

FISCAL NOTE

HB 3742 - SB 3978

February 15, 2008

SUMMARY OF BILL: Adds new definitions for “cost of attendance” and “gift aid”, as they relate to the expenditure of net lottery proceeds. Requires the Tennessee HOPE Foster Child Tuition Grant be the total cost of attendance, less any amounts received that constitutes gift aid. Authorizes retroactive awarding to all grants awarded for FY06-07.

ESTIMATED FISCAL IMPACT:

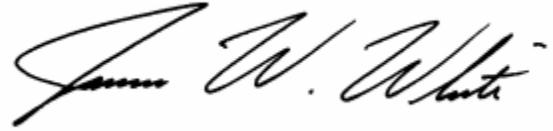
Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$50,000 per year.

Assumptions:

- “Cost of attendance” means the combined cost of tuition, mandatory fees, room and board, books and other educational expenses as determined by the financial aid office of the eligible postsecondary institution.
- “Gift aid” means scholarships and grants from any source that do not require repayment, including funds provided through the federal Foster Care Independence Act of 1999 and other programs. Student loans and work-study awards shall not be considered gift aid.
- According to the Tennessee Student Assistance Corporation (TSAC), the new definition proposed for “cost of attendance” will authorize the Tennessee HOPE Foster Child Tuition Grant to be used for room and board, thus increasing expenditures from lottery proceeds.
- TSAC indicates that approximately 35 students receive the Tennessee HOPE Foster Child Tuition Grant in any given year. Based on this number of students, the increase of expenditures from lottery proceeds is estimated to be \$50,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc