

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1592 – SB1767**

January 25, 2020

**SUMMARY OF 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.

**ESTIMATED FISCAL IMPACT:**

**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.**

Assumptions:

- tnAchieves, the partnering organization to the Tennessee Promise scholarship program, currently operates Knox Promise, a two-year pilot program designed to increase the number of students attending and ultimately graduating from college.
- The Knox Promise program offers completion grants, determined by need, and capped at \$1500 per student per semester, to eligible students within Knox County to ensure unexpected financial burdens are not barriers to college graduation.
- The average completion grant award amount in the Knox Promise program is \$450 per year. For purposes of this analysis, the total amount awarded to a student per year in this pilot program is estimated to be \$450.

- Based on information provided by TSAC, an estimated 28,071 students will enroll as a Tennessee Promise student in FY20-21, and be eligible to apply for a completion grant.
- Of the 28,071 students eligible, it is estimated that 10 percent, or 2,807 (28,071 x 10.0%), students will receive a completion grant.
- The increase in state expenditures from the Lottery for Education Fund is estimated to be \$1,263,150 (2,807 students x \$450) in each FY20-21 through FY23-24.
- Any increase in expenditures for TSAC to establish and administer the pilot program is estimated to be not significant.

**CERTIFICATION:**

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

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

Krista Lee Carsner, Executive Director

/jpi