

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 48 – HB 870

February 16, 2009

SUMMARY OF BILL: Expands HOPE Scholarship eligibility for certain students of military parents by removing the existing requirement that a military parent's home-of-record or residence is in Tennessee as long as the student qualifies as an in-state student and meets other specified requirements. Authorizes retroactive awarding of the HOPE Scholarship for certain students.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$468,000 in FY09-10 and by \$362,000 in FY10-11.

Assumptions:

- The Tennessee Student Assistance Corporation (TSAC) projects 100 new students would be impacted by this bill in the first year (FY09-10).
- Seventy-six percent (76) are four-year students.
- Twenty-four percent (24) are two-year students.
- Four-year students receive a HOPE award of \$4,000 per year.
- Two-year students receive a HOPE award of \$2,000 per year.
- There will also be an additional one-time increase of expenditures from lottery proceeds as a result of the retroactive provision of this bill.
- The increase of expenditures from lottery proceeds for the 100 new students for FY09-10 is estimated to be \$352,000 [(76 x \$4,000) + (24 x \$2,000) = \$352,000].
- TSAC projects 33 students will qualify under the retroactive provision of this bill (25 four-year students; 8 two-year students).
- The one-time increase of expenditures from lottery proceeds for the retroactive group of students for FY09-10 is estimated to be \$116,000 [(25 x \$4,000) + (8 x \$2,000) = \$116,000].
- The total increase of expenditures from lottery proceeds for FY09-10 is estimated to be \$468,000 (\$352,000 + \$116,000 = \$468,000).

- Three percent growth from FY09-10 to FY10-11 (78 four-year students; 25 two-year students).
- The increase of expenditures from lottery proceeds for FY10-11 is estimated to be \$362,000 $[(78 \times \$4,000) + (25 \times \$2,000) = \$362,000]$.

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 large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc