

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 712 – HB 872

April 8, 2011

SUMMARY OF AMENDMENT (005854): Deletes the original bill. Requires the Tennessee Student Assistance Corporation (TSAC) to be responsible for development of student scholarship application forms. Prohibits student eligibility for Hope Scholarships, except for those applying for the Aspire Award, the Hope Access Grant, or the Hope Scholarship as a nontraditional student, from being restricted or limited based on the adjusted gross income of the student applicants. Requires students applying for the Aspire Award, the Hope Access Grant, or the Hope Scholarship as nontraditional students, to file the Free Application for Federal Student Aid (FAFSA). Requires TSAC to develop a short application form for use by students applying for scholarships for which eligibility is not restricted or limited by adjusted gross income. TSAC shall strive to limit the length of the application form to one page.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$175,100/FY11-12/Lottery for Education Account
\$75,000/FY12-13 and Subsequent Years/
Lottery for Education Account**

Assumptions applied to amendment:

- Based on information provided by TSAC, the new application form would need to be an online form and as a result would require an outside contract vendor to ensure the form interfaces with the current TSAC online database. The associated one-time increase in state expenditures from the Lottery for Education Account (LFEA) will be \$100,100.
- Under current law, student responses are verified automatically when included on FAFSA. However, if such information is provided on an alternative form, the non-financial information would need to be verified by an alternative process. TSAC indicates that such verification would have to be performed by an independent vendor. The associated recurring increase in state expenditures from the LFEA will be \$75,000.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc