



February 1, 2024

SUMMARY OF BILL: Decreases, from 23 to 21, the minimum age required for a student to be eligible for the Tennessee Reconnect Grant (TRG).

FISCAL IMPACT:

**Increase State Expenditures – \$4,953,300/FY24-25 and Subsequent Years/
Lottery for Education Account**

**Other Fiscal Impact – Funding in an amount estimated to be \$4,953,300 in
FY24-25 and subsequent years will not be available for transfer from the Lottery
for Education Account to the Tennessee Promise Special Reserve Account.**

Assumptions:

- Public Chapter 448 of the 110th General Assembly created the TRG in order to financially aid adults who have not yet earned an associate or bachelor's degree in the cost to attend an eligible institution of higher education free of tuition and mandatory fees.
- The TRG is funded from net lottery proceeds, subject to the amounts appropriated by the Generally Assembly.
- Tennessee Code Annotated § 49-4-944(h) states that the amount of the TRG shall not exceed the cost of tuition and mandatory less all other gift aid such as the federal Pell Grant, the Tennessee Education Lottery Scholarship and the Tennessee Student Assistance Award.
- Pursuant to Tenn. Code Ann. § 49-4-944(c)(5), recipients of the TRG must be at least 23 years of age by January 1 of the academic year in which the student enrolls to be eligible for the grant.
- Decreasing the age requirement from 23 to 21 would increase the number of students eligible to receive the grant.
- Based on data found in the "Tennessee Education Lottery Scholarship 2023 Annual Report", in FY22-23 a total of \$19,571,125 reconnect dollars were awarded to 7,804 students for an average of \$2,508 dollars per student.
- Based on information provided by the Tennessee Student Assistance Corporation, using currentl enrollment data at eligible institutions, an additional 1,975 students will be eligible to receive the TRG under the new requirements.

- A total recurring increase in state expenditures from the Lottery for Education Account (LFEA) for the additional eligible students of an estimated \$4,953,300 (1,975 students x \$2,508 average award) in FY24-25 and subsequent years.
- Pursuant to Tenn. Code Ann. § 49-4-708(d)(7), funding in the LFEA in excess of \$10,000,000 and after all other expenditures have been made, including expenditures under the Tennessee Education Lottery Scholarship programs, is transferred to the Tennessee Promise Scholarship Special Reserve Account (TPSSRA).
- Increasing the amount of expenditures under the TRG funded by the LFEA will result in an estimated recurring decrease of \$4,953,300 available for transfer to the TPSSRA.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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