

## **FISCAL NOTE**

### **SB 517 - HB 1980**

March 28, 2007

**SUMMARY OF BILL:** Requires postsecondary institutions enrolling Tennessee HOPE Scholarship and Tennessee HOPE Access grant students to provide academic advisement programs to assist with scholarship and grant retention; permits students participating in such programs who lose the scholarship to petition for additional time in which to achieve academic eligibility.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$10,951,800 in FY07-08 and by \$11,643,400 in FY08-09.**

##### Assumptions:

- According to TSAC, there are 3,641 students who have earned a GPA between 2.0 and 2.99 for current academic 2006-07.
- Assumes that 50% (1,821) would be mathematically eligible to regain the scholarship at the next benchmark level.
- The current maximum HOPE scholarship award is \$3,800.
- The increase in expenditures from lottery proceeds in FY07-08 is estimated to be \$6,919,800 (1,821 x \$3,800).
- An estimated 10% increase in recipients (2,003) the second year will result in an increase in expenditures from lottery proceeds in FY08-09 of \$7,611,400.
- In addition, post secondary institutions will require the addition of counselors to identify and advise students in jeopardy of losing the HOPE scholarship.
- Each counselor will be responsible for 90 students (30 students per section x 3 sections). Estimated cost to provide counselors is \$4,032,000 (126 counselors x \$32,000)
- Total increase in expenditures of lottery proceeds is estimated to be \$10,951,800 in FY07-08 (\$6,919,800 + 4,032,000) and \$11,643,400 in FY08-09 (\$7,611,400 + 4,032,000).

**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 prominent initial "J" and a distinct "W".

James W. White, Executive Director