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SYNOPSIS:

This bill would establish a new grant program to assist Alabama residents in earning short-term credentials that will lead to more in-demand career opportunities.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to grants for short-term credentials; to repeal the Alabama Apprenticeship Tax Credit Act commencing with Section 40-18-422; to provide grants to Alabama residents to help them earn short-term credentials; to determine eligible recipients; to establish procedures for administering the program; and to set forth the process by which the program will be funded.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The Apprenticeship Tax Credit, Chapter 18, of Title 40, commencing with Section 40-18-422, Code of Alabama 1975, is repealed effective December 31, 2024, unless extended by an act of the Legislature prior to that date for no more than five additional years.

Section 2. This article shall be known and may be cited



29 as the Alabama Short-Term Credential Scholarship Program.

30 Section 3. The following words used in this article  
31 shall have the following meanings.

32 (1) ELIGIBLE STUDENT. An Alabama resident who is  
33 registered for or intends to register to take a short-term  
34 credential program at an institution within the Alabama  
35 Community College System.

36 (2) GRANT. A payment made to an institution within the  
37 Alabama Community College System to be applied toward an  
38 eligible student's qualifying educational expenses for a  
39 short-term credential program.

40 (3) QUALIFYING EDUCATIONAL EXPENSES. Tuition, fees,  
41 books, materials, and supplies required for or on behalf of an  
42 eligible student by the Alabama Community College System  
43 institution for participation in a short-term credential  
44 program.

45 (4) SHORT-TERM CREDENTIAL PROGRAM. A program at an  
46 Alabama Community College System institution that can be  
47 completed in 16 weeks or less and that will lead to in-demand  
48 career opportunities in the region in which the community  
49 college where the course is taken is located. In developing  
50 the short-term credential program, each community college  
51 shall work with local businesses and regional workforce  
52 councils and consult the regional and statewide lists of  
53 in-demand occupations to determine the in-demand careers and  
54 applicable curriculum.

55 Section 4. (a) There is hereby established a short-term  
56 credential program that will provide grants to help pay for



57 qualifying educational expenses for eligible students at any  
58 Alabama Community College System institution.

59 (b) An eligible student may receive a grant of up to  
60 four thousand five hundred dollars (\$4,500) that shall be paid  
61 to the Alabama Community College System institution where the  
62 eligible student enrolls in a short-term credential program  
63 and shall be applied toward the eligible student's qualifying  
64 educational expenses required to complete a credit or  
65 non-credit short-term credential program that provides  
66 training for in-demand careers in the relevant region.

67 (c) Prior to receiving a grant, the eligible student  
68 must complete a Free Application for Federal Student Aid  
69 (FAFSA) and apply for all other institutional, state, and  
70 federal gift aid that may be available to help pay for the  
71 eligible student's tuition and expenses.

72 (d) One-half of the grant shall be paid to the Alabama  
73 Community College System institution within five days after  
74 the eligible student's first day of class in the short-term  
75 credential program, and the other one-half of the grant shall  
76 be paid within five days after the eligible student's  
77 completion of the short-term credential program. The second  
78 one-half of the grant shall not be paid if the eligible  
79 student does not complete the course, and in such a situation,  
80 the eligible student shall be responsible for paying the  
81 outstanding balance of any tuition or other fees owed to the  
82 Alabama Community College System institution at which the  
83 course was taken. If the eligible student does not complete  
84 the short-term credential program within one calendar year



85 from the first day of the program's commencement, that  
86 individual must repay the State of Alabama the initial  
87 one-half of the grant that was paid to the Alabama Community  
88 College System on his or her behalf.

89 (e) An eligible student who receives a grant under this  
90 article may not receive another grant until one calendar year  
91 after he or she completes the short-term credential program  
92 for which the prior grant was awarded.

93 Section 5. The Alabama Community College System shall  
94 do all of the following:

95 (1) Adopt any rules necessary to implement and  
96 administer this article.

97 (2) Establish standards for participation and  
98 eligibility to receive a grant under this article.

99 (3) Establish the process by which eligible students  
100 will apply for a grant.

101 (4) Ensure that grants provided under this article are  
102 awarded in a manner that does not discriminate based on  
103 gender, race, or disability status of the applicant.

104 (5) Ensure that all grant applicants are residents of  
105 the State of Alabama.

106 (6) Ensure that all funding provided under this article  
107 is expended for the sole purpose of helping to pay the  
108 eligible student's qualifying educational expenses.

109 Section 6. There is created within the State Treasury a  
110 fund to be known as the Short-Term Credential Scholarship  
111 Fund, which is authorized to accept funds appropriated by the  
112 Legislature in the general appropriations act or other



113 appropriations acts.

114           Section 7. (a) The cumulative amount of grants issued  
115 pursuant to this act shall not exceed seven million dollars  
116 (\$7,000,000) annually. The Department of Revenue shall ensure  
117 that this cap is not exceeded and shall prescribe the process  
118 by which the grants are paid to the Alabama Community College  
119 System institution where the short-term credential program is  
120 completed.

121           (b) The grants provided under this article shall be  
122 effective on January 1, 2024 and shall continue through  
123 December 31, 2028, unless extended by an act of the  
124 Legislature.

125           Section 8. The Alabama Community College System shall  
126 provide an annual report to the Chair of the House Ways and  
127 Means Education Committee and the Chair of the Senate Finance  
128 and Taxation Education Committee to account for the use of  
129 funds and the effectiveness of the grant program established  
130 under this article.

131           Section 9. This act shall become effective on the first  
132 day of the third month following its passage and approval by  
133 the Governor, or its otherwise becoming law.