

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1500 - SB 1778

February 2, 2014

SUMMARY OF BILL: Changes the definition of eligible high school for the purposes of receiving a HOPE scholarship to include an out-of-state boarding school accredited by a member of the National Association of Independent Schools Commission on Accreditation.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$30,000/FY14-15/Lottery for Education Account
\$48,000/FY15-16/Lottery for Education Account
Exceeds \$48,000/FY16-17 and Subsequent Fiscal Years/
Lottery for Education Account**

Assumptions:

- The Tennessee Student Assistance Corporation (TSAC) estimates eight additional students will receive a HOPE scholarship in FY14-15. Of those, seven students will attend a four-year institution and receive a \$4,000 award. One student will attend a two-year institution and receive a \$2,000 award.
- In FY14-15, the increase in state expenditures from the Lottery for Education Account (LFEA) is estimated to be \$30,000 [(\$4,000 x 7) + \$2,000].
- In FY15-16, TSAC estimates a new class of eight additional students will receive a HOPE scholarship; an increase in state expenditures of \$30,000 from the LFEA.
- Five students from the FY14-15 class will retain their award; four students at a four-institution and one student at a two-year institution. The increase in state expenditures from the LFEA for returning students is estimated to be \$18,000 [(\$4,000 x 4) + \$2,000].
- In FY15-16, the total increase in state expenditures is estimated to be \$48,000 (\$30,000 for new FY15-16 students + \$18,000 for returning FY14-15 students).

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- In FY16-17 and subsequent fiscal years, the increase in state expenditures from the LFEA is estimated to exceed \$48,000.

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 being the most prominent.

Lucian D. Geise, Executive Director

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