

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1665 – SB 1695

February 8, 2016

SUMMARY OF ORIGINAL BILL: Defines eligibility requirements for home school students and students who graduate from an ineligible high school to receive the General Assembly Merit scholarship (GAMS). In addition to the current statute that provides the GAMS award if the student enrolls in at least four dual enrollment courses and achieve a minimum cumulative GPA of 3.0, the home school student or student graduating from an ineligible high school may also 1.) participate in a governor's school program and achieve a minimum cumulative GPA of 3.0, 2.) take two advanced placement (AP) examinations and make a score of at least three, or 3 take a College Level Examination Program (CLEP) test, and make a score of at least 55.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –
\$44,000/FY16-17/Lotter for Education Account
\$84,000/FY17-18/Lottery for Education Account
Exceeds \$84,000/FY18-19 and Subsequent Years/Lottery for
Education Account

This funding will not be included in the annual statutory transfer of excess lottery funding from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

SUMMARY OF AMENDMENT (011812): Deletes and rewrites the bill without making any substantive changes.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On February 3, 2016, fiscal memorandum was issued for this amendment with a fiscal impact of:

Unchanged from the original fiscal note.

On February 8, 2016, a corrected fiscal note was issued for the original bill. This fiscal memorandum has been corrected to reflect the corrected impact estimated for the original bill. As a result, the corrected fiscal impact is as follows:

HB 1665 – SB 1695 (CORRECTED)

(CORRECTED)

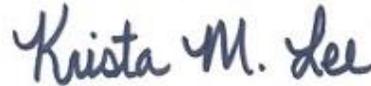
Unchanged from the corrected fiscal note.

Corrected assumptions for the bill as amended:

- The annual GAMS award is currently \$1,000 and will not change in future fiscal years.
- Based on FY14-15 lottery scholarship and ACT data relative to home-school students, the Tennessee Student Assistance Corporation (TSAC) estimates 44 additional students will qualify for a GAMS award in FY16-17.
- The increase in state expenditures from the Lottery for Education Account (LFEA) in FY16-17 is estimated to be \$44,000 (44 x \$1,000).
- Based on retention data for current LFEA programs, TSAC estimates that 91 percent of students from the first year cohort (or 40 students) will retain the GAMS award in FY17-18; therefore, the estimated increase in state expenditures from the LFEA in FY17-18 for this population of students is estimated to be \$40,000 (40 x \$1,000).
- In addition, 44 new students would qualify for the GAMS scholarship in FY17-18; an additional increase in state expenditures from the LFEA estimated to be \$44,000.
- The total increase in state expenditures from the LFEA in FY17-18 is estimated to be \$84,000 (\$44,000 + \$40,000).
- The increase in state expenditures from the LFEA in FY18-19 and subsequent years is estimated to exceed \$84,000.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/rbp