

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



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

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

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

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

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

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

(b) "Eligible high school" means:

- (i) A Mississippi public secondary school;
- (ii) A private secondary school that is located in this state and is accredited by the State Board of Education or the Mississippi Association of Independent Schools as a secondary school in accordance with the applicable rules and regulations of 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 Independent Schools 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.



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

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

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

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

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

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



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

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

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

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

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



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

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

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

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

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

(2) The Mississippi Promise Scholarship program shall be 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



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

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

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

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

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

(2) Notwithstanding the provisions of subsection (1) to the contrary, and except as set forth in subsections (3) and (4), a 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



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

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

SECTION 6. (1) Subject to the amounts appropriated by the Legislature and any provision of law relating to a shortfall in funds available for postsecondary financial assistance from the proceeds of the Alyce G. Clarke Mississippi Lottery Law, as allocated in accordance with Section 27-115-85, the amount of a Mississippi Promise Scholarship and Mississippi Promise Scholarship for nontraditional students awarded to a student attending an eligible four-year postsecondary institution shall be One Thousand Five Hundred Dollars (\$1,500.00) for full-time attendance for each semester. This award amount shall apply to each entering freshman in the fall term of each academic year, and shall continue through the final semester of such student's sophomore year. The determination of a student's status as a freshman or sophomore shall be made by the postsecondary institution attended.



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).

285 (3) Subject to the amounts appropriated by the Legislature
286 and any provision of law relating to a shortfall in funds
287 available for postsecondary financial assistance from the proceeds
288 of the Alyce G. Clarke Mississippi Lottery Law, as allocated in
289 accordance with Section 27-115-85, a Mississippi Promise
290 Scholarship and Mississippi Promise Scholarship for nontraditional
291 students awarded to a student attending an eligible two-year
292 postsecondary institution shall be One Thousand Five Hundred
293 Dollars (\$1,500.00) for full-time attendance for each semester.
294 This award amount shall apply to the initial entering freshman
295 class beginning in the fall term of each academic year.

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



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

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

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

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

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

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



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

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

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

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

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



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

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

