TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL MEMORANDUM

SB 2187 – HB 2579

March 21, 2012

SUMMARY OF AMENDMENT (013573): Deletes all language after the enacting clause. Revises the terminating events for a student receiving a HOPE scholarship to include a terminating event if a student has attempted a total of 120 hours or has received the HOPE scholarship for eight semesters, whichever of these events occurs last. Revises the terminating events for a student enrolled in a degree program that requires more than 120 hours to state that the scholarship will terminate when the student has reached the latter of attempting 136 semester hours or five years have passed from the date of the student's initial enrollment. Requires that notwithstanding Tenn. Code Ann. § 49-4-913(b) and (c), the five year, total semester hour, and total semester limitations for a student who first receives a HOPE scholarship for non-traditional students beginning in the fall of 2009 or thereafter, be based on the sum of years, the total semester hours attempted, or the total semesters attended while receiving the HOPE scholarship or the HOPE scholarship for non-traditional students.

Adds a terminating event for students who have an approved medical or personal leave of absence from an eligible postsecondary institution for the purpose of receiving a lottery scholarship will be eligible for the scholarship. A student will be eligible until the number of semester hours attempted or the number of semesters that the student has received a HOPE scholarship meets the limitation of Tenn. Code Ann. § 49-4-913(b) or (c), as applicable to the student. Current terminating events for these students remain.

Requires that, notwithstanding Tenn. Code Ann. § 49-4-920, a student who first receives a HOPE scholarship after having received a HOPE access grant in the fall semester of 2009 or thereafter, continue to receive the scholarship until the student reaches one of the terminating events of Tenn. Code Ann. § 49-4-913(b), or if the student has enrolled an undergraduate degree program that will require more than 120 semester hours and reaches one of the terminating events set forth in Tenn. Code Ann. § 49-4-913(c).

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Expenditures - $14,206,000/FY12-13
/Lottery for Education Account
$14,866,000/FY13-14
/Lottery for Education Account
Exceeds $14,866,000/FY14-15 and Subsequent Years

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - $2,662,000/Lottery for Education Account

Assumptions applied to amendment:

- The Tennessee Student Assistance Corporation (TSAC) estimates that 1,036 students will reach the 120 hour benchmark in the seventh semester. These students will continue to receive the HOPE scholarship for one additional semester.
- The increase in state expenditures from the Lottery for Education Account for students receiving an award for one additional semester will be $2,072,000 (1,036 x $2,000).
- TSAC estimates that there are 24 students in the 2009 cohort who reached the 120 hour benchmark in the sixth semester and will continue to receive an award for two additional semesters. The increase in state expenditures from the Lottery for Education Account for these students will be $96,000 (24 x $4,000).
- TSAC estimates that one percent of students are enrolled in degree programs that require more than 120 hours. An additional 247 students will qualify for a ninth semester award. The increase in state expenditures from the Lottery for Education Account for these students will be $494,000 (247 x $2,000).
- The total increase in state expenditures from the Lottery for Education Account will be $2,662,000 ($2,072,000 + $96,000 + $494,000).

CERTIFICATION:

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

Lucian D. Geise, Executive Director

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