

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1628 – HB 1606

March 21, 2018

SUMMARY OF ORIGINAL BILL: Requires the Tennessee Higher Education Commission to provide data on statutory tuition waivers and discounts in the Tennessee Postsecondary Education Fact Book.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (015526): Deletes all language after the enacting clause. Requires a student to be enrolled in a degree program to receive a 25 percent tuition reduction for children of state employees and public school teachers. Prohibits such students from receiving the tuition discount after attempting the total amount of semester hours required for such student's undergraduate degree program. Establishes Tennessee College of Applied Technology (TCAT) students are exempt from such limitation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Exceeds \$267,800/Institutions of Higher Education

Assumptions for the bill as amended:

- Based on information provided by the Tennessee Higher Education Commission, there were 1,400 students that exceeded the maximum semester hours required for the student's respective undergraduate degree program and were not enrolled at a TCAT in FY16-17 that would result in such students being ineligible to receive the 25 percent tuition discount under the provisions of this legislation. This number is assumed to remain constant into perpetuity under current law.
- The average 25 percent tuition discount for undergraduate students is estimated to be \$765.
- Students will be required to pay additional tuition once they are no longer eligible for the discount, if they so choose.

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- The proposed legislation as amended will impact all institutions of higher education in Tennessee including the Locally Governed Institutions, the University of Tennessee, and the Tennessee Board of Regents.
- It is unknown the extent to which students will elect to pay tuition for the applicable semester hours under the provisions of this legislation. However, it is reasonably estimated that at least 25 percent, or a minimum of 350 students (1,400 x 25%), will elect to pay the applicable tuition in order to take the additional semester hours.
- The recurring increase in state revenue to the various institutions of higher education is estimated to exceed \$267,750 (350 minimum students x \$765 discount).

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp