

Sen. Thomsen asked about the costs of TN Promise, and how it has increased compared to year 1 of the program. I found the [2017 TN Promise Annual Report](#).

On page 15:

Program Finances Tennessee Promise awards are funded off the interest generated by the Tennessee Promise scholarship endowment fund (trust)¹⁰ and excess Tennessee Education Lottery funds. As stated in T.C.A. § 4-51-111(b)(3), a minimum of \$100 million must remain in a reserve account to fund Tennessee Education Lottery scholarships (e.g., HOPE scholarships). In 2014, over \$400 million remained in the reserve account, \$300 million of which was moved to the Tennessee Promise trust.

For students in the first Tennessee Promise cohort, the average Tennessee Promise award was \$850, including eligible students who did not receive Tennessee Promise funds because their tuition and fees were fully covered by other aid sources. Excluding those who received \$0, the average annual award was \$1,700, resulting in a net program cost of \$15.2 million in 2015-16. For students in Cohorts 1 and 2 who enrolled in Fall 2016, the average annual Tennessee Promise award was \$1,090 (including those who received \$0). The total program cost for 2016-17 was \$25.3 million. In Year 3, when the program is fully mature, total cost will be approximately \$33 million.

To summarize:

Year 1: \$15.2M
Year 2: \$25.3M
Year 3: \$33M (est.)