

# FISCAL NOTE

## HB 4210 - SB 4211

February 15, 2008

**SUMMARY OF BILL:** Reduces from 3.0 to 2.75 the grade point average required after the first twenty-four semester hours attempted for retention of the HOPE Scholarship. Requires HOPE students to maintain a cumulative 2.75 grade point average each year to maintain the HOPE Scholarship.

### ESTIMATED FISCAL IMPACT:

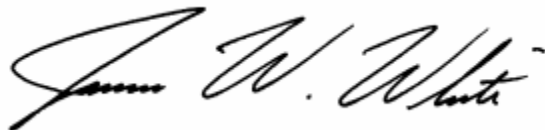
**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$7,091,100 in FY08-09 and by \$17,484,300 in FY09-10.**

#### Assumptions:

- According to the Tennessee Higher Education Commission (THEC), approximately 1,739 students (266 two-year students; 1,473 four-year students) would retain their HOPE scholarships in FY08-09.
- Some students are eligible for multiple awards due to the General Assembly Merit Scholarship (GAMS) and the ASPIRE need-based award.
- Based on historical data, THEC estimates the average award for two-year students to be \$2,265 per academic year.
- Based on historical data, THEC estimates the average award for four-year students to be \$4,405 per academic year.
- The increase of expenditures from lottery proceeds is estimated to be \$7,091,100 in FY08-09  $[(266 \times \$2,265) + (1,473 \times \$4,405) = \$7,091,055]$ .
- THEC estimates approximately 4,164 students (401 two-year students; 3,763 four-year students) would retain their HOPE scholarships in FY09-10.
- The increase of expenditures from lottery proceeds is estimated to be \$17,484,300  $[(401 \times \$2,265) + (3,763 \times \$4,405) = \$17,484,280]$  in the second year (FY09-10).

**CERTIFICATION:**

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

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc