House Bill 326 (COMMITTEE SUBSTITUTE) (AM)
By: Representatives Collins of the 27th, Ralston of the 7th, Jones of the 46th, Abrams of the 84th, O’Neal of the 146th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to scholarships, loans, and grants, so as to provide comprehensive revisions to the HOPE scholarship and grant program; to revise definitions; to revise eligibility requirements; to combine and revise the HOPE scholarship programs relating to public and private postsecondary institutions; to revise requirements relating to HOPE grants and HOPE GED vouchers; to revise provisions relating to the Georgia Student Finance Commission; to repeal certain laws relating to HOPE scholarships at private postsecondary institutions, PROMISE teacher's scholarships, HOPE teacher's scholarships, PROMISE II teacher's scholarships, and the HOPE Scholarship/Pre-K Legislative Oversight Committee; to provide for service cancelable loans for certain direct loans to students on the basis of need and merit; to revise definitions relating to tuition equalization grants at private colleges and universities; to amend Code Section 20-2-157 of the Official Code of Georgia Annotated, relating to the uniform reporting system for determining eligibility of students seeking enrollment in postsecondary courses, so as to require certain coursework; to amend Article 1 of Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to general provisions relative to the "Georgia Lottery for Education Act," so as to revise provisions relating to compensation of employees of the Georgia Lottery Corporation; to eliminate a reserve subaccount and automatic reduction triggers relating to books and fees; to revise a provision relating to retailers; to provide for related matters; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated, relating to scholarships, loans, and grants, is amended in Code Section 20-3-519, relating to definitions relative to HOPE scholarships and grants, as follows:
As used in this part, the term:

1. 'Academic year' means a period of time, typically nine months, in which a full-time student is expected to complete the equivalent of at least two semesters' or three quarters' academic work.

2. 'Advanced degree' means a master's degree, specialist's degree, or doctorate in education conferred by an approved postsecondary institution upon completion of a unified program of study at the graduate level. Reserved.

3. 'Approved teacher education program' means a program offered by a public or private postsecondary institution which program has been approved by the Georgia Professional Standards Commission. Reserved.

4. 'Certificate' or 'diploma' means a credential, other than a degree, indicating satisfactory completion of training in a program of study offered by an eligible public postsecondary institution.

5. 'Critical shortage field' means an area of study or an area of specialized expertise for which a shortage of qualified teachers or educators exists in Georgia, designated as such by the Georgia Student Finance Commission.

5.1. 'Dual credit enrollment' means enrollment by a student in a postsecondary course in which an agreement has been established between an eligible high school and an eligible postsecondary institution wherein the student earns Carnegie units of credit that count toward both high school graduation requirements and postsecondary coursework requirements.

6. 'Eligible high school,' until December 31, 2010, means a public or private secondary school which is:

   A. Located in Georgia and is currently or within the last two years has been accredited by:

      i. The Southern Association of Colleges and Schools;
      ii. The Georgia Accrediting Commission;
      iii. The Georgia Association of Christian Schools;
      iv. The Association of Christian Schools International;
      v. The Georgia Private School Accreditation Council; or
      vi. The Southern Association of Independent Schools; or

   B. Located in another state and accredited by one of the following regional or state accrediting entities:

      i. The Southern Association of Colleges and Schools;
      ii. The New England Association of Schools and Colleges;
      iii. The Middle States Association of Colleges and Schools.
(iv) The North Central Association of Colleges and Schools;
(v) The Northwestern Association of Schools and Colleges;
(vi) The Western Association of Schools and Colleges;
(vii) The Alabama Independent School Association;
(viii) The Southern Association of Independent Schools; or
(ix) The Florida Council of Independent Schools.

(6.1) On and after January 1, 2011, 'eligible high school' means a public or private secondary school which is:

(A) Located in Georgia and accredited as such by:
  (i) The Southern Association of Colleges and Schools;
  (ii) The Georgia Accrediting Commission;
  (iii) The Georgia Association of Christian Schools;
  (iv) The Association of Christian Schools International;
  (v) The Georgia Private School Accreditation Council; or
  (vi) The Accrediting Commission for Independent Study; or
  (vii) The Southern Association of Independent Schools; or

(B) Located in another state and accredited by one of the following regional agencies:
  (i) The Southern Association of Colleges and Schools;
  (ii) The New England Association of Schools and Colleges;
  (iii) The Middle States Association of Colleges and Schools;
  (iv) The North Central Association of Colleges and Schools;
  (v) The Northwestern Association of Schools and Colleges;
  (vi) The Western Association of Schools and Colleges;
  (vii) The Alabama Independent School Association; or
  (viii) The Southern Association of Independent Schools.

(7) 'Eligible postsecondary institution' means a school which is:

(A) A unit of the University System of Georgia;
(B) A branch of the Technical College System of Georgia;
(C) A private independent nonprofit postsecondary institution eligible for tuition equalization grants in accordance with the provisions of subparagraph (A) of paragraph (2) of Code Section 20-3-411; or
(D) A private proprietary postsecondary institution eligible for tuition equalization grants in accordance with the provisions of subparagraph (C) of paragraph (2) of Code Section 20-3-411.

(8) 'Eligible private postsecondary institution' means an eligible postsecondary institution which meets the criteria set out in subparagraph (C) or (D) of paragraph (7) of this Code section.
(9) 'Eligible public postsecondary institution' means an eligible postsecondary institution which meets the criteria set out in subparagraph (A) or (B) of paragraph (7) of this Code section.

(9.1) 'Factor rate' means the percentage amount established by the General Assembly in an annual appropriation Act against which the previous year HOPE award amount is multiplied.

(9.2) 'First professional degree program' means a nonundergraduate degree program that meets the requirements established by the program regulations promulgated by the Georgia Student Finance Commission which, at a minimum, shall include, but not be limited to, the following:

(A) Accepts students after the completion of the sophomore or junior year; and

(B) Results in the award of a nonundergraduate degree.

(10) 'Freshman student' means a student at a postsecondary institution who has attempted less than 46 quarter hours or less than 31 semester hours.

(11) 'Full-time student' means a matriculated student attending a postsecondary educational institution and enrolled for at least 12 semester hours or the equivalent in any given semester or quarter.

(12) 'Grade point average' means the numbered grade average calculated using a 4.0 scale.

(12.1) 'Half-time student' means a matriculated student attending a postsecondary educational institution and enrolled for six to 11 semester hours or the equivalent in any given semester or quarter.

(12.2) 'HOPE award rate' means the rate equal to the previous academic year HOPE tuition payment to the eligible public postsecondary institution multiplied by the factor rate divided by 15. Notwithstanding the foregoing, the Georgia Student Finance Commission may adjust the previous academic year HOPE tuition payment used to calculate the HOPE award rate to reflect changes in the mission or sector of an eligible public postsecondary institution that affects the tuition charged by that institution.

(13) 'HOPE grant' means a Helping Outstanding Pupils Educationally grant for education awarded in accordance with Code Section 20-3-519.5.

(13.1) 'HOPE award amount' means the amount of HOPE award to be made to an eligible student as follows:

(A) At an eligible public postsecondary institution, the HOPE award amount is equal to the HOPE award rate multiplied by the number of credit hours, up to a maximum of 15, in which an eligible student is enrolled per quarter or semester; provided, however, that the quarter award shall equal two-thirds of the semester award and that credit hours
for remedial and developmental courses shall not be included for the HOPE scholarship; or

(B) At an eligible private postsecondary institution, the HOPE award amount is equal to HOPE tuition payment multiplied by the factor rate for full-time students and one-half of the HOPE tuition payment multiplied by the factor rate for half-time students. No awards shall be made to eligible students enrolled in five or fewer credit hours and credit hours for remedial and developmental courses shall not be included for the HOPE scholarship.

(14) 'HOPE scholarship' means a Helping Outstanding Pupils Educationally scholarship for education awarded in accordance with Code Sections 20-3-519.2 or 20-3-519.3.

(15) 'HOPE teacher's scholarship' means a Helping Outstanding Pupils Educationally scholarship for education awarded in accordance with Code Section 20-3-519.8. Reserved.

(16) 'HOPE GED voucher' means a Helping Outstanding Pupils Educationally general educational development (GED) diploma voucher for postsecondary education awarded in accordance with Code Section 20-3-519.6.

(16.1) 'HOPE tuition payment' means, in the case of an eligible public postsecondary institution, the amount paid for tuition only based on the standard undergraduate full-time tuition rate for 15 hours; and, in the case of an eligible private postsecondary institution, the amount paid for tuition based on the amount established by the General Assembly in an appropriations Act.

(17) 'Junior student' means a student at a postsecondary institution who has attempted at least 91 quarter hours but less than 136 quarter hours or at least 61 semester hours but less than 91 semester hours.

(18) 'Mandatory fees' means fees approved by the Georgia Student Finance Commission that are charged by a postsecondary institution to every student enrolled in that institution, regardless of the student's program of study. Reserved.

(19) 'Matriculated status' means being recognized as a student in a defined program of study leading to a degree, diploma, or certificate at a postsecondary institution.

(19.1) 'Part-time student' means a matriculated student attending a postsecondary educational institution and enrolled for less than 12 semester hours or the equivalent in any given semester or quarter and who has never been enrolled for 12 or more semester hours or the equivalent in any given semester or quarter.

(20) 'PROMISE teacher's scholarship' means a scholarship awarded in accordance with Code Section 20-3-519.7. Reserved.
(21) 'Quarter hours' includes each quarter hour attempted, whether remedial or for credit toward a degree, certificate, or diploma, but shall not include hours attempted for remedial and developmental courses for purposes of the HOPE scholarship.

(21.1) 'Remedial and developmental courses' means coursework required by the postsecondary institution or chosen by the student that does not count toward program requirements for college degrees in the case of the HOPE scholarship, or, diplomas or certificates in the case of the HOPE grant.

(22) 'Semester hours' includes each semester hour attempted, whether remedial or for credit toward a degree, certificate, or diploma, but shall not include hours attempted for remedial and developmental courses for purposes of the HOPE scholarship.

(23) 'Senior student' means a student at a postsecondary institution who has attempted at least 136 quarter hours but less than 191 quarter hours or at least 91 semester hours but less than 128 semester hours.

(24) 'Sophomore student' means a student at a postsecondary institution who has attempted at least 46 quarter hours but less than 91 quarter hours or at least 31 semester hours but less than 61 semester hours.


(26) 'Tuition' means the charges to a student for postsecondary academic instruction without regard to other fees such as technology, activity, athletic, health, or other similar fees.

(27) 'Zell Miller Scholar' means a student that has met the applicable eligibility requirements to receive a HOPE scholarship in accordance with Code Section 20-3-519.2 and:

(A) As an incoming freshman:

(i) Having graduated from high school with a grade point average of at least 3.7 calculated in accordance with Code Section 20-2-157 and having received a score of at least 1,200 combined critical reading score and math score on a single administration of the SAT or an ACT composite scale score of at least 26; or

(ii) Having completed a home study program meeting the requirements of subsection (c) of Code Section 20-2-690, having received a score of at least 1,200 combined critical reading score and math score on a single administration of the SAT or an ACT composite scale score of at least 26, and earning a cumulative grade point average of at least 3.5 at an eligible postsecondary institution at the end of the quarter or semester in which the student has attempted 45 quarter hours or 30 semester hours, provided that such student shall be eligible to receive a retroactive scholarship for such student's freshman year to be paid at the end of the freshman year; and
(B) As a sophomore, junior, senior, or first professional student, having a cumulative
grade point average of at least 3.3 at the checkpoints set forth in paragraph (1) of
subsection (b) of Code Section 20-3-519.2. Notwithstanding the foregoing, a student
that entered an eligible postsecondary institution as a freshman between July 1, 2007,
and June 30, 2011, and met the requirements of subparagraph (A) of this paragraph may
become a Zell Miller Scholar as a sophomore, junior, senior, or first professional
student.
A student that loses eligibility to be a Zell Miller Scholar for any reason may regain
eligibility one time if the student requalifies at one of the checkpoints set forth in
paragraph (1) of subsection (b) of Code Section 20-3-519.2."

SECTION 2.

Said article is further amended in Code Section 20-3-519.1, relating to ineligibility for
scholarships or grants, as follows:

"20-3-519.1.
(a) A student is eligible for any scholarship or grant described in this part if the student:

(1) Meets residency requirements by:

(A)(i) Being classified as a legal resident of Georgia as established by the program
regulations promulgated by the Georgia Student Finance Commission which shall be
based upon the in-state tuition policy of the board of regents and the in-state tuition
guidelines set by the Technical College System of Georgia; and

(ii)(I) If the student was classified as a legal resident of Georgia at the time of
graduation from high school or from a home study program meeting the requirements
of Code Section 20-2-690, then the student must have met the requirements set forth
in division (i) of this subparagraph for a period of at least 12 months immediately
prior to the first day of classes for which the scholarship or grant is to be awarded; or

(II) If the student was not classified as a legal resident at the time of graduation from
high school or from a home study program meeting the requirements of Code Section
20-2-690, then the student must have met the requirements set forth in division (i) of
this subparagraph for a period of at least 24 months immediately prior to the first day
of classes for which the scholarship or grant is to be awarded; or

(B) Being classified as a legal resident of Georgia if such student is an active duty
military service member or the spouse or dependent child of an active duty military
service member and the active duty military service member is stationed in Georgia.

(2) Meets all applicable requirements of this part relating to the relevant scholarship or
grant and applicable to the student.

(b) A student is ineligible for any scholarship or grant described in this part if the student:
(1) Is not a United States citizen or a permanent resident alien who meets the definition of an eligible noncitizen under federal Title IV requirements;

(2) Has not complied with United States Selective Service System requirements for registration, if such requirements are applicable to the student;

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

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

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

(6) Is incarcerated; or

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

SECTION 3.

Said article is further amended in Code Section 20-3-519.2, relating to eligibility requirements for a HOPE scholarship at a public postsecondary institution, as follows:

"20-3-519.2.

(a) To be eligible for a HOPE scholarship, an entering freshman student seeking an associate or baccalaureate degree at an eligible public postsecondary institution shall, in addition to meeting the residency requirements set forth in subsection (a) of Code Section 20-3-519.1:

(1) Meet residency requirements by:

(A) Meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission which shall be based upon the in-state tuition policy of the board of regents and the in-state tuition guidelines set by the Technical College System of Georgia; and

(B)(i) If the student was classified as a legal resident of Georgia at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth..."
in subparagraph (A) of this paragraph for a period of at least 12 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded; or (ii) If the student was not classified as a legal resident at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 24 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded.

Notwithstanding the foregoing, a dependent child of military personnel stationed in Georgia shall be deemed to be a legal resident of Georgia and, subject to meeting all other eligibility requirements, shall be eligible to receive the HOPE scholarship as a freshman if the student graduated from a high school located in Georgia or from a home study program meeting the requirements of Code Section 20-2-690 that is located in Georgia;

(2)(1) Meet achievement standards by:

(A) Having graduated from an eligible high school while meeting the curriculum requirements of his or her program of study in 1993 or thereafter and meeting the requirements set out in the applicable subsection and paragraph of Code Section 20-2-157;

(B) In the case of a student who is otherwise qualified but:

(i) Did not graduate from high school or complete a home study program meeting the requirements of subsection (c) of Code Section 20-2-690, having received the general educational development (GED) diploma awarded by the Department of Technical and Adult Education, now known as the Technical College System of Georgia, after June 30, 1993, provided that such student shall only be eligible for a HOPE scholarship pursuant to subsection (e) of this Code section;

(ii) Completed a home study program meeting the requirements of subsection (c) of Code Section 20-2-690 in lieu of graduating from an eligible high school, earning a cumulative grade point average of at least 3.0 at an eligible public postsecondary institution at the end of the quarter or semester in which the student has attempted 45 quarter hours or 30 semester hours, provided that such student shall be eligible to receive a retroactive HOPE scholarship for such student's freshman year to be paid at the end of the freshman year; or

(iii) Graduated from a high school which is not an eligible high school, earning a cumulative grade point average of at least 3.0 at an eligible public postsecondary institution at the end of the quarter or semester in which the student has attempted 45 quarter hours or 30 semester hours, provided that such student shall be eligible to
receive a retroactive HOPE scholarship for such student's freshman year to be paid at the end of the freshman year; or

(C) In the case of an otherwise qualified student who:

(i) Did not graduate from high school or complete a home study program meeting the requirements of subsection (c) of Code Section 20-2-690 but received the general educational development (GED) diploma awarded by the Department of Technical and Adult Education, now known as the Technical College System of Georgia, after June 30, 1993;

(ii) Completed a home study program meeting the requirements of subsection (c) of Code Section 20-2-690 in lieu of graduating from an eligible high school; or

(iii) Graduated from a high school which is not an eligible high school, earning a score in the eighty-fifth percentile or higher nationally on a standardized college admission test, such as the SAT or ACT; and

(2) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status.

(b) To be eligible for a HOPE scholarship, a sophomore, junior, senior, or first professional student seeking an associate, or baccalaureate, or first professional degree at an eligible public postsecondary institution shall, in addition to meeting the residency requirements set forth in subsection (a) of Code Section 20-3-519.1:

(1) Meet residency requirements by:

(A) Meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission which shall be based upon the in-state tuition policy of the board of regents and the in-state tuition guidelines set by the Technical College System of Georgia; and

(B)(i) If the student was classified as a legal resident of Georgia at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 12 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded; or

(ii) If the student was not classified as a legal resident at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 24 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded;

(2) Meet achievement standards by meeting the following criteria:
(A) Earning a cumulative grade point average of at least 3.0 at a postsecondary institution:

(i) At the end of the quarter or semester in which the student has attempted 45, 90, or 135 quarter hours or 30, 60, or 90 semester hours if such student is a full-time student; or

(ii) At the end of three consecutive quarters or semesters if such student is a part-time student and has maintained part-time student status for three consecutive quarters or semesters; and

(B) Maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student is enrolled; and

(3)(2) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate or first professional student in a matriculated status.

(e) To be eligible for a HOPE scholarship, a junior student seeking a baccalaureate or first professional degree at a public postsecondary institution shall:

(1) Meet residency requirements by:

(A) Meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission which shall be based upon the in-state tuition policy of the board of regents and the in-state tuition guidelines set by the Technical College System of Georgia; and

(B)(i) If the student was classified as a legal resident of Georgia at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 12 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded; or

(ii) If the student was not classified as a legal resident at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 24 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded;

(2) Meet achievement standards by meeting the following criteria:

(A) Earning a cumulative grade point average of at least 3.0 at a postsecondary institution at the end of the quarter or semester in which the student has attempted 90 quarter hours or 60 semester hours; and
(B) Maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student is enrolled; and

(3) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status or, in the case of an otherwise eligible student who is classified as a first professional degree student rather than an undergraduate student, being accepted into the first professional degree program of study prior to receiving a baccalaureate degree:

(d) To be eligible for a HOPE scholarship, a senior student seeking a baccalaureate or a first professional degree at a public postsecondary institution shall:

(1) Meet residency requirements by:

(A) Meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission which shall be based upon the in-state tuition policy of the board of regents and the in-state tuition guidelines set by the Technical College System of Georgia; and

(B)(i) If the student was classified as a legal resident of Georgia at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 12 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded; or

(ii) If the student was not classified as a legal resident at the time of graduation from high school or from a home study program meeting the requirements of Code Section 20-2-690, then the student must have met the requirements set forth in subparagraph (A) of this paragraph for a period of at least 24 months immediately prior to the first day of classes for which the HOPE scholarship is to be awarded;

(2) Meet achievement standards by meeting the following criteria:

(A) Earning a cumulative grade point average of at least 3.0 at a postsecondary institution at the end of the quarter or semester in which the student has attempted 135 quarter hours or 90 semester hours; and

(B) Maintaining satisfactory academic progress in a course of study in accordance with the standards and practices used for federal Title IV programs by the postsecondary institution in which the student is enrolled; and

(3) Meet enrollment standards by being admitted, enrolled, and classified as an undergraduate student in a matriculated status or, in the case of an otherwise eligible student who is classified as a first professional degree student rather than an
undergraduate student, being accepted into the first professional degree program of study
prior to receiving a baccalaureate degree.

(c)(1)(A) A full-time student who fails to maintain a cumulative grade point average
of at least 3.0 at the end of the quarter or semester in which the student has attempted
45, 90, or 135 quarter hours or 30, 60, or 90 semester hours may attend the next 45
quarter or 30 semester hours without a HOPE scholarship.

(B) An otherwise eligible full-time student who attains or regains a cumulative grade
point average of at least 3.0 at the end of a quarter or semester in which the full-time
student has attempted 45, 90, or 135 quarter hours or 30, 60, or 90 semester hours
may qualify or requalify for a HOPE scholarship; provided, however, that a student
who receives a HOPE scholarship and loses eligibility pursuant to this subsection is
only eligible to regain or requalify for the HOPE scholarship one time.

(C) An otherwise eligible part-time student who regains or attains a cumulative
grade point average of at least 3.0 at the end of a quarter or semester in which the
part-time student has attempted 45, 90, or 135 quarter hours or 30, 60, or 90 semester
hours may attain or requalify for a HOPE scholarship; provided, however, that a student
who receives a HOPE scholarship and loses eligibility pursuant to this subsection is
only eligible to regain or requalify for the HOPE scholarship one time.

(2) In addition to other requirements, and regardless of quarter hours or semester hours
of coursework attempted, a student who fails to possess a cumulative grade point average
of at least 3.0 at the end of each spring quarter or semester or at the end of three
consecutive quarters or semesters for a part-time student pursuant to paragraph (2)(1) of
subsection (b) of this Code section shall be ineligible for a HOPE scholarship until such
time as the student regains or attains a cumulative grade point average of at least 3.0 at
one of the 45, 90, or 135 quarter hour grade point average checkpoints or at one of the 30,
60, or 90 semester hour grade point average checkpoints, at which time the student will
regain or attain eligibility if other terms and conditions in this Code section are also
satisfied; provided, however, that a student who receives a HOPE scholarship and loses
eligibility pursuant to this subsection is only eligible to regain or requalify for the HOPE
scholarship one time.

(f) For students eligible for a HOPE scholarship under this Code section, no minimum
number of hours of enrollment is required:

(g)(1)(d) Except as set out in paragraph (2) of this subsection, a student may receive
the HOPE scholarship until the first of these events:

(A)(1) The student has earned a baccalaureate or first professional degree; or
(B)(2) The student has attempted at any postsecondary institution a total of 190 quarter
hours or 127 semester hours; or
(3) Beginning with those students receiving HOPE for the first time on or after July 1, 2011, seven years from a student’s graduation from high school or the equivalent thereof as determined by the Georgia Student Finance Commission in its rules and regulations; provided, however, that for a student that serves in the military during such seven-year period, any such military service served as active duty shall not count against the seven-year period. A student that is ineligible to receive a HOPE scholarship pursuant to this paragraph but who received the HOPE scholarship during the 2010-2011 academic year shall continue to be eligible for the HOPE scholarship until June 30, 2015, as long as such student meets all other eligibility requirements, including, but not limited to, paragraphs (1) and (2) of this subsection.

(2) A student enrolled in an undergraduate or first professional degree program designed to be more than 190 quarter hours or 127 semester hours in length is eligible to receive the HOPE scholarship for the lesser of:

(A) A total of 225 attempted quarter hours or 150 attempted semester hours; or

(B) The number of hours required for graduation if the student has a cumulative grade point average of at least 3.0 after the term in which the student attempted 190 quarter hours or 127 semester hours.

(3) Notwithstanding anything herein to the contrary, attempted hours shall include all postsecondary level course hours taken prior to high school graduation if such student does not qualify for the HOPE scholarship as an entering freshman based solely on his or her grade point average. As used in this paragraph, the term ‘postsecondary level course hours’ means hours accepted by the student’s eligible postsecondary institution for credit when the student enters as a freshman:

(b)(e)(1) Subject to the amounts appropriated by the General Assembly and provisions relating to the Lottery for Education Account in Code Section 50-27-13, a HOPE scholarship awarded under this Code section shall be equal to the HOPE award amount, include tuition, approved mandatory fees, and a book allowance not to exceed $100.00 per quarter or $150.00 per semester, except as otherwise provided for in paragraphs (2) and (3) of this subsection.

(2) Effective beginning with the fall quarter or semester commencing after July 1, 2004, the amount of mandatory fees paid shall be equal to such amount or amounts that were paid on January 1, 2004, except as otherwise provided for in Code Section 50-27-13.

(3) Paragraph (2) of this subsection shall not apply to an eligible public postsecondary institution established by law on or after January 1, 2004. For any eligible public postsecondary institution established on or after January 1, 2004, the amount of the mandatory fees paid shall be equal to such amount or amounts initially approved for that new eligible public postsecondary institution for its first year of operation by action of
the board of regents or the Technical College System of Georgia, as applicable, except
as otherwise provided for in Code Section 50-27-13.

(f) For each semester of eligibility, Zell Miller Scholars shall be awarded an amount in
addition to the HOPE award amount as follows:

(1) If attending an eligible public institution, an amount equal to the difference between
the HOPE award amount and the then current academic year standard undergraduate
tuition amount at the institution to be paid; and

(2) If attending an eligible private institution, an amount equal to the difference between
the HOPE award amount and the HOPE tuition payment.

(i) A dependent child of military personnel stationed in Georgia on active duty shall be
deemed to meet the residency requirements of paragraph (1) of subsections (a), (b), (c), and
(d) of this Code section.

SECTION 4.

Said article is further amended in Code Section 20-3-519.5, relating to eligibility
requirements for a HOPE grant at a branch of the Technical College System of Georgia, as
follows:

20-3-519.5.

(a) To be eligible for a HOPE grant, a student seeking a diploma or certificate at a branch
of the Technical College System of Georgia or a unit of the University System of Georgia
shall, in addition to meeting the residency requirements set forth in subsection (a) of Code
Section 20-3-519.1:

(1) Meet residency requirements by meeting the requirements to be classified as a legal
resident of Georgia as established by the program promulgated by the Georgia Student
Finance Commission which shall be based upon the in-state tuition policy of the board
of regents and the in-state tuition guidelines set by the Technical College System of
Georgia Meet achievement standards by having a grade point average of at least 3.0 at
the point that the student has accumulated 30 semester or 45 quarter hours of courses
towards a diploma or certificate for which the student received HOPE funds pursuant to
this part. The grade point average shall be calculated using such 30 semester or 45
quarter hours taken pursuant to this subsection; and

(2) Meet enrollment standards by being admitted, enrolled, and classified as an
undergraduate student in a matriculated status in a program of study leading to a
certificate or diploma and maintaining satisfactory academic progress in accordance with
the standards and practices used for federal Title IV programs by the institution at which
the student is enrolled.
(b) There is no minimum number of hours of enrollment required for eligibility for a HOPE grant under this Code section.

(c) Subject to the provisions of subsection (e) of this Code section, an eligible student may receive HOPE grants for all course work required by the institution for programs of study leading to a certificate or diploma, including remedial or developmental studies and developmental courses.

(d)(1) Subject to the amounts appropriated by the General Assembly and provisions relating to the Lottery for Education Account in Code Section 50-27-13, a HOPE grant awarded under this Code section shall equal the HOPE award amount, include tuition, approved mandatory fees, and a book allowance not to exceed $100.00 per quarter or $150.00 per semester, except as otherwise provided for in paragraph (2) of this subsection.

(2) Effective beginning with the fall quarter or semester commencing after July 1, 2004, the amount of mandatory fees paid shall be equal to such amount or amounts that were paid on January 1, 2004, except as otherwise provided for in Code Section 50-27-13.

(e) No student that has a baccalaureate degree, its equivalent or higher, from any postsecondary institution shall be eligible to receive a HOPE grant. No student may receive HOPE grants for more than 95 quarter hours or 63 semester hours of attempted coursework, except as provided for in subsection (f) of this Code section. No student may receive more than a cumulative total of 190 quarter hours or 127 semester hours of combined HOPE scholarships and grants, unless in accordance with Code Sections 20-3-519.2 and 20-3-519.3. For purposes of this subsection, attempted hours shall not include hours for courses taken and paid for by a HOPE grant while a student is participating in dual credit enrollment with both an eligible high school and a branch of the Technical College System of Georgia or a unit of the University System of Georgia. The Technical College System of Georgia or the University System of Georgia, as applicable, shall verify that the student is enrolled in an eligible high school and shall notify the Georgia Student Finance Commission of the student's participation in dual credit enrollment.

(f) A student enrolled in a diploma program designed to be more than 95 quarter hours or 63 semester hours in length is eligible to receive a HOPE grant for the lesser of:

(1) A total of 130 attempted quarter hours or 86 attempted semester hours; or

(2) The number of hours required for graduation.

(g) A dependent child of military personnel stationed in Georgia on active duty shall be deemed to meet the residency requirements of paragraph (1) of subsection (a) of this Code section.
SECTION 5.

Said article is further amended in Code Section 20-3-519.6, relating to HOPE GED vouchers, as follows:

(a) To be eligible for a HOPE GED voucher, a student attending an eligible public postsecondary institution shall meet residency requirements by meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission which shall be based upon the in-state tuition policy of the board of regents and the in-state tuition guidelines set by the Technical College System of Georgia.

(b) To be eligible for a HOPE GED voucher, a student attending an eligible private postsecondary institution shall meet residency requirements by meeting the requirements to be classified as a legal resident of Georgia as established by the program regulations promulgated by the Georgia Student Finance Commission.

(c) Subject to the amounts appropriated by the General Assembly and provisions relating to the scholarship shortfall reserve subaccount in Code Section 50-27-13, a HOPE GED voucher in the amount of $500.00 shall be awarded once to each student receiving a general educational development (GED) diploma awarded by the Department of Technical and Adult Education, now known as the Technical College System of Georgia, after June 30, 1993. Such voucher shall be issued to such student upon enrollment in any eligible postsecondary institution in Georgia for within 24 months from the date of issuance the general educational development (GED) diploma was awarded to the student and may only be used to cover postsecondary costs of attendance at such institution.

(d) An otherwise eligible student receiving a HOPE GED voucher under this Code section is eligible for a HOPE scholarship as a sophomore, junior, or senior student.

SECTION 6.

Said article is further amended in Code Section 20-3-519.10, relating to application of HOPE scholarships and HOPE grants, as follows:

A HOPE scholarship and a HOPE grant may be applied only to tuition, mandatory fees, and book costs to any portion of a student's tuition. In no case shall a HOPE scholarship or HOPE grant exceed a student's tuition.
SECTION 7.

Said article is further amended in Code Section 20-3-519.11, relating to the Georgia Student Finance Commission, as follows:

(a) The Georgia Student Finance Commission is authorized to promulgate rules and regulations not inconsistent with the provisions of this part relating to grants and scholarships described in this part. The Georgia Student Finance Commission is authorized to promulgate rules and regulations related to grants, loans, and scholarships no longer in effect as of the effective date of this Act, under this part but for which the Georgia Student Finance Commission or the Georgia Student Finance Authority and the student were previously obligated.

(b) Every eligible postsecondary institution shall be subject to examination by the Georgia Student Finance Commission for the sole purpose of determining whether such postsecondary institution has properly complied with rules and regulations established pursuant to this Code section. Such examination shall be conducted by the Georgia Student Finance Commission no less frequently than once every three years. The Georgia Student Finance Commission is authorized to conduct the examination using sampling and extrapolation techniques. However, nothing in this subsection shall be construed to interfere with the authority of the postsecondary institution to determine its own curriculum, philosophy, purpose, or administration. In the event it is determined that a postsecondary institution knowingly or through error certified an ineligible student to be eligible for a scholarship or grant under this part, the amount of such scholarship or grant paid to the postsecondary institution pursuant to such certification shall be refunded by the postsecondary institution to the Georgia Student Finance Commission. The Georgia Student Finance Commission may suspend a postsecondary institution from receiving HOPE scholarship or HOPE grant award payments if it fails to refund any monies deemed due pursuant to this subsection. The Georgia Student Finance Commission shall be authorized to promulgate rules and regulations necessary to carry out the intent of this subsection.

(c) Any person who knowingly makes or furnishes any false statement or misrepresentation, or who accepts such statement or misrepresentation knowing it to be false, for the purpose of enabling an ineligible student to obtain wrongfully a scholarship or grant under this part shall be guilty of a misdemeanor.

(d) Notwithstanding any provision of this part, the Georgia Student Finance Commission is authorized to promulgate rules and regulations restricting eligibility for the scholarships and grants described in this part or reducing the dollar amount of scholarships and grants described in this part in accordance with the provisions of Code Section 20-3-519.11.
50-27-13. In addition to other remedies available at law and equity, the Georgia Student
Finance Commission is authorized to enter into repayment agreements with students that
owe refunds to the Georgia Student Finance Commission of any scholarship or grant
described in this part. Except as prohibited by federal or other state laws, individuals that
owe refunds and fail to enter into repayment agreements with the Georgia Student Finance
Commission are, without judicial action, subject to garnishment of their pay, loss of a
professional license, offset of lottery winnings, and offset of a state tax refund in
accordance with rules and regulations promulgated by the Georgia Student Finance
Commission not inconsistent with the provisions of this part. As used in this subsection,
the term 'refund' shall mean scholarship and grant amounts paid to or on behalf of students
subsequently, in accordance with rules and regulations promulgated by the Georgia Student
Finance Commission, determined to be ineligible to receive such funds.

(c)(e) The funding for the scholarships and grants described in this part shall be subject to
annual appropriations enacted by the General Assembly which shall establish the total
amount of funding for such scholarships and grants."

SECTION 8.

Said article is further amended by repealing and reserving Code Sections 20-3-519.3,
20-3-519.7, 20-3-519.8, 20-3-519.9, 20-3-519.12, and 20-3-519.13, relating to eligibility
requirements for a HOPE scholarship at a private postsecondary institution, the PROMISE
teacher's scholarship, the HOPE teacher's scholarship, ineligibility for a HOPE teacher's
scholarship, eligibility for the PROMISE II teacher's scholarship, and the HOPE
Scholarship/Pre-K Legislative Oversight Committee, respectively.

SECTION 9.

Said article is further amended in Code Section 20-3-250.5, relating to administration of the
"Nonpublic Postsecondary Educational Institutions Act of 1990", by revising paragraph (10)
of subsection (b) as follows:

"(10) To establish and promulgate regulations for qualified proprietary institutions whose
students receive tuition equalization grants in accordance with the criteria set forth in
subparagraph (E) (B) of paragraph (2) of Code Section 20-3-411."

SECTION 10.

Said article is further amended in Code Section 20-3-395.3, relating to repayment schedules
for direct loans to students on the basis of need and merit, by adding a new subsection to read
as follows:

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"(c) Notwithstanding anything herein to the contrary, a student may service cancel a loan described in this subpart in accordance with rules and regulations promulgated by the authority if such student is employed by and agrees to teach in a public school in Georgia as a science, technology, engineering, or math teacher at the elementary, middle, or secondary level. For service repayment, the loan shall be repaid at a rate of one year of service for each academic year of study or its equivalent for which a loan is made to a student pursuant to this subpart."

SECTION 11.

Said article is further amended in Code Section 20-3-411, relating to definitions relative to tuition equalization grants at private colleges and universities, as follows:

"20-3-411. As used in this subpart, the term:

(1) 'Academic year' means a period of time, typically nine months, in which a full-time student is expected to complete the equivalent of at least two semesters' or three quarters' academic work.

(2) 'Approved school' means:

(A) A nonproprietary institution of higher education located in this state which is not a branch of the university system; which is not a four-year or graduate level institution of higher education that is, or is a part of, a college or university system that is owned and operated by a state other than Georgia; which is accredited by the Southern Association of Colleges and Schools; which is not a graduate level school or college of theology or divinity; and which is not presently receiving state funds under Article 4 of this chapter; provided, however, that an institution which otherwise meets the requirements of this definition and of this subpart except for the lack of accreditation by the Southern Association of Colleges and Schools shall be deemed to be an 'approved school' during the period that the institution holds candidate for accreditation status with the Southern Association of Colleges and Schools; provided, further, that an institution which was previously accredited by the Southern Association of Colleges and Schools within the last seven years and which otherwise meets the requirements of this definition and of this subpart except for the lack of accreditation by the Southern Association of Colleges and Schools shall be deemed to be an 'approved school'; and

(B) A nonproprietary institution of higher education located outside the State of Georgia which is a four-year or graduate level institution of higher education that is, or is a part of, a college or university system that is owned and operated by a state other than Georgia; which is accredited by the Southern Association of Colleges and Schools; which is not a graduate level school or college of theology or divinity; and which is
located within 50 road miles, by the nearest practical route of travel, of the home
residence of one or more eligible students. The term 'home residence,' for purposes of
this subpart, shall, in the case of a dependent student, mean the principal residence of
the parent or legal guardian of a student; and

(E)(B)(i) A qualified proprietary institution of higher education located in this state
which is a baccalaureate degree-granting institution of higher education; which is
accredited by a regional accrediting agency recognized by the United States
Department of Education; the Southern Association of Colleges and Schools; which
is not a Bible school or college (or, at the graduate level, a school or college of
theology or divinity); which admits as regular students only persons who have a high
school diploma, a general educational development (GED) diploma, or a degree from
an accredited postsecondary institution; whose students are eligible to participate in
the federal Pell Grant program; which has been reviewed and approved for operation
and for receipt of tuition equalization grant funds by the Georgia Nonpublic
Postsecondary Education Commission; which is domiciled and incorporated in the
State of Georgia; and which has been in existence in the State of Georgia for at least
ten years; and which met all of the requirements of this subparagraph by January 1,
2011; provided, however, that the criteria for approval for receipt of tuition
equalization grant funds shall include but not be limited to areas of course study,
quality of instruction, student placement rate, research and library sources, faculty,
support staff, financial resources, physical plant facilities resources, and support and
equipment resources.

(ii) Any proprietary institution that is otherwise qualified pursuant to division (i) of
this subparagraph on July 1, 1995, shall be deemed to be eligible for receipt of tuition
equalization grant funds subject, however, to any subsequent review of such approval
pursuant to any proper regulations which may thereafter be adopted in accordance
with paragraph (10) of subsection (b) of Code Section 20-3-250.5 applicable to all
qualified proprietary institutions.

(iii) Any proprietary institution of higher education that is otherwise qualified
pursuant to division (i) of this subparagraph on January 1, 2011, shall continue to be
an approved school pursuant to this paragraph as long as it continues to meet the
requirements of division (i) of this subparagraph as such existed on the day prior to
the effective date of this division.

(3) 'Eligible student' means a person who:

(A) Is enrolled in or accepted for enrollment as a full-time undergraduate level student
in an approved school or as a graduate level student if funds are specifically
appropriated in appropriations Acts of the General Assembly for payment of grants to
graduate level students;
(B) Is or will be a citizen of Georgia for a period of at least 12 months immediately
prior to each date of registration in the approved school;
(C) Is not knowingly promoting or engaging in any activity which is determined by the
approved school's governing body to be detrimental to the school; and
(D) Meets the eligibility requirements for the HOPE program as set forth in paragraph
(1) of subsection (a) and in subsection (b) of Code Section 20-3-519.1. In the case of
an approved school located outside the State of Georgia, is enrolled or accepted for
enrollment therein at an academic level beyond the sophomore academic classification
and whose home residence is, by the nearest practical route of travel, located within 50
road miles of the approved school and more than 50 road miles from the nearest
four-year institution of the University System of Georgia.
(4) 'Full-time student' means an undergraduate student who enrolls for a minimum of 12
academic hours, or ten academic hours in the case of a graduate student, and students
who are inmates in an institution administered by the Department of Corrections.”

SECTION 12.

Code Section 20-2-73 of the Official Code of Georgia Annotated, relating to removal of local
school board members under certain circumstances, is amended by revising subsection (a)
as follows:
“(a) Notwithstanding Code Section 20-2-54.1 or any other provisions of law to the
contrary, if a local school system or school is placed on the level of accreditation
immediately preceding loss of accreditation for school board governance related reasons
by one or more accrediting agencies included in subparagraph (6)(A) (6)(A) of Code
Section 20-3-519, the State Board of Education shall conduct a hearing in not less than ten
days nor more than 30 days and recommend to the Governor whether to suspend all eligible
members of the local board of education with pay. If the State Board of Education makes
such recommendation, the Governor may, in his or her discretion, suspend all eligible
members of the local board of education with pay and, in consultation with the State Board
of Education, appoint temporary replacement members who shall be otherwise qualified
to serve as members of such board.”

SECTION 13.

Code Section 20-2-157 of the Official Code of Georgia Annotated, relating to the uniform
reporting system for determining eligibility of students seeking enrollment in postsecondary
courses, is amended by adding new subsections to read as follows:
"(d) Beginning with students graduating from high school on or after May 1, 2015, in
order to be eligible to receive a HOPE scholarship, a student shall receive credit in at least
two courses from the following categories:

1. Advanced math, such as Advanced Algebra and Trigonometry, Math III, or an
equivalent or higher course;

2. Advanced science, such as Chemistry, Physics, Biology II, or an equivalent or higher
course;

3. Advanced placement courses in core subjects;

4. International baccalaureate courses in core subjects; or

5. Advanced foreign language courses.

Students may take one or more courses in each category; provided, however, that a course
may only be counted one time. The Georgia Student Finance Commission shall be
authorized to promulgate rules and regulations necessary to carry out the intent of this
subsection.

(e) Beginning with students graduating from high school on or after May 1, 2016, in order
to be eligible to receive a HOPE scholarship, a student shall receive credit in at least three
courses from the following categories:

1. Advanced math, such as Advanced Algebra and Trigonometry, Math III, or an
equivalent or higher course;

2. Advanced science, such as Chemistry, Physics, Biology II, or an equivalent or higher
course;

3. Advanced placement courses in core subjects;

4. International baccalaureate courses in core courses; or

5. Advanced foreign language courses.

Students may take one or more courses in each category; provided, however, that a course
may only be counted one time. The Georgia Student Finance Commission shall be
authorized to promulgate rules and regulations necessary to carry out the intent of this
subsection.

(f) Beginning with students graduating from high school on or after May 1, 2017, in order
to be eligible to receive a HOPE scholarship, a student shall receive credit in at least four
courses from the following categories:

1. Advanced math, such as Advanced Algebra and Trigonometry, Math III, or an
equivalent or higher course;

2. Advanced science, such as Chemistry, Physics, Biology II, or an equivalent or higher
course;

3. Advanced placement courses in core subjects;

4. International baccalaureate in core courses; or
(5) Advanced foreign language courses.

Students shall take one or more courses in each category provided however that a course may only be counted one time. The Georgia Student Finance Commission shall be authorized to promulgate rules and regulations necessary to carry out the intent of this subsection."

SECTION 14.

Article 1 of Chapter 27 of Title 50 of the Official Code of Georgia Annotated, relating to general provisions relative to the "Georgia Lottery for Education Act," is amended by revising subsection (a) of Code Section 50-27-12, relating to employees of the Georgia Lottery Corporation, as follows:

"(a) The corporation shall establish and maintain a personnel program for its employees and fix the compensation and terms of compensation of its employees, including, but not limited to, production incentive payments; provided, however, that production incentive payments, bonuses, or any other consideration in addition to an employee's base compensation shall not exceed 25 percent of such employee's base compensation. In total, bonuses shall not exceed 1 percent of the net increase over the prior year's deposit into the Lottery for Education Account. No bonuses may be awarded in years in which there is not a net increase over the prior year's deposit into the Lottery for Education Account."

SECTION 15.

Said article is further amended in Code Section 50-27-13, relating to disposition of lottery proceeds, by revising subsections (b) and (f) as follows:

"(b)(1) On or before the fifteenth day of each quarter month, the corporation shall transfer to the general fund of the state treasury, for credit to the Lottery for Education Account for the preceding quarter month, the amount of all net proceeds during the preceding quarter month. The state treasurer shall separately account for net proceeds by establishing and maintaining a Lottery for Education Account within the state treasury.

(2) Upon their deposit into the state treasury, any moneys representing a deposit of net proceeds shall then become the unencumbered property of the State of Georgia and the corporation shall have no power to agree or undertake otherwise. Such moneys shall be invested by the state treasurer in accordance with state investment practices. All earnings attributable to such investments shall likewise be the unencumbered property of the state and shall accrue to the credit of the Lottery for Education Account.

(3) A scholarship shortfall reserve subaccount shall be maintained within the Lottery for Education Account in an amount equal to at least 50 percent of net proceeds deposited into such account for the preceding fiscal year. An amount equal to 10 percent of the
total amount of lottery proceeds disbursed during the preceding fiscal year in the form of
scholarships and grants for higher education shall be deposited from lottery proceeds each
year until such amount equals 50 percent of such sum. Thereafter, only an amount
necessary to maintain the scholarship shortfall reserve subaccount in an amount equal to
50 percent of the amount of lottery proceeds disbursed during the preceding fiscal year
shall be deposited into the subaccount. If the net proceeds paid into the Lottery for
Education Account in any year are not sufficient to meet the amount appropriated for
higher education scholarships education purposes, the shortfall reserve subaccount may
be drawn upon to meet the deficiency. In the event the shortfall reserve is drawn upon
and falls below 50 percent of net proceeds deposited into such account for the preceding
fiscal year, the shortfall reserve shall be replenished to the level required by this
paragraph in the next fiscal year and the lottery-funded programs shall be reviewed and
adjusted accordingly. In the event it becomes necessary to draw from the reserve
subaccount in any fiscal year, the scholarship program shall be reviewed and shall be
reduced to accommodate available lottery proceeds, exclusive of the scholarship shortfall
reserve subaccount, through such methods as reducing the family income cap
qualification, reducing or eliminating grants for student fees and books, and reducing the
academic years funded.

(4) A shortfall reserve subaccount shall be maintained within the Lottery for Education
Account. The amount of the shortfall reserve subaccount shall be equal to 10 percent of
the total amount of lottery proceeds deposited into the Lottery for Education Account for
the preceding fiscal year. If the net proceeds deposited into the Lottery for Education
Account in any year, exclusive of the amount in the shortfall reserve subaccount, are not
sufficient to meet the amount appropriated for education purposes pursuant to subsection
(c) of this Code section, the shortfall reserve subaccount may be drawn upon to meet the
deficiency. In the event the shortfall reserve subaccount is drawn upon, the subaccount
shall be brought back to the appropriate level with the first available funds duly deposited
into the Lottery for Education Account:

(5)(A) For purposes of this subsection, the term:

(i) 'Highest year-end balance' means the highest total amount of unexpended and
uncommitted funds in the Lottery for Education Account, as determined by the state
auditor, at the end of any fiscal year beginning with Fiscal Year 2004 and
continuing through the most recent fiscal year for which the state auditor has
verified the amount of such funds, which shall not include amounts contained in the
subaccounts provided for in paragraphs (3) and (4) of this subsection:

(ii) 'Year-end balance' means the amount, as determined by the state auditor, of
unexpended and uncommitted funds in the Lottery for Education Account at the end
of a fiscal year, which shall not include amounts contained in the subaccounts
provided for in paragraphs (3) and (4) of this subsection.

(B)(i) In the event that the year-end balance of a fiscal year is less than 92 percent of
the highest year-end balance, as defined in this paragraph, then all scholarships and
grants for book allowances under Part 7 of Article 7 of Chapter 3 of Title 20 shall not
exceed $150.00 per year beginning in the next fiscal year and thereafter. This
 provision shall not apply to students who are eligible to participate in the federal Pell
 Grant program.

(ii) In the event that the year-end balance of any subsequent fiscal year is less than
84 percent of the highest year-end balance, as defined in this paragraph, then all
scholarships and grants for book allowances under Part 7 of Article 7 of Chapter 3 of
Title 20 shall be eliminated beginning in the subsequent fiscal year and thereafter.
This provision shall not apply to students who are eligible to participate in the federal
Pell Grant program.

(iii) In the event that the year-end balance of any further subsequent fiscal year is less
than 75 percent of the highest year-end balance, as defined in this paragraph, then all
scholarships and grants for mandatory fees under Part 7 of Article 7 of Chapter 3 of
Title 20 shall be eliminated beginning in the next fiscal year and thereafter.

“(f) In compliance with the requirement of the Constitution that there shall be a separate
accounting of lottery proceeds, no deficiency in the Lottery for Education Account shall
be replenished by book entries reducing any nonlottery reserve of general funds, including
specifically but without limitation the revenue shortfall reserve or the midyear adjustment
reserve; nor shall any program or project started specifically from lottery proceeds be
continued from the general fund; such programs must be adjusted or discontinued
according to available lottery proceeds unless the General Assembly by general law
establishes eligibility requirements and appropriates specific funds within the general
appropriations Act; nor shall any nonlottery surplus in the general fund be reduced. No
surplus in the Lottery for Education Account shall be included in any surplus calculated for setting aside any
nonlottery reserve or midyear adjustment reserve. In calculating net revenue collections
for the revenue shortfall reserve and midyear adjustment reserve, the state accounting
officer shall not include the net proceeds. Any program or project started specifically with
lottery proceeds may be continued from the general fund; provided, however, that no
program or project started specifically with lottery proceeds and continued from the general
fund may then be continued in whole or in part from lottery proceeds.’
SECTION 16.

Said article is further amended in Code Section 50-27-17, relating to the state-wide network of retailers, by revising subsection (c) as follows:

“(c) The corporation shall provide for compensation to lottery retailers in the form of commissions in an amount of not less than 5% of 6 percent of gross sales and may provide for other forms of compensation for services rendered in the sale or cashing of lottery tickets or shares of incentive compensation beginning on July 1, 2016; provided, however, that other forms of incentive compensation may be provided beginning on July 1, 2014, if the Lottery for Education Account deposits exceed $1 billion in the previous fiscal year or may be provided prior to July 1, 2016, as authorized by the Governor.”

SECTION 17.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 18.

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