

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2220 - HB 2305

February 23, 2020

SUMMARY OF BILL: Requires eligible postsecondary institutions to calculate a student's cumulative grade point average, for purposes of eligibility for the Tennessee Promise scholarship, by using the higher of either: (1) the institutional grading policy, or (2) all credit hours attempted by the student as a scholarship recipient, regardless of whether the credit hours were attempted at the institution.

Authorizes the Tennessee Student Assistance Corporation (TSAC) to retroactively award the scholarship to any student who became academically ineligible for the scholarship during the 2019-2020 academic year, for any semester of that year in which the student would have qualified for the scholarship had the new provisions under this legislation been in place, provided that the student also met all the nonacademic requirements.

Authorizes TSAC to promulgate rules in order to establish application deadlines and appeal procedures, and to otherwise effectuate the provisions of the legislation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures –

**\$821,800/FY20-21/Tennessee Promise Scholarship Special Reserve Account
Exceeds - \$422,800/FY21-22 and Subsequent Years
/Tennessee Promise Scholarship Special Reserve Account**

Assumptions:

- Based on information provided by TSAC, an estimated 397 Tennessee Promise students who became academically ineligible for the scholarship during the 2019-2020 academic year will apply and receive a retroactive award of the scholarship in FY20-21.
- It is reasonably estimated that, in the 2020-2021 academic year, an additional 404 students who would have become ineligible under the current regulations, will retain eligibility under the new provisions of the proposed legislation.
- The average Tennessee Promise scholarship award for academic year 2019-2020 was \$1,026 per student.
- The increase in state expenditures is estimated to be \$821,826 [(397 + 404) x \$1,026] in FY20-21.

- The scholarship program is assumed to grow annually at a rate of two percent; therefore, the increase in state expenditures is estimated to exceed \$422,794 [(404 x \$1,026) x 1.02] in FY21-22 and subsequent years.

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