



February 14, 2023

SUMMARY OF BILL AS AMENDED (004053): Authorizes an eligible Tennessee HOPE scholarship student to continue to receive the HOPE scholarship until the student has earned an advanced degree or for up to five years from initial enrollment, whichever is first.

FISCAL IMPACT OF BILL AS AMENDED:

Increase State Expenditures –

**\$5,286,600/FY23-24/Lottery for Education Account
Exceeds \$5,286,600/FY24-25 and Subsequent years/
Lottery for Education Account**

Other Fiscal Impact – Funding in the amount of \$5,286,600 in FY23-24 and an amount exceeding \$5,286,600 in FY24-25 and each subsequent year will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Scholarship Special Reserve Account.

Assumptions for the bill as amended:

- There are three eligible HOPE award types that students would be eligible to utilize under the proposed legislation: HOPE Scholarship, HOPE General Assembly Merit Scholarship (GAMS), and HOPE Aspire Award.
- It is assumed that eligible students will on average qualify for two additional semesters, or one additional year, of HOPE awards.
- Based on information provided by TSAC, the number of additional graduate school HOPE recipients are calculated for each eligible award type as follows:
 - HOPE Scholarship:
 - Average award is \$5,700 per year;
 - 528 new students will be eligible and seek an advanced degree;
 - Cost for additional award is \$3,009,600 (528 students x \$5,700 award).
 - HOPE GAMS:
 - Average award is \$6,700;
 - 198 new students will be eligible and seek an advanced degree;
 - Cost for additional award is \$1,326,600 (198 students x \$6,700 award).
 - HOPE Aspire:
 - Average award is \$7,200;
 - 132 new students will be eligible and seek an advanced degree;
 - Cost for additional award is \$950,400 (132 students x \$7,200 award).

- The total increase in scholarship expenditures to allow recipients to use remaining semesters of eligible HOPE, HOPE GAMS and HOPE Aspire scholarship awards to pursue an advanced degree is estimated to be \$5,286,600 (\$3,009,600 HOPE + \$1,326,600 HOPE GAMS + \$950,400 HOPE Aspire) per year.
- The total recurring increase in state expenditures from the Lottery for Education Account is estimated to be \$5,286,600 in FY23-24 and to exceed \$5,286,600 each subsequent year as the number of participants is expected to increase.
- A portion of these students will be students that choose to attend graduate school who otherwise would not have. This will result in an increase in expenditures and an offsetting increase in tuition revenue for the University of Tennessee and the locally governed institutions. The precise increase cannot be reasonably determined; however, any net impact is considered not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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