

HOUSE BILL 4212

By Odom

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 4, Part 6 and Title 49, Chapter 4, Part 9, relative to postsecondary financial assistance from net lottery proceeds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 4, Part 9, is amended by adding the following language as a new, appropriately designated section:

§49-4-9\_\_.

(a) There is hereby created within the state treasury a fund to be known as the "Tennessee student assistance award fund". Moneys shall be deposited into the Tennessee student assistance award fund from the lottery for education account established in §4-51-111. Amounts remaining in the fund at the end of each fiscal year shall not revert to the lottery for education account but shall remain in the fund. The state funding board created by § 9-9-101 shall adopt an investment policy for the fund designed to achieve its purpose as an endowment. Moneys in the fund may be invested in the state pooled investment fund established by §9-4-603, the chairs of excellence endowment fund established by § 49-7-501, any securities authorized in § 9-4-602, or in any securities or classes of securities not specifically authorized in § 9-4-602 which are approved by resolution of the state funding board. All earnings attributable to such investments shall be credited to the Tennessee student assistance award fund.

(b) The principal amount of the Tennessee student assistance award fund shall equal two hundred million dollars (\$200,000,000). On July 1, 2008, the amount of two hundred million dollars (\$200,000,000) shall be transferred from the lottery for education account to the Tennessee student assistance award fund.

(c) In any year in which the fund balance exceeds the principal amount, TSAC may draw on moneys in the Tennessee student assistance award fund in excess of the principal amount to increase the number of Tennessee student assistance awards granted under title 49, chapter 4, part 3. All such moneys so expended shall be used to supplement, not supplant, funds for Tennessee student assistance awards to enable citizens of this state to attend postsecondary educational institutions located within this state.

SECTION 2. This act shall take effect July 1, 2008, the public welfare requiring it, and shall apply to students seeking Tennessee student assistance awards for the 2008-2009 academic year and academic years thereafter.