



SNAPSHOT

OVERVIEW OF THE HOPE SCHOLARSHIP IN TENNESSEE

September 2023

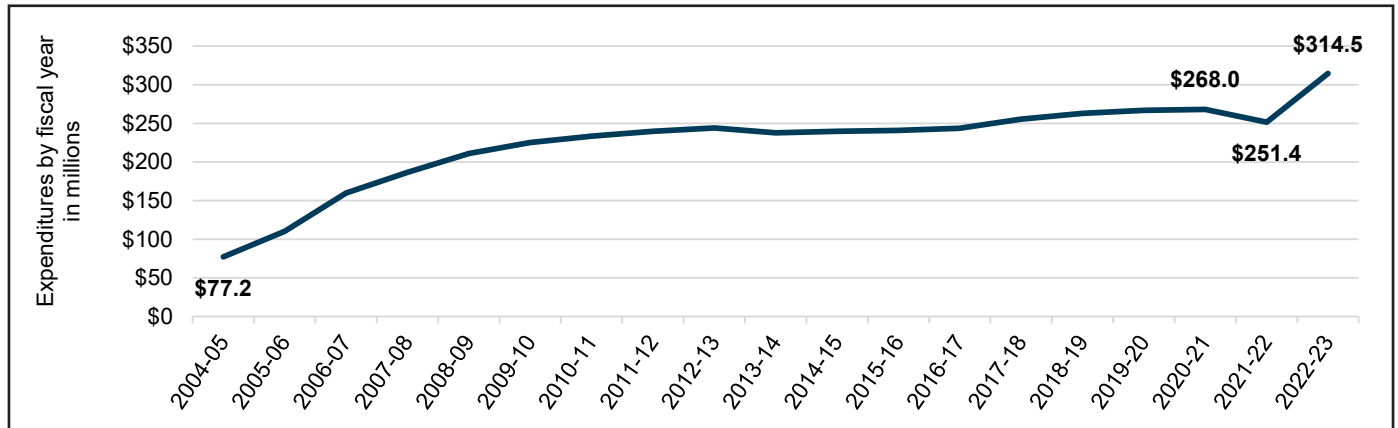
Lance Iverson | *Research Analyst* | Lance.Iverson@cot.tn.gov

In 2003, the General Assembly created the HOPE Scholarship program to provide lottery-funded financial aid to offset the cost of postsecondary education. Tennessee’s students began to benefit from this financial aid starting in the fall of 2004. This legislative brief focuses on the traditional HOPE scholarship. Other HOPE scholarship programs are mentioned in the brief but are not its focus.

Key Points

The HOPE Scholarship remains the largest expenditure for lottery-funded scholarships. Between \$251 million and \$268 million was expended on the HOPE Scholarship annually between fiscal year 2017-2018 and 2021-2022. For fiscal year 2022-2023, scholarship expenditures increased to \$314.5 million as a result of the General Assembly raising the value of the HOPE Scholarship as of July 1, 2022.

Exhibit 1: Trends in HOPE expenditures by fiscal year



Source: Tennessee Student Assistance Corporation.

The HOPE Scholarship accounted for 73.6 percent of the \$427.1 million in Lottery for Education Account expenditures in fiscal year 2022-23.

Tennessee’s six locally governed institutions collectively received \$115.5 million in HOPE Scholarship funds during the 2022-23 fiscal year. The University of Tennessee System received \$102 million. Independent four-year universities received \$57.7 million and Board of Regents two-year institutions received \$37.3 million.

The General Assembly passed legislation in 2019 to augment funding for scholarships, including the HOPE Scholarship, by authorizing and then taxing the privilege of sports wagering. In fiscal year 2022-23, the Lottery for Education Account received \$65.7 million from the tax on sports wagering, a 77 percent increase over the prior fiscal year.

The Tennessee State Funding Board could encourage or require the Tennessee Sports Wagering Council to provide the board with a multi-year revenue projection letter for the board’s annual state revenue estimation meeting. The Tennessee Sports Wagering Council does not currently provide the State Funding Board with revenue estimates. An annual revenue projection letter would help state officials make more informed decisions regarding future revenues from sports wagering.

To read the full report, visit the Comptroller’s OREA website at tncot.cc/orea.