

The House Committee on Rules offers the following substitute to HB 1413:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia  
2 Annotated, relating to the Georgia Student Finance Authority, so as to provide for  
3 postsecondary scholarship opportunities; to establish the DREAMS scholarship; to provide  
4 for eligibility; to create an endowment fund for such scholarship; to provide for reports; to  
5 provide for definitions; to amend Part 6 of Article 7 of Chapter 3 of Title 20 of the Official  
6 Code of Georgia Annotated, relating to medical scholarships, so as to establish a scholarship  
7 for students enrolled medical school; to provide for eligibility; to provide terms and  
8 conditions; to provide definitions; to provide for related matters; to provide for an effective  
9 date and applicability; to repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,  
13 relating to the Georgia Student Finance Authority, is amended by adding a new subpart to  
14 read as follows:

15 "Subpart 2B

16 20-3-367.

17 As used in this subpart, the term:

18 (1) 'Academic year,' 'first professional degree program,' 'matriculated status,' 'quarter  
19 hours,' and 'semester hours' shall have the same meanings as set forth in Code  
20 Section 20-3-519.

21 (2) 'Cost of attendance' means the estimate of a student's educational expenses as  
22 calculated by the eligible postsecondary institution at which such student is enrolled  
23 pursuant to Title IV.

24 (3) 'DREAMS scholarship' or 'scholarship' means the Dedicating Resources to  
25 Educationally Advance More Students (DREAMS) scholarship provided for in this  
26 subpart.

27 (4) 'DREAMS Scholarship Endowment Fund' or 'endowment fund' means the DREAMS  
28 Scholarship Endowment Fund provided for in Code Section 20-3-367.2.

29 (5) 'Eligible postsecondary institution' means:

30 (A) An institution of the University System of Georgia; and

31 (B) A unit of the Technical College System of Georgia.

32 (6) 'Financial aid' means all scholarships and grants awarded to a student, excluding the  
33 DREAMS scholarship.

34 (7) 'Grade point average' means the grade point average calculated by the commission  
35 for purposes of the HOPE scholarship provided for in Part 7 of this article.

36 (8) 'Student aid index' means the student aid index calculated in accordance with  
37 Title IV.

38 (9) 'Title IV' means Title IV of the federal Higher Education Act of 1965, as amended,  
39 20 U.S.C. Section 1070, et seq.

40 (10) 'Unmet financial need' means the amount of the cost of attendance remaining after  
41 the student aid index and all other financial aid received by the student have been applied.

42 20-3-367.1.

43 (a) To be eligible for a DREAMS scholarship, a student seeking an undergraduate degree  
44 at an eligible postsecondary institution shall:

45 (1) Meet the requirements provided for in paragraph (1) of subsection (a) and  
46 subsection (b) of Code Section 20-3-519.1;

47 (2) Complete the Free Application for Federal Student Aid (FAFSA);

48 (3) Meet enrollment standards by being admitted, enrolled, and classified as an  
49 undergraduate student in a matriculated status;

50 (4) Be enrolled for not less than six semester hours, or the equivalent quarter hours, in  
51 any given semester or quarter;

52 (5) Have not yet earned a baccalaureate or first professional degree; and

53 (6) Have unmet financial need.

54 (b) To maintain eligibility for a scholarship under this subpart, a student shall:

55 (1) Continue to meet the eligibility requirements provided for in subsection (a) of this  
56 Code section; and

57 (2) Maintain a minimum 2.0 grade point average and satisfactory academic progress in  
58 accordance with the standards and practices used for Title IV programs by the institution  
59 at which such student is enrolled.

60 (c) Using moneys from the endowment fund, the authority shall provide scholarships to  
61 eligible students in accordance with the following conditions:

62 (1) The maximum award amount per student per academic year shall be \$3,000.00;  
63 provided, however, that no student shall be awarded an amount that is more than such  
64 student's unmet financial need; and

65       (2) No student shall receive a scholarship award for more than eight semesters or 12  
66       quarters.

67       (d) Each student who is awarded a scholarship shall:

68       (1) Complete a financial literacy course; and

69       (2) Be engaged in paid or unpaid work at least part-time, which may include, but shall  
70       not be limited to, employment, an internship or externship, volunteer work, or military  
71       service.

72       20-3-367.2.

73       (a) There is created the DREAMS Scholarship Endowment Fund as a separate fund in the  
74       state treasury. The endowment fund shall be administered by the authority. Moneys in the  
75       endowment fund shall be used only as provided for in this subpart. All appropriations  
76       made by the General Assembly for the scholarship and all public or private grants, gifts,  
77       donations, or contributions received for the scholarship shall be credited to the endowment  
78       fund. Unless specifically designated otherwise, all moneys credited to the endowment fund  
79       shall be credited to the principal account. All moneys appropriated or otherwise paid or  
80       credited to the endowment fund shall be presumptively concluded to have been committed  
81       to the purpose for which they have been appropriated, paid, or credited and shall not lapse.

82       (b) Three separate accounts shall be created within the endowment fund:

83       (1) The principal account shall constitute the permanent endowment corpus. Except as  
84       otherwise provided in this Code section, moneys credited to such account shall not be  
85       appropriated, transferred, expended, encumbered, or otherwise diverted. The authority  
86       shall determine the minimum amount of moneys needed in the principal account in order  
87       to produce sufficient funds to sustain scholarship awards;

88       (2) The scholarship account shall consist of moneys allocated to such account pursuant  
89       to the spending policy adopted by the authority. Moneys in such account shall be used  
90       to provide scholarship awards in accordance with this subpart; and

91 (3) The transitional scholarship account shall consist of funds appropriated for  
92 scholarship awards during the first two fiscal years of the scholarship. Moneys in such  
93 account shall be used to provide scholarships in accordance with this subpart.

94 (c) The authority shall adopt an investment policy which provides for the investment of  
95 moneys in the principal account as a pooled portfolio in accordance with prudent investor  
96 standards applicable to public trust funds. Such investment policy shall include provisions  
97 to preserve and grow the long-term value of the principal account while promoting the  
98 stability and sustainability of scholarship awards.

99 (d) In the event of a shortfall in moneys available for scholarship awards compared with  
100 projected expenditures for scholarship awards over the same period, and if such shortfall  
101 will have a materially adverse effect on scholarship awards, the authority shall be  
102 authorized to adopt an emergency stabilization authorization to allow the distribution or  
103 transfer of moneys from the principal account so as to mitigate any reduction in such  
104 awards. Such authorization shall:

105 (1) Require a two-thirds' majority vote of the board of the authority for adoption;

106 (2) Be limited to the minimum amount necessary to mitigate any reduction in awards;

107 (3) Not be used to permanently increase award levels;

108 (4) Provide for the principal account to be replenished to not less than the minimum  
109 amount determined by the authority pursuant to paragraph (1) of subsection (b) of this  
110 Code section; and

111 (5) Expire within one year; provided, however, that this shall not prohibit consecutive  
112 emergency stabilization authorizations.

113 (e) The authority shall adopt a spending policy which provides for the allocation of  
114 earnings to the principal account and to the scholarship account at the end of each fiscal  
115 year. Such spending policy shall:

116 (1) Require that earnings allocated to the principal account shall be used to grow the  
117 permanent endowment corpus in accordance with the investment policy; and

118 (2) Require that earnings allocated to the scholarship account shall be used to provide  
 119 scholarships in accordance with Code Section 20-3-367.1

120 (f) During the first two fiscal years following capitalization of the endowment fund,  
 121 scholarship awards shall be paid from the transitional scholarship account. The transitional  
 122 scholarship account shall terminate at the end of the second fiscal year following  
 123 capitalization of the fund, and any remaining moneys shall be transferred to the principal  
 124 account. In the third fiscal year following capitalization of the fund and each fiscal year  
 125 thereafter, scholarship awards shall be paid from the scholarship account.

126 (g) Not later than December 1 of the second fiscal year following capitalization of the fund  
 127 and each fiscal year thereafter, the authority shall prepare and publish on its website an  
 128 annual report regarding the endowment fund for the immediately preceding fiscal year.  
 129 Such report shall include the endowment fund's market value, investment performance,  
 130 scholarship distributions, any distributions or transfers from the principal account, and  
 131 confirmation of compliance with the requirements of this Code section and the policies  
 132 adopted pursuant to this Code section.

133 20-3-367.3.

134 Not later than December 1 each year, the authority shall provide a report on the DREAMS  
 135 scholarship and the endowment fund to the Governor, the Speaker of the House of  
 136 Representatives, the President of the Senate, the chairpersons of the House Committee on  
 137 Higher Education and the Senate Higher Education Committee, the chancellor of the  
 138 University System of Georgia, and the commissioner of the Technical College System of  
 139 Georgia."

140 **SECTION 2.**

141 Part 6 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia Annotated,  
 142 relating to medical scholarships, is amended by designating the existing provisions of said

143 part as Subpart 2, by replacing "this part" and "This part" with "this subpart" and "This  
144 subpart", respectively, everywhere such terms occur in the new Subpart 2, and by adding a  
145 new subpart to read as follows:

146 "Subpart 1

147 20-3-505.

148 As used in this subpart, the term:

149 (1) 'Academic year' and 'full-time' shall have the same meanings as set forth in Code  
150 Section 20-3-519.

151 (2) 'Applicant' means an individual who applies for a scholarship under this subpart.

152 (3) 'Authority' means the Georgia Student Finance Authority.

153 (4) 'Cost of attendance' means the estimate of a student's educational expenses as  
154 calculated by the eligible postsecondary institution at which such student is enrolled  
155 pursuant to Title IV.

156 (5) 'Eligible applicant' means an applicant who meets the eligibility criteria provided for  
157 in this subpart.

158 (6) 'Eligible medical school' means a medical school in the University System of  
159 Georgia.

160 (7) 'Scholarship' means a scholarship provided for in this subpart.

161 (8) 'Title IV' means Title IV of the federal Higher Education Act of 1965, as amended,  
162 20 U.S.C. Section 1070, et seq.

163 20-3-506.

164 (a) To be eligible for a scholarship under this subpart, an applicant seeking a medical  
165 degree at an eligible medical school shall:

166 (1) Meet the requirements provided for in paragraph (1) of subsection (a) and  
167 subsection (b) of Code Section 20-3-519.1;

- 168        (2) Complete the Free Application for Federal Student Aid (FAFSA);  
169        (3) Meet enrollment standards by being enrolled full-time in an eligible medical school  
170        and making satisfactory academic progress in accordance with the standards and practices  
171        used for Title IV programs by the medical school at which such student is enrolled;  
172        (4) Have not yet earned a medical degree; and  
173        (5) Submit an application for such scholarship.
- 174        (b) Subject to appropriations, the authority shall award scholarships to eligible applicants  
175        in accordance with the following terms and conditions:
- 176        (1) The maximum award amount per applicant per academic year shall not exceed such  
177        student's cost of attendance;  
178        (2) No applicant shall receive a scholarship award for more than eight semesters; and  
179        (3) Each scholarship awarded pursuant to this subpart shall be conditional upon the  
180        applicant agreeing that the full amount of the scholarship shall be repaid to the State of  
181        Georgia in services to be rendered by such applicant by practicing medicine in this state  
182        for not less than four years after completion of a residency program approved by the  
183        Accreditation Council for Graduate Medical Education (ACGME).
- 184        (c) Before being awarded a scholarship, each eligible applicant shall enter into a contract  
185        with the authority agreeing to the terms and conditions upon which such scholarship is  
186        granted, including such terms and conditions as set forth in this subpart. Each such  
187        contract shall provide that, in the event such recipient does not complete medical school  
188        and fails to receive a medical degree, fails to obtain licensure from the Georgia Composite  
189        Medical Board to practice medicine, or fails to practice medicine in this state in accordance  
190        with the requirements of this subpart, the recipient shall repay any and all scholarship  
191        awards received pursuant to this subpart; provided, however that for each year of practicing  
192        medicine in this state, such applicant shall receive credit for the amount of the scholarship  
193        received during any one year in an eligible medical school."

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**SECTION 3.**

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This Act shall become effective on July 1, 2026, and shall apply to all academic years

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beginning with the 2026-2027 academic year.

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**SECTION 4.**

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