



February 4, 2020

SUMMARY OF ORIGINAL BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to establish a four-year pilot program, beginning with the 2020-2021 academic year, to award completion grants to Tennessee Promise scholarship students who have an immediate financial need or who are experiencing a financial hardship that may prevent the student from completing a postsecondary degree or credential.

Authorizes TSAC to contract with one or more entities to administer some or all portions of the pilot program.

Requires TSAC to submit an annual report on the outcomes of the pilot program to the Education Committee of the Senate and to the Education Committee of the House of Representatives by December 31, 2021, and no later than December 31 of each remaining year of the pilot program.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$1,263,200/Each FY20-21 through FY23-24
/Lottery for Education Fund

Other Fiscal Impact – Funding in an amount estimated to be \$1,263,200 in each FY20-21 through FY23-24 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account as a result of students receiving a completion grant.

SUMMARY OF AMENDMENT (013933): Deletes and rewrites all language after the enacting clause such that the only substantive changes are: (1) transfers responsibility for the program from TSAC to the Tennessee Higher Education Commission (THEC); (2) limits the eligible recipient population to those students who are eligible for and receiving services as part of the college coaching initiative delivered by Tennessee Promise partnering organizations, and who have an immediate financial need or are experiencing a financial hardship that may prevent the student from completing a postsecondary degree or credential; (3) delegates, to the Tennessee Promise partnering organizations, the responsibility to identify the students who are eligible for a completion grant; (4) caps the total per year amount of completion grants awarded by THEC under this program at \$250,000; (5) stipulates guidelines regarding annual funding and processes for any unexpended funds; and (6) requires THEC to use only funds appropriated to THEC from the General Fund to award completion grants.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$250,000/Each FY20-21 through FY23-24

Assumptions for the bill as amended:

- Any increase in expenditures for THEC to establish and administer the pilot program is estimated to be not significant.
- The proposed legislation limits total expenditures for the completion grant to \$250,000 annually; therefore, the increase in state expenditures from the General Fund is estimated to be \$250,000 in each FY20-21 through FY23-24.
- The annual allocation for the pilot program will be awarded in full and there will not be a significant amount of unspent funds in any given year.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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