

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 424 - SB 1083

February 15, 2013

**SUMMARY OF BILL:** Requires state expenditures established in the appropriations bill for Tennessee HOPE scholarships, for scholarship recipients attending eligible public four-year and two-year institutions, be increased each year by at least the average in-state tuition increase at such institutions respectively, beginning in 2013-2014.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures –  
\$17,495,200/FY13-14/Lottery for Education Account  
Exceeds \$21,646,300/FY14-15 and Subsequent Fiscal Years/Lottery  
for Education Account**

Assumptions:

- Based on information received from the Tennessee Student Assistance Corporation (TSAC) and the Governor's State of the State address, in FY13-14, tuition will increase by three percent at two-year institutions and six percent at four-year institutions.
- In FY14-15, and based on information provided by TSAC, tuition increases at two-year institutions will revert back to average historical growth rates, determined to be 5.9 percent per year. In addition, tuition will increase by six percent at four-year institutions.
- Based on annual programmatic growth and tuition rates, TSAC estimates that in FY13-14, the additional appropriations from the Lottery for Education Account will be \$17,495,165.
- In FY14-15 and subsequent years, TSAC estimates additional appropriations from the Lottery for Education Account will be \$21,646,294.

**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".

Lucian D. Geise, Executive Director

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