

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 146 - HB 313

February 11, 2009

SUMMARY OF BILL: Authorizes HOPE Scholarship students to receive the HOPE Scholarship award for any semester or other period during the year in which the student is enrolled in an eligible postsecondary institution and meets all applicable requirements for the scholarship. The award per semester or other period for full-time attendance shall be equal to one-half of the applicable award per academic year. Adds a new terminating event for the HOPE Scholarship where the student can receive the award for the equivalent of ten full-time semesters.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$4,670,800 in FY09-10 and by \$4,997,800 in FY10-11.

Assumptions:

- Scholarships for summer semesters will first be awarded to eligible students during the months of May and June 2010, and during each May and June thereafter. As a result, the first fiscal year with an impact as a result of this bill would be FY09-10.
- Four-year students: TSAC estimates 2,230 four-year students will take between six and eight credit hours during the summer of 2010 and thus be eligible for a \$1,000 award; 639 four-year students take between nine and eleven credit hours and would thus be eligible for a \$1,500 award; and 474 four-year students will take twelve or more credit hours and would thus be eligible for a \$2,000 award.
- The increase of expenditures from lottery proceeds earmarked for scholarships and grants for four-year students is estimated to be \$4,136,500 for FY09-10 $[(2,230 \times \$1,000) + (639 \times \$1,500) + (474 \times \$2,000) = \$4,136,500]$.
- Two-year students: TSAC estimates 653 two-year students will take between six and eight credit hours during the summer of 2010 and thus

be eligible for a \$500 award; 189 two-year students take between nine and eleven credit hours and would thus be eligible for a \$750 award; and 66 two-year students will take twelve or more credit hours and would thus be eligible for a \$1,000 award.

- The increase of expenditures from lottery proceeds earmarked for scholarships and grants for two-year students is estimated to be \$534,300 for FY09-10 $[(653 \times \$500) + (189 \times \$750) + (66 \times \$1,000) = \$534,250]$.
- The total increase of expenditures from lottery proceeds earmarked for scholarships and grants for FY09-10 is estimated to be \$4,670,800 $(\$4,136,500 + \$534,300 = \$4,670,800)$.
- TSAC projects seven percent growth from FY09-10 to FY10-11.
- The total increase of expenditures from lottery proceeds earmarked for scholarships and grants for FY10-11 is estimated to be \$4,997,800 $(\$4,670,800 \times 107\% = \$4,997,756)$.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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