

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1042 - HB 1314

April 4, 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 eight courses taken. Removes the requirement that financial assistance received for courses attempted under DEG program reduce any subsequent award of the Tennessee Hope Scholarship on a dollar per dollar basis.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

Exceeds \$9,683,900/Lottery for Education Account

Other Fiscal Impact – Recurring funding in amounts exceeding \$9,683,900 beginning in FY19-20 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

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.
- The current DEG award amount for courses five through eight receive up to \$100 per credit hour.
- The first table below shows the FY17-18 enrollment data for students who have taken courses three through eight and reflects the increase in award amounts with the proposed legislation.
- The second table below accounts for estimated growth in the DEG program.
- It is estimated there will be at least a 50 percent growth in enrollment in courses three and four, and a 20 percent growth in enrollment for course five through eight for DEG students, since the courses will be offered at the full \$500 award and because school districts are now offering more early postsecondary opportunities to their students than in previous years.

Current DEG course taken shown with increase in Grant	Total Course FY17-18	Current Grant	Proposed Grant	Increase	Increase FY18-19
1 course, 3rd time	2,880	\$200	\$500	\$300	\$864,000
1 course, 4th time	1,024	\$0	\$500	\$500	\$512,000
1 course, 5th time	462	\$300	\$500	\$200	\$92,400
1 course, 6th time	175	\$300	\$500	\$200	\$35,000
1 course, 7th time	39	\$300	\$500	\$200	\$7,800
1course, 8th time	4	\$300	\$500	\$200	\$800
2 courses, 2nd & 3rd course	1,555	\$700	\$1,000	\$300	\$466,500
2 courses, 3rd & 4th course	3,428	\$200	\$1,000	\$800	\$2,742,400
2 courses, 4th and 5th course	698	\$300	\$1,000	\$700	\$488,600
2 courses, 5th and 6th course	879	\$600	\$1,000	\$400	\$351,600
2 courses, 6th and 7th course	221	\$600	\$1,000	\$400	\$88,400
2 courses, 7th and 8th course	231	\$600	\$1,000	\$400	\$92,400
				TOTAL:	\$5,741,900

Growth of DEG courses taken shown with new Grant award	Total Course FY17-18	Growth Rate	Total courses FY18-19	Proposed Grant	Increase FY18-19
1 course, 3rd time	2,880	50%	1,440	\$500	\$720,000
1 course, 4th time	1,024	50%	512	\$500	\$256,000
1 course, 5th time	462	20%	92	\$500	\$46,000
1 course, 6th time	175	20%	35	\$500	\$17,500
1 course, 7th time	39	20%	8	\$500	\$4,000
1course, 8th time	4	20%	1	\$500	\$500
2 courses, 2nd & 3rd course	1,555	50%	778	\$1,000	\$778,000
2 courses, 3rd & 4th course	3,428	50%	1,714	\$1,000	\$1,714,000
2 courses, 4th and 5th course	698	20%	140	\$1,000	\$140,000
2 courses, 5th and 6th course	879	20%	176	\$1,000	\$176,000
2 courses, 6th and 7th course	221	20%	44	\$1,000	\$44,000
2 courses, 7th and 8th course	231	20%	46	\$1,000	\$46,000
				TOTAL:	\$3,942,000

Total recurring to LFEA: \$9,683,900

- The recurring increase in state expenditures from the Lottery for Education Account (LFEA), for DEG students taking courses three through eight fully funded at \$500 with at least 50 percent growth in courses three and four and 20 percent growth in courses five through eight, is estimated to exceed \$9,683,900 (\$5,741,900 + \$3,942,000).
- This legislation removes the requirement that financial assistance received for DEG grant reduce the award amount for the Tennessee Hope Scholarship under certain circumstances; therefore, no reduction in future HOPE Scholarship awards is expected as a result of this legislation.

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

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