



February 15, 2012

**SUMMARY OF AMENDMENT (013095):** Amends Sections Two, Three, and Five of the original bill. Changes, beginning in the 2015-2016 academic year, the HOPE lottery scholarship requirements for a home school student, a student who graduated from an ineligible Tennessee high school, and for a student who has received a GED. Requires home school students and students who did not graduate from an eligible high school to attain a composite ACT score of 21 on a single ACT test date and a score of at least 21 on two of the four subtests or a combined SAT score of 980 on any single SAT test date and a score of at least 490 on any one of the two subtests. Requires GED recipients to pass the GED test with an average score of at least 525 and attain a composite ACT score of 21 on a single ACT test date and a score of at least 21 on two of the four subtests or a combined SAT score of 980 on any single SAT test date and a score of at least 490 on any one of the two subtests.

Deletes language in Section Three of the original bill that authorizes students, who are eligible for an ASPIRE award and who are receiving a HOPE lottery scholarship equal to the amount given to students attending a two-year public institutions, to receive one-half of the ASPIRE HOPE scholarship until such students are eligible to receive the full HOPE scholarship.

Section Five as amended will authorize HOPE access grant students to receive the same two-year HOPE scholarship as HOPE scholarship students under Tenn. Code Ann. 49-4-907(a)(3)(A) between the 24 and 48 hour benchmarks. Deletes language authorizing HOPE access grant students, who are eligible for the ASPIRE award, to receive the same scholarship amount as those who originally qualified under Tenn. Code Ann. § 49-4-907(a)(3)(A) or Tenn. Code Ann. § 49-4-908(a)(3)(A) who receive the ASPIRE award and have attempted the same number of hours as the HOPE access grant student receive.

**FISCAL IMPACT OF ORIGINAL BILL:**

Decrease State Expenditures - Net Impact - \$4,115,500/FY15-16/Lottery for  
Education Account  
Net Impact- \$9,052,400/FY16-17 and the next  
Eight Subsequent Fiscal Years  
/Lottery for Education Account

Other Fiscal Impact – In the eleventh fiscal year after implementation (FY25-26), if the General Assembly elects not to appropriate an additional \$10,000,000 to the Tennessee Student Assistance Award program, the decrease in state expenditures from the Lottery for Education Account will be greater since any decrease in the first ten years after implementation will be netted against this appropriation.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Decrease State Expenditures - Net Impact - \$3,222,000/FY15-16/Lottery for Education Account  
Net Impact- \$8,238,000/FY16-17 and the next Eight Subsequent Fiscal Years /Lottery for Education Account**

**Other Fiscal Impact – In the eleventh fiscal year after implementation (FY25-26), if the General Assembly elects not to appropriate an additional \$10,000,000 to the Tennessee Student Assistance Award program, the decrease in state expenditures from the Lottery for Education Account will be greater since any decrease in the first ten years after implementation will be netted against this appropriation.**

Assumptions applied to amendment:

- The state will increase appropriations for the Tennessee Student Assistance Awards by an additional \$10,000,000 beginning in FY15-16 and the next nine subsequent fiscal years.
- According to the Tennessee Student Assistance Corporation (TSAC), 6,611 students (including new freshman cohort and home school students) will receive a reduced HOPE or ASPIRE award amount in FY15-16.
- With reduced awards, HOPE recipients will receive \$2,000 and ASPIRE recipients will receive \$3,500.
- According to TSAC, the reduction in state expenditures in FY15-16 from the Lottery for Education Account will be \$13,222,000.
- The net decrease in state expenditures from the Lottery for Education Account in FY15-16 will be \$3,222,000 (\$13,222,000 - \$10,000,000).
- Based on information provided by TSAC, the number of students who will receive a reduced award in FY16-17 will be 9,119 (including a new incoming freshmen class with home school students and renewals from FY15-16).
- According to TSAC, the decrease in state expenditures in FY16-17 resulting from an increase in HOPE and ASPIRE eligibility requirements will be \$18,238,000.
- The net decrease in state expenditures from the Lottery for Education Account in FY16-17 and the next eight subsequent fiscal years will be approximately \$8,238,000 (\$18,238,000- \$10,000,000).
- The net decrease in state expenditures shown in FY15-16 and FY16-17 assumes that the \$10,000,000 TSAA appropriation has already been made for those years, leaving eight fiscal years after FY16-17.
- In FY25-26 (eleventh fiscal year after implementation), the decrease in state expenditures from the Lottery for Education Account may be higher if the General Assembly does not extend the additional \$10,000,000 for additional Tennessee Student Assistance Awards beyond the 10<sup>th</sup> fiscal year.

**CERTIFICATION:**

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

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

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