

Tennessee Student Assistance Corporation

September 26, 2024

Decision Item B

Tennessee STEP UP Scholarship – Rulemaking Hearing Rule

Staff Recommendation

(1) Approve the Rulemaking Hearing Rule, Chapter 1640-01-24, Tennessee STEP UP Scholarship, as amended.

(2) Authorize the Executive Director to make any necessary technical corrections to this Rule, including changes required by the Tennessee Attorney General.

Background

This Rule provides for the following substantive changes to the existing rule.

- Removes specified application deadlines and replaces with “application deadlines shall be determined by the TSAC Executive Director and published on TSAC’s website” and further authorizes the Executive Director “to modify deadlines for well-documented extraordinary cause if necessary to protect the public interest.”
- Clarifies that the 16-month period to enroll in a postsecondary institution following high school graduation may be calculated from the end of a transition program if the student remains in high school after graduation.
- Removes all language pertaining to the student appeals procedures and replaces it with language consistent with the appeals procedures found in the HOPE Scholarship Rules.

A public Rulemaking Hearing was held on September 26, 2024. Pending approval by the Board, these rules will be implemented following approval by the Tennessee Attorney General and subsequent filing with the Secretary of State.

**RULES
OF THE
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-01-24
TENNESSEE STEP UP SCHOLARSHIP**

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1640-01-24-.01 INTRODUCTION.

These rules implement the Tennessee STEP UP Scholarship, Title 49, Chapter 4, Part 9 as amended by 2013 Tennessee Public Acts, Chapter 483 (the Act). The Act provides scholarships to students with documented intellectual disabilities to attend eligible postsecondary institutions.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.02 DEFINITIONS.

- (1) Eligible Postsecondary Institution: A postsecondary institution located in Tennessee that offers an eligible postsecondary program.
- (2) Eligible Postsecondary Program: The term is defined in T.C.A. § 49-4-943.
- (3) FAFSA: Free Application for Federal Student Aid.
- (4) TSAC: Tennessee Student Assistance Corporation.

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.03 SCHOLARSHIP AWARD AMOUNT.

Subject to the amounts appropriated by the General Assembly and any law relating to a shortfall in funds available for postsecondary financial assistance from the net proceeds of the state lottery, the amount of a Tennessee STEP UP Scholarship shall be the same as the amount of a Tennessee HOPE Scholarship awarded under T.C.A. § 49-4-914 ~~(a) to students attending eligible four-year postsecondary institutions.~~

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-914, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.04 APPLICATION PROCESS.

- (1) Students must apply for the Tennessee STEP UP scholarship by submitting the Tennessee STEP UP scholarship application to TSAC during each year of enrollment in the eligible postsecondary program.:

~~Submitting the Tennessee STEP UP scholarship application to TSAC during each year of enrollment in the eligible postsecondary program. Applications for the STEP UP Scholarship will be due no later than September 1 for fall enrollment, February 1 for spring enrollment, and May 1 for summer enrollment in determining awards for that academic year, and~~
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~~*Rule 1640-01-24-.04, continued) spring enrollment, and May 1 for summer enrollment in determining awards for that academic year, and~~

~~(2) STEP UP and FAFSA application deadlines shall be determined by the TSAC Executive Director and published on TSAC's website. If the deadline for the applications occurs on a weekend or holiday, then the deadline will be the next business day. It is the responsibility of the student to submit the application in a timely manner to ensure it is received by the published deadlines.~~

~~(a) Submitting the FAFSA during each year of enrollment in the eligible postsecondary program. It shall be the responsibility of the student, parent(s), and/or legal guardian(s) to submit the FAFSA in a timely manner. The FAFSA shall be received by the U.S. Department of Education on or before September 1 for fall enrollment, February 1 for spring enrollment, and May 1 for summer enrollment in determining awards for that academic year.~~

~~(3) The TSAC Executive Director is authorized to modify published application deadlines for well-documented extraordinary cause if necessary to protect the public interest.~~

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.05 ELIGIBILITY.

(1) To be eligible for a Tennessee STEP UP Scholarship a student shall meet the requirements of T.C.A. § 49-4-943(b).

~~(2)~~ To continue to be eligible for a Tennessee STEP UP Scholarship, a student shall meet the requirements of T.C.A. § 49-4-943(c).

~~(2)(3) In determining a student's enrollment at an eligible postsecondary institution after completion of high school, the sixteen (16) month time limit will begin after the student has completed high school and may be calculated from the end of a transition program if the student remains in high school after graduation.~~

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.06 TERMINATION OF AWARD.

A student may receive the Tennessee STEP UP Scholarship until a terminating event as described in T.C.A. § 49-4-943(d) occurs.

Authority: T.C.A. §§ 49-4-201 and 49-4-204. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.07 REDUCTION OF AWARD.

If the sum of all financial aid, including a Tennessee STEP UP scholarship, for which a student qualifies exceeds the institutionally defined total cost of education at the eligible postsecondary institution the scholarship recipient is attending, then the student's Tennessee STEP UP scholarship

shall be reduced so that the financial aid ~~actually~~ received by the student does not exceed the institutionally defined cost of education.

Authority: T.C.A. §§ 49-4-201 and 49-4-204. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.08 CERTIFICATION.

Each eligible postsecondary institution shall be responsible for certifying to TSAC that the student has met all eligibility requirements. Upon receiving such certification, TSAC will disburse the funds to the eligible postsecondary institution in equal amounts between the fall, spring, or summer terms provided the student does not receive the award for more than two (2) terms in the same academic year.

Authority: T.C.A. §§ 49-4-201 and 49-4-204. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.09 LEAVE OF ABSENCE.

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- (1) A student may be granted medical or personal leaves of absence from attendance at an eligible postsecondary institution and receive the Tennessee STEP UP Scholarship upon resumption of the student's attendance at an eligible postsecondary institution so long as all other applicable eligibility criteria are met. An eligible postsecondary institution may grant leaves of absence only for medical or personal reasons. Allowable medical or personal reasons shall include, but not be limited to, illness of the student, illness or death of an immediate family member, extreme financial hardship of the student or student's immediate family, or other extraordinary circumstances beyond the student's control where continued attendance by the student creates a substantial hardship. In the event an institution denies a student's request for a medical or personal leave of absence, the student may seek relief from the decision in accordance with these rules.
- (2) A student who receives an approved medical or personal leave of absence may resume receiving the scholarship as described in T.C.A. § 49-4-943(d)(2).

Authority: T.C.A. §§ 49-4-201, 49-4-204, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.

1640-01-24-.10 APPEALS PROCEDURE.

- ~~(1) A student whose Tennessee STEP UP Scholarship has been terminated by the postsecondary institution may appeal to the TELS Award Appeals Panel for relief. A student seeking an appeal shall submit a written statement outlining the basis for the appeal as well as all pertinent information related to the appeal to TSAC within forty-five (45) calendar days from the date that the decision was delivered to the student by the postsecondary institution. A complete record of the Institutional Review Panel (IRP) ruling shall be provided to TSAC by the student, if applicable.~~
- ~~(2) An appeal shall be heard by the Appeals Panel no later than forty-five (45) calendar days after an appeal is properly filed with TSAC, and a decision shall be determined no later than fourteen (14) calendar days after ruling on an appeal. Such decision shall be reduced to writing and shall include a summary of the pertinent facts and issues and the panel's decision. The Appeals Panel shall provide a copy of the written decision to the appellant and the appellant's home institution as soon as practicable. The Appeals Panel is the final administrative appeal.~~

- (1) Each eligible postsecondary institution shall use its existing Institutional Review Panel (IRP) for purposes of reviewing and rendering decisions regarding appeals for the Tennessee STEP UP Scholarship. The IRP shall use the same procedures and timelines as those that currently exist for the review of Tennessee Education Lottery Scholarship (TELS) appeals as outlined in Tenn. Comp. R. & Regs. 1640-01-19.
- (2) TSAC shall use the existing TSAC Appeals Panel to consider appeals and render decisions for those students who appeal a decision made by the IRP and for appeals made directly to TSAC. The same guidelines shall exist for appeals of the Tennessee STEP UP Scholarship as those that are currently in place for TELS as outlined in Tenn. Comp. R & Regs.1640-01-19. A decision of the TSAC Appeals Panel made on the merits of the appeal is the final administrative remedy available to the student.

Authority: T.C.A. §§ 49-4-201, 49-4-204, 49-4-924, and 49-4-943. **Administrative History:** Original rule filed December 27, 2013; effective May 31, 2014.