remain available in the Mississippi Promise Scholarship
211 program for scholarship expenditures in subsequent fiscal years.

212 **SECTION 4.** The Mississippi Community College Board is
213 authorized to promulgate rules to effectuate the purposes of
214 Sections 1 through 3 of this act. All such rules shall be
215 promulgated in accordance with Mississippi Administrative
216 Procedures Law, Chapter 43, Title 25, Mississippi Code of 1972.

217 **SECTION 5.** (1) A student may receive a Mississippi Promise
218 Scholarship until the first of the following events:

219 (a) The student has earned a baccalaureate degree; or
220 (b) Five (5) years have passed from the date of the
221 student's initial enrollment at any postsecondary institution.

222 (2) Notwithstanding the provisions of subsection (1) to the
223 contrary, and except as set forth in subsections (3) and (4), a
224 student who first receives a Mississippi Promise Scholarship, may

225 continue to receive the scholarship until the first of the
226 following events occur:

227 (a) The student has earned an associate's degree;
228 (b) Five (5) years have passed from the date of the
229 student's initial enrollment at any eligible postsecondary
230 institution; or
231 (c) The student has attempted a total of ninety (90)
232 semester hours or has received the Mississippi Promise Scholarship
233 for eight (8) semesters at any eligible postsecondary institution,
234 whichever occurs later.

235 (3) A student who first receives a Mississippi Promise
236 Scholarship who is enrolled in an associate degree program
237 required to be more than ninety (90) semester hours in length may
238 receive a Mississippi Promise Scholarship until the first of the
239 following events:

240 (a) The student has earned an associate's degree;
241 (b) Five (5) years have passed from the date of the
242 student's initial enrollment at any eligible postsecondary
243 institution; or
244 (c) The latter of the following events has occurred:
245 (i) The student has attempted the number of
246 semester hours required to earn the associate's degree or a total
247 of one hundred (100) semester hours at any eligible postsecondary
248 institution, whichever is less; or

249 (ii) The student has completed eight (8) full-time
250 equivalent semesters.

251 (4) Notwithstanding the provisions of subsections (2) and
252 (3) to the contrary, the five-year, total full-time equivalent
253 semester, and total semester hour limitations for a student who
254 first receives a Mississippi Promise Scholarship for
255 nontraditional students shall be based on the sum of years, total
256 full-time equivalent semesters, or total semester hours attempted
257 while receiving the Mississippi Promise Scholarship or the
258 Mississippi Promise Scholarship for nontraditional students.



274 (2) Subject to the amounts appropriated by the Legislature
275 and any provision of law relating to a shortfall in funds
276 available for postsecondary financial assistance from the proceeds
277 of the Alyce G. Clarke Mississippi Lottery Law, as allocated in
278 accordance with Section 27-115-85, for a student described in
279 subsection (1) of this section, the award amount shall increase to
280 Two Thousand Five Hundred Dollars (\$2,500.00) per semester
281 beginning in the student's junior year, as determined by the
282 postsecondary institution attended, and shall continue until the
283 student is no longer eligible for a Mississippi Promise
284 Scholarship under Section 5(2) and (3).

296 (4) A student who first received the Mississippi Promise
297 Scholarship or Mississippi Promise Scholarship for nontraditional
298 students may receive such scholarship in the summer semester of an



299 academic year in addition to the receipt of the scholarship in the
300 fall and spring semesters of an academic year.

301 (5) The amount of a Mississippi Promise Scholarship awarded
302 to a student attending an eligible two-year postsecondary
303 institution that provides on-campus housing shall be the same as
304 the amount provided in subsection (3).

305 (6) Subject to the amounts appropriated by the Legislature
306 and any law relating to a shortfall in funds available for
307 postsecondary financial assistance from the proceeds of the Alyce
308 G. Clarke Mississippi Lottery Law, as allocated in accordance with
309 Section 27-115-85, the amount of a Mississippi Promise Scholarship
310 and Mississippi Promise Scholarship for nontraditional students,
311 who enroll in an eligible postsecondary institution shall be set
312 in the general appropriations bill.

313 **SECTION 7.** (1) A Mississippi Promise Scholarship student
314 who has an approved medical or personal leave of absence from an
315 eligible postsecondary institution may continue to receive the
316 scholarship upon resuming the student's education at an eligible
317 postsecondary institution so long as the student continues to meet
318 all applicable eligibility requirements. The student shall be
319 eligible for the scholarship until the first of the following
320 events:

321 (a) The student has earned an associate's degree; or
322 (b) The sum of the number of years the student attended
323 a postsecondary institution prior to the leave of absence and the

324 number of years of attendance after the leave of absence equals
325 five (5) years.

326 (2) Notwithstanding the provisions of subsection (1) to the
327 contrary, a student who first receives a Mississippi Promise
328 Scholarship in the fall semester of his or her freshman year or
329 later, may receive the scholarship until the first of the
330 terminating events described in Section 5(2) and (3).

331 (3) Notwithstanding subsection (1), a student who first
332 receives a Mississippi Promise Scholarship in the fall semester of
333 2023 or later, may receive the scholarship until the first of the
334 terminating events described in Section 5(2) and (3).

335 (4) Except for approved medical or personal leaves of
336 absence, a Mississippi Promise Scholarship student, including a
337 part-time student, shall be enrolled continuously as a student at
338 an eligible postsecondary institution.

339 (5) The Mississippi Community College Board shall promulgate
340 rules and regulations for approval of medical or personal leave
341 and the grounds for which the leave may be granted. The rules and
342 regulations shall be promulgated in accordance with the
343 Mississippi Administrative Procedures Law, Chapter 43, Title 25,
344 Mississippi Code of 1972.

345 **SECTION 8.** If the sum of all financial aid, including a
346 Mississippi Promise Scholarship, for which a student qualifies,
347 exceeds the institutionally defined total cost of attendance at
348 the eligible postsecondary institution the scholarship or grant

349 recipient is attending, then the student's financial assistance
350 provided shall be reduced so that the financial aid actually
351 received by the student does not exceed the institutionally
352 defined total cost of attendance.

353 **SECTION 9.** The provisions of this act shall not be construed
354 to be an appropriation of funds and no funds shall be obligated or
355 expended pursuant to this act unless such funds are specifically
356 appropriated by the general appropriations bill.

357 **SECTION 10.** If any provision of this act or the application
358 thereof to any person or circumstance is held invalid, such
359 invalidity shall not affect other provisions or applications of
360 the act which can be given effect without the invalid provision or
361 application, and to that end the provisions of this act are
362 declared to be severable.

363 **SECTION 11.** Section 27-115-85, Mississippi Code of 1972, is
364 amended as follows:

365 27-115-85. Until June 30, 2028, net proceeds generated by
366 the Alyce G. Clarke Mississippi Lottery Law, created pursuant to
367 this chapter and deposited into the Lottery Proceeds Fund under
368 Section 27-115-51(2), except as otherwise provided in this
369 section, shall be paid into the State Highway Fund by warrant
370 issued by the State Fiscal Officer upon requisition of the State
371 Transportation Commission as needed to provide funds to repair,
372 renovate and maintain highways and bridges of the state; however,
373 funds paid into the State Highway Fund under this section shall be



374 first used for matching federal funds authorized to the state
375 pursuant to any federal highway infrastructure program implemented
376 after September 1, 2018. However, all such monies deposited into
377 the Lottery Proceeds Fund over Eighty Million Dollars
378 (\$80,000,000.00) in a fiscal year shall be transferred into the
379 Education Enhancement Fund for the purposes of funding the Early
380 Childhood Learning Collaborative, the Classroom Supply Fund and/or
381 other educational purposes, and of that amount thirty-three and
382 one-third percent (33.333%) shall be transferred into the
383 Mississippi Promise Scholarship endowment for the purpose of
384 funding last-dollar scholarship assistance to certain eligible
385 college attendees, as authorized under Sections 1 through 10 of
386 this act. From and after July 1, 2028, the net proceeds shall be
387 deposited into the Lottery Proceeds Fund and shall be transferred
388 to the State General Fund, except for the amounts over Eighty
389 Million Dollars (\$80,000,000.00) which shall continue to be
390 deposited in the Education Enhancement Fund as provided above.

391 **SECTION 12.** For the purposes of promulgation of the rules
392 and for fund transfers made pursuant to Sections 1 through 3 of
393 this act, this act shall take effect upon its passage. For all
394 other purposes, this act shall take effect and be in force from
395 and after July 1, 2025.

