

Senate Bill 131

By: Senator Thompson of the 5th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 7 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia
2 Annotated, relating to HOPE scholarships and grants, so as to provide that students receiving
3 HOPE scholarships who require remedial classes shall not be enrolled in the research
4 universities; to provide that the failure by students who are receiving HOPE scholarships or
5 grants to meet certain objectives within certain time periods shall result in the scholarships
6 and grants being converted to loans; to provide for the repayment of such loans; to provide
7 for the terms and conditions of such loans; to provide that students are not eligible for HOPE
8 scholarships after the seventh year following high school graduation; to provide an exception
9 for active duty military service; to provide for related matters; to amend Chapter 27 of Title
10 50 of the Official Code of Georgia Annotated, relating to the lottery for education, so as to
11 provide for a Georgia Lottery Corporation Board of Directors; to provide for certain duties
12 for the board of directors; to provide for certain duties for the Georgia Lottery Corporation's
13 chief executive officer; to provide for a Georgia Lottery Corporation Legislative Oversight
14 Committee; to provide for related matters; to provide for an effective date; to repeal
15 conflicting laws; and for other purposes.

16 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

17 **SECTION 1.**

18 Part 7 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,
19 relating to HOPE scholarships and grants, is amended by revising Code Section 20-3-519.1,
20 relating to ineligibility for scholarships or grants, as follows:

21 "20-3-519.1.

22 (a) A student is ineligible for any scholarship or grant described in this part if the student:

- 23 (1) Is not a United States citizen or a permanent resident alien who meets the definition
24 of an eligible noncitizen under federal Title IV requirements;
- 25 (2) Has not complied with United States Selective Service System requirements for
26 registration, if such requirements are applicable to the student;

27 (3) Is in default on a federal Title IV educational loan or a State of Georgia educational
 28 loan, provided that a student who is otherwise eligible and has fully repaid the defaulted
 29 loan will be eligible to obtain a scholarship or grant for future academic terms but not
 30 retroactively;

31 (4) Owes a refund on a federal Title IV student financial aid program or a Georgia
 32 student financial aid program, provided that a student who is otherwise eligible and has
 33 fully paid the refund owed will be eligible to obtain a scholarship or grant for future
 34 academic terms but not retroactively;

35 (5) Has been convicted of a felony offense involving marijuana, a controlled substance,
 36 or a dangerous drug as set out in Code Section 20-1-23 or 20-1-24 of the 'Drug-free
 37 Postsecondary Education Act of 1990,' provided that such ineligibility extends from the
 38 date of conviction to the completion of the next academic term;

39 (6) Is incarcerated; or

40 (7) Does not meet each qualification listed in the Code section relating to the relevant
 41 scholarship or grant and applicable to the student.

42 (b) A student who receives a HOPE scholarship and requires remedial classes shall not be
 43 enrolled in the University of Georgia, the Georgia Institute of Technology, the Georgia
 44 Health Sciences University, or Georgia State University."

45 **SECTION 2.**

46 Said part is further amended by revising Code Section 20-3-519.2, relating to eligibility
 47 requirements for a HOPE scholarship at a public postsecondary institution, by adding a new
 48 subsection to read as follows:

49 "(j) Students shall no longer be eligible for HOPE scholarships after the seventh year
 50 following their high school graduation; provided, however, that such time period shall be
 51 tolled for persons on active duty military service for the period of such military service."

52 **SECTION 3.**

53 Said part is further amended by revising Code Section 20-3-519.3, relating to eligibility
 54 requirements for a HOPE scholarship at a private postsecondary institution, by adding a new
 55 subsection to read as follows:

56 "(i) Students shall no longer be eligible for HOPE scholarships after the seventh year
 57 following their high school graduation; provided, however, that such time period shall be
 58 tolled for persons on active duty military service for the period of such military service."

59 **SECTION 4.**

60 Said part is further amended by revising Code Section 20-3-519.4, which was previously
 61 reserved, as follows:

62 "20-3-519.4.

63 ~~Reserved.~~ (a) Students receiving HOPE scholarships who attend four-year colleges or
 64 universities shall complete at least 90 quarter hours or 60 semester hours of credit toward
 65 a baccalaureate or first professional degree within four years of their first enrollment in a
 66 college or university. Failure to complete such minimum hours within four years from first
 67 enrollment shall result in all funds received from HOPE scholarships being converted into
 68 loans which shall be repaid in accordance with the provisions of this Code section.

69 (b) Students receiving HOPE scholarships who attend two-year colleges shall complete
 70 the requirements to receive an associate degree within four years after their first enrollment
 71 in college. Failure to complete such requirements within four years from first enrollment
 72 shall result in all funds received from HOPE scholarships being converted into loans which
 73 shall be repaid in accordance with the provisions of this Code section.

74 (c) Students receiving HOPE grants for a diploma or certificate program at a branch of the
 75 Technical College System of Georgia or a unit of the University System of Georgia shall
 76 complete the requirements for such diploma or certificate within four years after their first
 77 enrollment in such branch or unit. Failure to complete such program within four years
 78 from first enrollment shall result in all funds received from HOPE grants being converted
 79 into loans which shall be repaid in accordance with the provisions of this Code section.

80 (d) The Georgia Student Finance Commission shall require each student receiving a HOPE
 81 scholarship or grant to sign an agreement prior to receiving any HOPE scholarship or grant
 82 funds by which the student agrees that, if the student fails to meet the requirements of this
 83 Code section, all HOPE scholarship and grant funds received by the student shall become
 84 a loan which the student shall be required to repay in accordance with this Code section.

85 (e) HOPE scholarship and grant funds that are converted into loans in accordance with the
 86 provisions of this Code section shall be administered by the Georgia Student Finance
 87 Commission. The repayment period shall be ten years, provided that the commission may
 88 provide by rule or regulation for deferral of loan payments and forbearance of payments
 89 similar to deferral and forbearance under federal student loans. Once the scholarship and
 90 grants funds are converted into loans, such loans shall have interest rates of 1 percent
 91 annually, provided that, if such loan goes into default, the interest rate shall convert to a
 92 reasonable interest rate as defined in Code Section 20-3-395. Repayment of such loans
 93 shall begin on the earliest of the occurrence of one of the following events:

94 (1) The student completes his or her course of study;

95 (2) The student graduates from an eligible postsecondary institution as such term is
 96 defined in Code Section 20-3-519; or

97 (3) The student has not been enrolled in an eligible postsecondary institution as such
 98 term is defined in Code Section 20-3-519 for three consecutive academic quarters or two
 99 consecutive academic semesters.

100 The Georgia Student Finance Commission shall by rule or regulation establish a repayment
 101 schedule or schedules for such loans and is authorized to promulgate other rules and
 102 regulations as necessary to implement this Code section.

103 (f) This Code section shall apply to all HOPE scholarships and HOPE grants awarded after
 104 January 1, 2012."

105 SECTION 5.

106 Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to the lottery for
 107 education, is amended by revising subsections (a) and (c) of Code Section 50-27-5, relating
 108 to membership of the board of directors of the Georgia Lottery Corporation, as follows:

109 "(a) ~~The~~ As of January 1, 2012, the corporation shall be governed by a reconstituted board
 110 of directors composed of ~~seven~~ nine members to be appointed as follows: three members
 111 shall be appointed by the Governor, three members shall be appointed by the Speaker of
 112 the House of Representatives, and three members shall be appointed by the Senate
 113 Committee on Assignments. Members shall be appointed with a view toward equitable
 114 geographic representation."

115 "(c) Members shall serve terms of five years, except that of the initial members appointed,
 116 ~~three~~ five shall be appointed for initial terms of two years, two shall be appointed for initial
 117 terms of four years, and two shall be appointed for initial terms of five years. Any
 118 vacancy occurring on the board shall be filled by the ~~Governor~~ by appointment official who
 119 originally appointed the board member vacating his or her seat for the unexpired term."

120 SECTION 6.

121 Said chapter is further amended by revising paragraphs (4) and (5) of Code Section 50-27-7,
 122 relating to the general duties of the board of directors, and adding a new paragraph to read
 123 as follows:

124 "(4) Adopt regulations, policies, and procedures relating to the conduct of lottery games
 125 and as specified in Code Section 50-27-9; ~~and~~

126 (5) Approve, disapprove, amend, or modify any bonuses or incentive packages
 127 recommended by the chief executive officer; and

128 ~~(5)~~(6) Perform such other functions as specified by this chapter."

129 **SECTION 7.**

130 Said chapter is further amended by revising paragraph (5) of subsection (a) of Code Section
 131 50-27-11, relating to the duties of the chief executive officer, as follows:

132 "(5) Prepare a budget, which shall include a detailed accounting of all bonuses and
 133 incentive packages proposed by the corporation, for the approval of the board and the
 134 legislative oversight committee;"

135 **SECTION 8.**

136 Said chapter is further amended by revising subsection (a) of Code Section 50-27-12, relating
 137 to employees and compensation of lottery corporation personnel, as follows:

138 "(a) The corporation shall establish and maintain a personnel program for its employees
 139 and fix the compensation and terms of compensation of its employees, including, but not
 140 limited to, production incentive payments."

141 **SECTION 9.**

142 Said chapter is further amended by revising Code Section 50-27-34, relating to the legislative
 143 oversight committee, as follows:

144 "50-27-34.

145 (a) There is created as a joint committee of the General Assembly, the Georgia Lottery
 146 Corporation Legislative Oversight Committee, to be composed of the ~~members of the~~
 147 ~~House Committee on Regulated Industries and the Senate Economic Development~~
 148 ~~Committee~~ following members: the chairperson of the Senate Finance Committee, the
 149 chairperson of the Senate Appropriations Committee, the chairperson of the Senate
 150 Economic Development Committee, the chairperson of the Senate Higher Education
 151 Committee, the chairperson of the Senate Education and Youth Committee, the chairperson
 152 of the Senate Government Oversight Committee, the chairperson of the House Committee
 153 on Ways and Means, the chairperson of the House Committee on Appropriations, the
 154 chairperson of the House Committee on Economic Development and Tourism, the
 155 chairperson of the House Committee on Higher Education, the chairperson of the House
 156 Committee on Education, the chairperson of the House Committee on Governmental
 157 Affairs, the chairperson of the House Committee on Regulated Industries; two members
 158 of the Senate appointed by the Senate Committee on Assignments, and two members of the
 159 House of Representatives appointed by the Speaker of the House of Representatives. The
 160 chairpersons of ~~such committees~~ the House Committee on Regulated Industries and the
 161 Senate Economic Development Committee shall serve as cochairpersons of the oversight
 162 committee. The oversight committee shall periodically inquire into and review the
 163 operations of the Georgia Lottery Corporation, as well as periodically review and evaluate

164 the success with which the authority is accomplishing its statutory duties and functions as
165 provided in this chapter. The oversight committee may conduct any independent audit or
166 investigation of the authority it deems necessary.

167 (b) The Georgia Lottery Corporation shall provide the oversight committee not later than
168 December 1 of each year with a complete report of the level of participation of minority
169 businesses in all retail and major procurement contracts awarded by the corporation.

170 (c) Prior to the beginning of the corporation's fiscal year, the Georgia Lottery Corporation
171 shall submit for approval to the oversight committee a list of the corporation's proposed
172 bonus or incentive packages for that year."

173 **SECTION 10.**

174 This Act shall become effective on January 1, 2012.

175 **SECTION 11.**

176 All laws and parts of laws in conflict with this Act are repealed.