

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 36 - HB 21

February 15, 2013

SUMMARY OF BILL: Defines “eligible postsecondary program” as a postsecondary program recognized by the Postsecondary Educational Alliance and offered by an eligible postsecondary institution that assists students with significant learning, cognitive, and other intellectual and developmental disabilities who have completed high school but need a system of education supports and services to access and obtain a postsecondary education. In order to be an eligible postsecondary program, the program must have a two-year individualized program of study designed to provide meaningful postsecondary activities, including academic, career development, exploration, and independent living skills on the postsecondary campus.

A student with a documented intellectual or developmental disability will be eligible for a Tennessee STEP UP scholarship if they are not ineligible for the scholarship under Tenn. Code Ann. § 49-4-904; have been a resident of Tennessee as defined by Tennessee Board of Regents under rules promulgated through Tenn. Code Ann. § 49-8,104 for one year immediately preceding their initial or renewal application date; complete high school in accordance with their Individual Education Program (IEP); be admitted and enroll in an eligible postsecondary institution no later than 16 months after completing high school; and apply for a Tennessee STEP UP scholarship. In order to maintain eligibility for a Tennessee STEP UP scholarship, a student must be consistently enrolled in the eligible postsecondary program and make satisfactory progress in their program of study as determined by the institution. Prohibits a student from regaining the scholarship if they become ineligible for it.

Authorizes a student to receive a Tennessee STEP UP scholarship until the first of the following events occurs: the student receives a credential signifying completion of the program or two years have passed since his or her initial program enrollment. Authorizes students with an approved leave of absence from the program to continue to receive the scholarship upon resumption of their education, provided they continue to meet all other eligibility requirements. Such students will be eligible to receive the scholarship until the first of the following events occurs: the student receives a credential signifying program completion or the sum of the number of years that the student has attended the program prior to their leave of absence and the number of years of attendance after their leave of absence equal two years.

Requires the amount of the Tennessee STEP UP scholarship to be the same as the Tennessee HOPE scholarship given to students who attend a four-year institution. States that a student’s Tennessee STEP UP scholarship may be reduced if the sum of all financial aid for which the student qualifies exceeds institutionally defined total cost of education at the eligible postsecondary institution.

The act will take effect upon becoming law and will apply to students entering eligible postsecondary programs in the 2013-2014 academic year and thereafter.

ESTIMATED FISCAL IMPACT:

On February 7, 2013, a fiscal note was issued for this bill with a fiscal impact of:

Increase State Expenditures - \$96,000/Lottery for Education Account.

On February 14, 2013, we received new information from the Tennessee Student Assistance Corporation indicating the number of students in each of the three on-campus disability programs will be 16 (for a total of 48), rather than 8 students (for total of 24) previously estimated. Based on this updated information, the corrected fiscal impact is below.

(CORRECTED)

Increase State Expenditures - \$192,000/Lottery for Education Account

Assumptions:

- According to the Tennessee Student Assistance Corporation (TSAC), there are currently three eligible on-campus postsecondary programs for students with intellectual disabilities.
- There are sixteen students enrolled in each existing program who will meet the criteria.
- Qualifying students will receive an award of \$2,000 in the fall and spring semesters for a total annual award per student of \$4,000.
- TSAC estimates that an eligible postsecondary program consists of eight semesters.
- The recurring increase in state expenditures from the Lottery for Education Account beginning in FY13-14 will be \$192,000 (48 students x \$4,000 award).

CERTIFICATION:

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



Lucian D. Geise, Executive Director

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