TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 742 - SB 1380

April 3, 2019

SUMMARY OF BILL: Requires the Tennessee Student Assistance Corporation (TSAC) to award courses taken under a dual enrollment grant (DEG) in the amount of $500 for each of the first four courses taken. Requires TSAC to determine the DEG award for the fifth through eighth courses taken, so long as the DEG award does not exceed the cost per credit hour of courses taken at community colleges in the state university and community college system.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Exceeds $7,400,900/Lottery for Education Fund

Other Fiscal Impact – Funding in an amount exceeding $7,400,900 in FY19-20 and subsequent years 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 an increased dual enrollment grant.

Assumptions:

- The current DEG award amount is $500 for the first two courses; $200 for the third course; and no award is given to students taking a fourth course.
- Students will be awarded $500 per course for the first four courses taken upon passage of the proposed legislation in FY19-20.
- Based on the information provided by TSAC, the table below shows the FY17-18 enrollment data for students who have taken a third or fourth course and reflects the proposed award amounts. In addition, it is estimated that there will be at least a 50 percent growth in enrollment in courses three and four for DEG students since they will be offered the full $500 award and because of school districts now offering more early postsecondary opportunities to their students than in previous years.

	FY17-18 Fall	FY17-18 Spring	Total Courses	Current Grant	Proposed	Increase	Total Increase
1 course, 3rd time	1,125	1,755	**2,880**	$200	$500	**$300**	**$864,000**
1 course, 4th time	113	911	**1,024**	$0	$500	**$500**	**$512,000**
2 courses, 2nd & 3rd course	546	1,009	**1,555**	$700	$1,000	**$300**	**$466,500**
2 courses, 3rd & 4th course	944	2,484	**3,428**	$200	$1,000	**$800**	**$2,742,400**
2 courses, 4th and 5th course	265	433	**698**	$0	$500	**$500**	**$349,000**
						Grand Total:	**$4,933,900**
						50% Growth:	**$7,400,850**

- The recurring increase in state expenditures from the Lottery for Education Fund is estimated to exceed $7,400,850 [$4,933,900 + ($4,933,900 x 50% growth)].

CERTIFICATION:

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

Krista Lee Carsner

Krista Lee Carsner, Executive Director

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