

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 709 - SB 763

March 17, 2015

SUMMARY OF BILL: Authorizes students at William R. Moore College of Technology to be eligible for the Tennessee Promise scholarship, the Wilder-Naifeh technical skills grant, or the Wilder-Naifeh reconnect grant, if they meet all other requirements.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

\$84,200/Tennessee Promise Scholarship Special Reserve Account

\$822,600/Lottery for Education Account

The funding in the amount of \$822,600 will not be included in the annual statutory transfer of excess lottery funding from the Lottery for Education Account to the Tennessee Promise Scholarship Special Reserve Account.

Assumptions:

- Based on information provided by the Tennessee Student Assistance Corporation and William R. Moore College of Technology, it is estimated that there will be 260 students that will qualify to receive the scholarship and grants each year. Of this number, 95 will be day students, classified as approximately 45 percent dependent and 55 percent independent students, and 165 will be night students, mostly classified as independent students.
- The total annual projected gap for day students, after accounting for Pell Grants, is estimated to be \$377,178; the total annual gap for night students is estimated to be \$529,650. Night students do not qualify for Pell Grants.
- It is estimated that all 260 students will receive a \$2,000 Wilder-Naifeh technical skills grant, resulting in a recurring increase in state expenditures from the Lottery for Education Account (LFEA) of \$520,000 (260 x \$2,000).
- The remaining annual gap for day students is estimated to be \$187,178 [$\$377,178 - (95 \times \$2,000)$]; the remaining annual gap for night students is estimated to be \$199,650 [$\$529,650 - (165 \times \$2,000)$].
- Of the \$187,178 gap for day students, 45 percent (or \$84,230) will be covered by the Tennessee Promise scholarship, and 55 percent (or \$102,948) will be covered by the Wilder-Naifeh reconnect grant.
- The remaining gap of \$199,650 for night students will be covered fully by the Wilder-Naifeh reconnect grant.

- The recurring increase in state expenditures from the LFEA will be \$520,000 for the Wilder-Naifeh technical skills grant, and \$302,598 (\$102,948 + \$199,650) for the Wilder-Naifeh reconnect grant, for a total of \$822,598.
- The recurring increase in state expenditures from the Tennessee Promise Scholarship Special Reserve Account will be \$84,230.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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