

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2180 - SB 2659

February 25, 2024

SUMMARY OF BILL: Expands the definition of eligible postsecondary institute to include Western Governor University (WGU) allowing students enrolled in an approved educator preparation program (EPP) at WGU to be eligible recipients of the Tennessee Future Teacher Scholarship, beginning in the academic year 2024-2025.

FISCAL IMPACT:

Increase State Expenditures – \$236,300/FY24-25

Exceeds \$236,300/Each FY25-26 through FY27-28

Assumptions:

- Public Chapter 381 of the 113th General Assembly created the *Tennessee Future Teacher Scholarship Act of 2023* (Act) which requires the Tennessee Student Assistance Corporation (TSAC) to administer a five-year pilot program to award a scholarship to students in their junior or senior year enrolled in an approved EPP at an eligible public postsecondary institution.
- The pilot program began with the 2023-2024 academic year and terminates on July 1, 2028.
- Pursuant to Tenn. Code. Ann. § 49-4-701(h)(2) subject to appropriations by the General Assembly, the scholarship at a private institution is not to exceed the average amount of tuition and mandatory fees for coursework leading to completion of an approved undergraduate EPP at the state's public institutions less all other gift aid such as the federal Pell grant, the Tennessee education lottery scholarship, or the Tennessee student assistance award.
- The proposed legislation expands the pilot program to include such WGU EPP students beginning in the 2024-2025 academic year.
- Based on information provided by TSAC via WGU, an estimated 40 students will participate in the Act with an average award of \$5,908 per student.
- The recurring increase in state expenditures is estimated to be \$236,320 (\$5,908 award x 40 students) in FY24-25.
- Tuition cost is expected to increase by three percent annually, resulting in an increase in state expenditures in an amount exceeding \$236,320 in FY25-26 through FY27-28 when the Act terminates.

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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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