

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1882 - SB 1952

February 6, 2016

SUMMARY OF BILL: Defines “middle college program” as a program operated by an eligible public two-year postsecondary institution in partnership with a local education agency that permits rising high school juniors to enter the public two-year postsecondary institution and earn both a high school diploma and an associate degree in two years.

Authorizes middle college students to receive the Tennessee Promise Scholarship subject to certain eligibility requirements. Authorizes such students to receive the Tennessee HOPE Scholarship at the time of transfer to an eligible four-year institution in pursuit of a baccalaureate degree, subject to certain eligibility requirements.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$550,800/FY16-17/

Tennessee Promise Scholarship Special Reserve Account

Exceeds \$1,101,600/FY17-18 and Subsequent Years/

Tennessee Promise Scholarship Special Reserve Account

Assumptions:

- The Tennessee Promise Scholarship is a two-year scholarship program with an average annual award estimated to be \$2,754 per student.
- Based on information provided by the Tennessee Student Assistance Corporation (TSAC), it is estimated that a minimum of 200 middle college juniors will qualify for and receive the Tennessee Promise Scholarship annually with the initial cohort receiving the scholarship award in FY16-17.
- The increase in state expenditures from the Tennessee Promise Scholarship Special Reserve Account in FY16-17 is estimated to exceed \$550,800 (200 x \$2,754).
- There will be two cohorts of scholarship recipients beginning in FY17-18, and in each year thereafter, comprised of a minimum of 400 students (200 new first-year recipients + 200 second-year recipients). This number is assumed to remain constant over time.
- The recurring increase in state expenditures from the Tennessee Promise Scholarship Special Reserve Account in FY17-18 and subsequent years is estimated to exceed \$1,101,600 (400 x \$2,754).
- Based on information from TSAC, under current law, middle college students are eligible to receive the Tennessee HOPE Scholarship at the time of transfer to an eligible

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four-year institution, subject to certain eligibility requirements. As a result, this bill will not result in a significant increase in the number of students eligible for the Tennessee HOPE Scholarship.

- Middle college programs will not increase their enrollment capacity. There will not be a significant increase in the number of high school students that will enroll in a middle college program as a direct result of this bill.

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp