

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**CORRECTED  
FISCAL MEMORANDUM**

**SB 1834 – HB 2116**

March 27, 2014

**SUMMARY OF ORIGINAL BILL:** Authorizes full-time state employees to take one course per term without payment of tuition and fees at any state supported college, university, college of applied technology, or the Tennessee Foreign Language Institute, provided that the course not exceed four credit hours or 120 clock hours. Employees may apply the cost equivalent of the full tuition waiver toward payment for a class exceeding four credit hours or 120 clock hours.

On February 10, 2014, a fiscal memo was issued for this amendment with a typographical error in the Fiscal Impact of Original Bill section of the memo that showed an increase in state expenditures. This error has been changed so that the fiscal impact of the original bill is accurately reflected.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Revenue - \$137,600/TCAT Institutions

Other Fiscal Impact – Based on information received from the Tennessee Higher Education Commission (THEC), the increase in state revenue to the various TCAT institutions will allow THEC to redistribute a small amount of state appropriations received for tuition and fee waiver programs throughout the state's college and university systems. This redistribution will help reduce the annual budget deficit that institutions are currently experiencing relative to the growth of such programs.

**SUMMARY OF AMENDMENT (012390):** Makes a technical correction in Section 1 of the original bill regarding the proper placement of new proposed language.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original bill.**

**SB 1834 – HB 2116 (CORRECTED)**

Assumptions for the bill as amended:

- The number of full-time state employees and the number of credit hours such employees take remains relatively constant.
- According to THEC, the majority, if not all, courses that are over four hours or 120 clock hours are taken at a Tennessee College of Applied Technology (TCAT).
- The average number of credit hours not paid for under the current state employee waiver system is 614.5 and the average cost of a credit hour at a TCAT is \$224.
- The recurring increase in state revenue to the various TCAT institutions is estimated to be \$137,648 (614.5 x \$224).
- THEC does not receive annual appropriations sufficient to cover the difference between actual institution expenditures and statewide tuition.

**CERTIFICATION:**

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



Lucian D. Geise, Executive Director

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