

House Bill 1435 (COMMITTEE SUBSTITUTE)

By: Representatives Martin of the 49th, Jones of the 47th, McDonald of the 26th, Gaines of the 117th, LaHood of the 175th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Subpart 2A of Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of
2 Georgia Annotated, relating to the needs based financial aid program, so as to include
3 eligibility for students with a financial aid gap; to provide for definitions; to limit awards to
4 undergraduate level postsecondary education; to provide for a maximum award amount; to
5 update the application process for the program; to change the authorization to conduct
6 compliance examinations from the state auditor to the Georgia Student Finance Commission;
7 to provide for rules and regulations; to allow for eligibility of part-time students; to authorize
8 the commission to suspend institutions from the program for failure to refund moneys in
9 certain circumstances; to revise the criminal penalty for persons making false statements or
10 misrepresentations in the application process; to provide for evaluation; to provide for related
11 matters; to provide for automatic repeal; to provide for an effective date; to repeal conflicting
12 laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

H. B. 1435 (SUB)

14 **SECTION 1.**

15 Subpart 2A of Part 3 of Article 7 of Chapter 3 of Title 20 of the Official Code of Georgia
16 Annotated, relating to the needs based financial aid program, is amended by revising Code
17 Section 20-3-360, relating to definitions, as follows:

18 "20-3-360.

19 As used in this subpart, the term:

20 (1) 'Eligible student' means a person:

21 (A) Whose family income is considered economically disadvantaged, based on criteria
22 established by the commission, or who has a financial aid gap; and

23 (B) Who meets any academic or other standards established by the commission;

24 (C) Who is eligible for a scholarship or grant pursuant to Code Section 20-3-519.1;

25 (D) Who has completed the Free Application for Federal Student Aid (FAFSA); and

26 (E) Who has completed 80 percent of the credit requirements toward the credential of
27 his or her program of study.

28 (2) 'Financial aid gap' means the monetary amount remaining after other funding, as
29 determined by the commission, for the cost of attendance certified by a qualified
30 institution.

31 (3) 'Qualified institution' means an institution of the ~~university system~~ University System
32 of Georgia, an institution of the Technical College System of Georgia, or a
33 nonproprietary institution of higher education eligible for tuition equalization grants in
34 accordance with subparagraph (A) of paragraph (2) of Code Section 20-3-411."

35 **SECTION 2.**

36 Said subpart is further amended by revising Code Section 20-3-361, relating to grants,
37 individualized eligibility criteria, and criteria for retention, as follows:

38 "20-3-361.
39 Subject to appropriations, the commission shall establish a needs based financial aid
40 program to provide grants to eligible students for undergraduate level postsecondary
41 education at qualified institutions. The maximum award amount per eligible student shall
42 be \$2,500 in total. The commission may provide for individualized eligibility criteria and
43 grant amounts as determined to be the most appropriate for the particular qualified
44 institution and its student population in accordance with this subpart and the rules and
45 regulations of the commission. The commission shall also establish criteria necessary for
46 eligible students to retain and continue to receive such grants in accordance with this
47 subpart."

48 **SECTION 3.**

49 Said subpart is further amended by revising Code Section 20-3-362, relating to application,
50 regulations, and refunds, as follows:

51 "20-3-362.
52 Each eligible student wishing to receive a grant pursuant to this subpart shall submit a grant
53 application in accordance with the rules, regulations, and procedures prescribed by the
54 commission. The commission is authorized to define such terms and prescribe such rules,
55 regulations, and procedures as may be reasonable and necessary to carry out the purposes
56 of this subpart. In the event a student on whose behalf a grant is paid does not enroll as a
57 full-time or part-time student for the academic semester for which the grant is paid, the
58 qualified institution shall make a refund to the commission in accordance with the rules and
59 regulations of the commission."

60 **SECTION 4.**

61 Said subpart is further amended by revising Code Section 20-3-363, relating to examination
62 of qualified institutions and purpose, as follows:

63 "20-3-363.

64 Each qualified institution shall be subject to examination by the ~~state auditor~~ commission
65 for the sole purpose of determining whether the institution has properly certified the cost
66 of attendance, eligibility, and enrollment of students; ~~and accurately~~ credited grants paid
67 on behalf of such students; ~~and properly complied with the rules and regulations~~
68 established pursuant to this subpart; provided, however, that nothing in this subpart shall
69 be construed to interfere with the authority of the institution to determine admissibility of
70 students or to control its own curriculum, philosophy, purpose, or administration. In the
71 event it is determined that a qualified institution knowingly or through error certified an
72 ineligible student to be eligible for a grant under this subpart, the amount of the grant paid
73 to such institution pursuant to such certification shall be refunded by such institution to the
74 commission. The commission may suspend a qualified institution from receiving payments
75 under this subpart if it fails to refund any moneys as required by this subpart."

76 **SECTION 5.**

77 Said subpart is further amended by revising Code Section 20-3-364, relating to penalty for
78 false statement or misrepresentation, as follows:

79 "20-3-364.

80 Any person applying for a grant under this subpart or assisting a person applying for a
81 grant under this subpart who knowingly makes or furnishes any false statement or
82 misrepresentation, ~~or who accepts such statement or misrepresentation knowing it to be~~
83 ~~false~~, for the purpose of enabling an ineligible student to wrongfully obtain a grant under
84 this subpart shall be guilty of a misdemeanor."

85 **SECTION 6.**

86 Said subpart is further amended by adding a new Code section to read as follows:

87 "20-3-365.
88 The commission shall collect and monitor enrollment and student record data for the needs
89 based financial aid program established pursuant to this subpart. The commission shall
90 annually measure and evaluate the program. The Office of Planning and Budget, the
91 Department of Education, and qualified institutions shall cooperate with and provide data
92 as necessary to the commission to facilitate the provisions of this Code section."

93 **SECTION 7.**

94 Said subpart is further amended by adding a new Code section to read as follows:

95 "20-3-366.

96 This subpart shall stand repealed by operation of law on June 30, 2025."

97 **SECTION 8.**

98 This Act shall become effective on July 1, 2022.

99 **SECTION 9.**

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