

SENATE SUBSTITUTE TO HB 713:

AS PASSED SENATE

A BILL TO BE ENTITLED

AN ACT

1 To amend Titles 20 and 50 of the Official Code of Georgia Annotated, relating to education
2 and state government, respectively, so as to provide for certain grants and other funds for
3 education; to provide for grants for certain students enrolled in an institution of the
4 University System of Georgia; to define certain terms; to provide for application and
5 administration; to provide for pro rata application; to provide for audits; to provide for
6 penalties; to provide for eligibility requirements to receive the HOPE scholarship as a Zell
7 Miller Scholarship Scholar relative to students who graduated from an ineligible high school
8 or a home study program; to establish the percentage of the lottery proceeds for each fiscal
9 year which must equal the net proceeds to be transferred to the state treasury for credit to the
10 Lottery for Education Account; to provide for exceptions; to provide for verification of
11 certain information by the Department of Audits and Accounts; to amend Code Section
12 20-2-161.3 of the Official Code of Georgia Annotated, relating to the "Move on When Ready
13 Act" and dual credit courses, so as to allow funding for students taking dual credit courses
14 at certain eligible postsecondary institutions which utilize nonstandard term systems to be
15 eligible for payment for up to five nonstandard terms per academic year; to provide for
16 automatic repeal; to provide for related matters; to provide for effective dates; to repeal
17 conflicting laws; and for other purposes.

18 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

19 **SECTION 1.**

20 Title 20 of the Official Code of Georgia Annotated, relating to education, is amended in
21 Article 7 of Chapter 3, relating to scholarships, loans, and grants, by adding a new subpart
22 to read as follows:

23 "Subpart 2A

24 20-3-360.

25 As used in this subpart, the term:

26 (1) 'Eligible student' means a person whose family income does not exceed \$48,000.00
 27 and who:

28 (A) Has been accepted for enrollment as a first year student in a qualified institution
 29 who has qualified for and is receiving a federal Pell Grant, is not qualified to receive
 30 a HOPE scholarship, achieved a high school grade point average of 2.3 through 3.0, and
 31 meets at least one of the following requirements:

32 (i) Has achieved an ACT composite scale score of 21 or higher;

33 (ii) Has achieved an SAT score of 480 or higher on evidence based reading and
 34 writing and 530 on mathematics;

35 (iii) Has achieved a score of 3 or higher on at least two advanced placement
 36 examinations;

37 (iv) Has achieved a score of 4 or higher on at least two international baccalaureate
 38 examinations;

39 (v) Has passed an end-of-pathway assessment under the Carl D. Perkins Vocational
 40 and Technical Education Act, 20 U.S.C. Section 2301, et seq.; or

41 (vi) Has completed a work based learning experience in a field related to at least one
 42 course in the same pathway of study;

43 (B) Is an enrolled continuing first year student in a qualified institution who is making
 44 satisfactory progress in his or her degree program; or

45 (C) Is a continuing student in a qualified institution who has become ineligible for a
 46 HOPE scholarship and qualifies under one of the provisions of divisions (i) through (vi)
 47 of subparagraph (A) of this paragraph during his or her high school career.

48 (2) 'Income' means federal adjusted gross income determined pursuant to the Internal
 49 Revenue Code of 1986, as amended, from all sources, and income derived from
 50 municipal bonds which is not included in federal adjusted gross income for federal
 51 income tax purposes.

52 (3) 'Qualified institution' means an institution of the university system.

53 20-3-361.

54 There is awarded to each eligible student a grant in an amount not to exceed \$1,500.00 per
 55 academic semester, contingent upon appropriations by the General Assembly. In order to
 56 remain eligible to receive such grant, a student must be employed at least 15 hours per
 57 week during the semester and maintain at least a 2.3 grade point average; provided,
 58 however, that a student athlete shall be exempt from the employment requirement imposed
 59 by this Code section during the period beginning on the first day of the month preceding
 60 the month in which the first competition of the regular season occurs through the last day

61 of the month in which the final competition of the regular season or postseason competition
62 occurs.

63 20-3-362.

64 Each eligible student wishing to receive the grant provided for in this subpart shall submit
65 to the qualifying institution an application for the grant payment at the time and in
66 accordance with procedures prescribed by the authority. The authority is authorized to
67 define such terms and prescribe such rules, regulations, and procedures as may be
68 reasonable and necessary to carry out the purposes of this subpart. The authority shall not
69 approve payment of any grant until it has received from an appropriate officer of the
70 qualifying institution a certification that the student applying for the grant is an eligible
71 student. Upon timely receipt of such certification, in proper form, the authority is
72 authorized to pay the grant to the qualifying institution on behalf of and to the credit of the
73 student. In the event a student on whose behalf a grant is paid does not enroll as a full-time
74 student for the academic semester for which the grant is paid, the qualifying institution
75 shall make a refund to the authority in accordance with regulations of the authority.

76 20-3-363.

77 (a) In the event funds available to the authority are not sufficient to enable the authority
78 to pay on behalf of eligible students the full grant prescribed by the General Assembly,
79 grants payable for the remaining academic semesters shall be reduced by the authority on
80 a pro rata basis.

81 (b) The authority shall use the following formula in calculating the budget for each
82 qualifying institution: the combined amount of average annual tuition and mandatory fees
83 minus the average annual Pell Grant award multiplied by the number of Pell Grant
84 recipients from which has been subtracted the combined number of HOPE and Zell Miller
85 scholarship recipients.

86 20-3-364.

87 Each qualified institution shall be subject to examination by the state auditor for the sole
88 purpose of determining whether the institution has properly certified eligibility and
89 enrollment of students and credited grants paid on behalf of such students; provided,
90 however, that nothing in this subpart shall be construed to interfere with the authority of
91 the institution to determine admissibility of students or to control its own curriculum,
92 philosophy, purpose, or administration. In the event it is determined that a qualified
93 institution knowingly or through error certified an ineligible student to be eligible for a

94 grant under this subpart, the amount of the grant paid to such institution pursuant to such
 95 certification shall be refunded by such institution to the authority.

96 20-3-365.

97 Any person who knowingly makes or furnishes any false statement or misrepresentation
 98 or who accepts such statement or misrepresentation knowing it to be false for the purpose
 99 of enabling an ineligible student to obtain wrongfully a grant under this subpart shall be
 100 guilty of a misdemeanor."

101 **SECTION 2.**

102 Said title is further amended in Code Section 20-3-519, relating to definitions relative to
 103 HOPE scholarships and grants, by revising division (27)(A)(iii) as follows:

104 "(iii) Having completed a home study program meeting the requirements of
 105 subsection (c) of Code Section 20-2-690 or having graduated from a high school
 106 which is not an eligible high school, having received a score in the ~~ninety-third~~
 107 ninety-second percentile or higher on the ACT, on the combined critical reading and
 108 math portions on a single administration of the SAT administered prior to March 1,
 109 2016, or on the total score on a single administration of the SAT administered on or
 110 after March 1, 2016; or"

111 **SECTION 3.**

112 Said title is further amended in Code Section 20-3-519, relating to definitions relative to
 113 HOPE scholarships and grants, by revising division (27)(A)(iii) as follows:

114 "(iii) Having completed a home study program meeting the requirements of
 115 subsection (c) of Code Section 20-2-690 or having graduated from a high school
 116 which is not an eligible high school, having received a score in the ~~ninety-third~~
 117 ninety-second percentile or higher on the ACT, on the combined critical reading and
 118 math portions on a single administration of the SAT administered prior to March 1,
 119 2016, or on the total score on a single administration of the SAT administered on or
 120 after March 1, 2016; or"

121 **SECTION 3A.**

122 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended
 123 in Code Section 50-27-13, relating to disposition of lottery proceeds, budget report by
 124 Governor, appropriations by General Assembly, and shortfall reserve subaccount, by revising
 125 subsection (a) as follows:

126 "(a)(1) All lottery proceeds shall be the property of the corporation.

127 (2) From its lottery proceeds the corporation shall pay the operating expenses of the
128 corporation. As nearly as practical, at least 45 percent of the amount of money from the
129 actual sale of lottery tickets or shares shall be made available as prize money; provided,
130 however, that this paragraph shall be deemed not to create any lien, entitlement, cause of
131 action, or other private right, and any rights of holders of tickets or shares shall be
132 determined by the corporation in setting the terms of its lottery or lotteries.

133 (3)(A) For fiscal year 2018, net proceeds shall equal at least 26.5 percent of the lottery
134 proceeds. For fiscal year 2019, net proceeds shall equal at least 27.5 percent of the
135 lottery proceeds. Beginning with fiscal year 2020 and ~~As nearly as practical~~, for each
136 fiscal year thereafter, net proceeds shall equal at least ~~35~~ 28.5 percent of the lottery
137 proceeds. However, for the first two full fiscal years and any partial first fiscal year of
138 the corporation, net proceeds need only equal 30 percent of the proceeds as nearly as
139 practical.

140 (B) If for fiscal year 2018 the net sales revenue of tickets is 5 percent less than the net
141 sales revenue of tickets for fiscal year 2017 as verified by the Department of Audits and
142 Accounts as provided in subparagraph (C) of this paragraph, then the increase of the net
143 proceeds to at least 27.5 percent of the lottery proceeds for fiscal year 2019, as provided
144 in subparagraph (A) of this paragraph, shall not be required and instead the net proceeds
145 shall remain equal to at least 26.5 percent of the lottery proceeds for each fiscal year
146 thereafter. If for fiscal year 2019 the net sales revenue of tickets is 5 percent less than
147 the net sales revenue of tickets for fiscal year 2018 as verified by the Department of
148 Audits and Accounts as provided in subparagraph (C) of this paragraph, then the
149 increase of the net proceeds to at least 28.5 percent of the lottery proceeds for fiscal
150 year 2020, as provided in subparagraph (A) of this paragraph, shall not be required and
151 instead the net proceeds shall remain equal to at least 27.5 percent of the lottery
152 proceeds for each fiscal year thereafter. For purposes of this subparagraph, the term
153 'net sales revenue' means the total amount of revenue derived from ticket sales minus
154 the value of any tickets that are provided as prizes.

155 (C) The contingencies provided in subparagraph (B) of this paragraph shall not be
156 applicable unless and until the Department of Audits and Accounts or a third party
157 designated by the Department of Audits and Accounts shall verify that there has been
158 a decrease in the net sales revenue of tickets of at least 5 percent and that such decrease
159 was caused by the increased percentage of net proceeds the corporation was required
160 to transfer to the general fund of the state treasury as provided for in subparagraph (A)
161 of this paragraph."

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SECTION 3A.

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Code Section 20-2-161.3 of the Official Code of Georgia Annotated, relating to the "Move on When Ready Act" and dual credit courses, is amended by revising subsection (k) as follows:

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"(k) The funding provided to the commission for the program shall be subject to annual appropriations enacted by the General Assembly beginning in Fiscal Year 2016. The commission shall set criteria for funding for tuition, mandatory and noncourse related fees, course books, and transportation; provided, however, that beginning with the first summer school term in 2019, any eligible postsecondary institution that is a public authority and a body corporate and politic which utilizes a nonstandard term system composed of five terms in an academic year shall be allowed by the commission to receive payments for five terms annually for eligible high school students enrolled in dual credit courses at such institution. The amount of such funds to be paid shall be determined by the commission. The commission shall create a grant program, subject to the availability of funds, pursuant to which participating public eligible high schools may apply for transportation grants. Such grants shall be awarded based on criteria, terms, and conditions determined by the commission in consultation with the department."

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SECTION 4.

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This Act shall become effective on July 1, 2018; except that Section 3 of this Act shall become effective on July 1, 2020. The amendment to subsection (k) of Code Section 20-2-161.3 as made by Section 3A of this Act shall stand repealed on June 30, 2020.

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SECTION 5.

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