

CORRECTED FISCAL NOTE

HB 4210 - SB 4211

February 26, 2008

SUMMARY OF BILL: Reduces from 3.0 to 2.75 the grade point average required after the first twenty-four semester hours attempted for retention of the HOPE Scholarship. Requires HOPE students to maintain a cumulative 2.75 grade point average each year to maintain the HOPE Scholarship.

ESTIMATED FISCAL IMPACT:

On February 15, 2008, we issued a fiscal note for this bill with the following estimated impact:

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$7,091,100 in FY08-09 and by \$17,484,300 in FY09-10.

Based on new information provided by the Tennessee Higher Education Commission, the fiscal impact of this bill is estimated as follows:

(CORRECTED)

Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$17,468,100 in FY08-09 and by \$17,816,300 in FY09-10.

Assumptions:

- According to the Tennessee Higher Education Commission (THEC), approximately 4,164 students (401 two-year students; 3,763 four-year students) would retain their HOPE scholarships in FY08-09.
- Some students are eligible for multiple awards due to the General Assembly Merit Scholarship (GAMS) and the ASPIRE need-based award.
- Based on historical data, THEC estimates the average award for two-year students to be \$2,247.12 per academic year.
- Based on historical data, THEC estimates the average award for four-year students to be \$4,402.60 per academic year.

HB 4210 - SB 4211

CORRECTED

- The increase of expenditures from lottery proceeds is estimated to be \$17,468,100 in FY08-09 [(401 x \$2,247.12) + (3,763 x \$4,402.60) = \$17,468,079).
- THEC estimates approximately 4,247 students (409 two-year students; 3,838 four-year students) would retain their HOPE scholarships in FY09-10.
- The increase of expenditures from lottery proceeds is estimated to be \$17,816,300 [(409 x \$2,247.12) + (3,838 x \$4,402.60) = \$17,816,250) in the second year (FY09-10).

CERTIFICATION:

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



James W. White, Executive Director

/rnc