

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 1597 - HB 1457

February 5, 2014

CORRECTED SUMMARY OF BILL: Creates the Tennessee Come Back for Your Future (TCBYF) scholarship program. Declares that only students who receive TCBYF scholarships in the 2014-2015 academic year shall be eligible to receive TCBYF scholarships in future academic years. Requires potential recipients to not be ineligible for a scholarship under Tenn. Code Ann. § 49-4-904; to not have been enrolled in a postsecondary institution for at least 12 months prior to application; and to be within 60 hours of obtaining a bachelor's degree or within 30 hours of obtaining an associate's degree. Requires potential recipients to enroll in either an eligible two- or four-year institution; to file a Free Application for Student Aid (FAFSA); to apply for the TCBYF scholarship; to provide transcripts to the institution for which the student wishes to enroll; and to apply for all non-lottery financial assistance for which the student is eligible. Requires potential recipients to have degree completion plans which shall be filed with the Tennessee Student Assistance Corporation (TSAC). Sets forth requirements for students to maintain TCBYF scholarships. Sets forth TCBYF scholarship termination policies. Authorizes a student who receives a TCBYF scholarship to take a leave of absence for medical or personal reasons and to receive the TCBYF scholarship upon re-enrollment at the institution with certain restrictions. Authorizes TCBYF scholarship recipients to transfer to another institution.

Sets the TCBYF scholarship equal to one-half of the tuition and fees required at the postsecondary institution for one semester. Requires TSAC to award scholarships on a first-come first-served basis. Limits TSAC from expending more than five million dollars from net lottery proceeds for the life of the program. Requires the Office of Research and Education Accountability (OREA) within the Comptroller of the Treasury to review and study the TCBYF scholarship program and to make a report to the Speakers of the House and Senate and the Education Committees of the General Assembly before December 31, 2016.

ESTIMATED FISCAL IMPACT:

On February 5, 2014, the summary was determined to be inaccurate. Recipients do not have to be eligible to receive a HOPE scholarship to receive a Tennessee Come Back Your Future scholarship. This statement has been corrected in the summary. The fiscal impact remains unchanged.

SB 1597 - HB 1457 (CORRECTED)

Increase State Expenditures –

\$5,000,000/One-Time/Lottery for Education Account

Other Fiscal Impact – The one-time increase in state expenditures from the Lottery for Education Account could occur in FY14-15 exclusively or occur over an unknown period of time that may consist of multiple fiscal years. The annual impact to the Lottery for Education Account is dependent upon the demand of the new scholarship program.

Assumptions:

- Pursuant to the maximum funding provision established in the bill, there will be a one-time increase in state expenditures of \$5,000,000 from the Lottery for Education Account. One-hundred percent of the maximum funding amount may be expended in FY14-15 exclusively if there is high demand for the new scholarship program; otherwise the maximum funding amount may be expended over an unknown number of fiscal years.
- Any increase in state expenditures for OREA to make the required report is estimated to be not significant.

CERTIFICATION:

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



Lucian D. Geise, Executive Director

/msg