

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1970**

March 9, 2014

**SUMMARY OF BILL:** Deletes statutory tuition and fee waivers for multiple classifications of students at Tennessee Board of Regents (TBR) and the University of Tennessee (UT) higher education institutions.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Net Impact –**

**\$2,000,000/FY14-15 and Subsequent Years/General Fund**

**\$19,077,700/FY14-15/TBR and UT Institutions**

**Exceeds \$19,077,700/FY15-16 and Subsequent Years/TBR and UT  
Institutions**

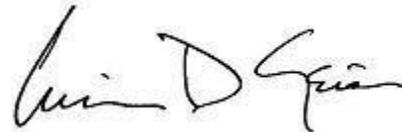
Assumptions:

- Eliminating tuition and fee waivers will result in additional revenue to UT and TBR institutions from students paying tuition and fees which they would not pay under current law; a decrease in revenue from state appropriations to UT and TBR institutions to help fund existing tuition and fee waiver programs; and a reduction in state expenditures for UT and TBR.
- Based on information provided by UT and TBR, eliminating the tuition and fee waiver in Tenn. Code Ann. § 8-50-114 will result in an increase in revenue of \$1,927,792 to TBR and \$1,816,852 for UT; a total increase in state revenue of \$3,744,644 (\$1,927,792 + \$1,816,852).
- Based on information provided by UT and TBR, eliminating the tuition and fee waiver in Tenn. Code Ann. § 8-50-115 will result in an increase in revenue of \$2,344,059 to TBR and \$1,283,510 to UT; a total increase in state revenue of \$3,627,569 (\$2,344,059 + \$1,283,510).
- Based on information provided by UT and TBR, eliminating the tuition and fee waiver in Tenn. Code Ann. § 49-7-102 will result in an increase in revenue of \$10,351 for TBR and \$3,676 for UT; a total increase in state revenue of \$14,027 (\$10,351 + \$3,676).
- Based on information provided by UT and TBR, eliminating the tuition and fee waiver in Tenn. Code Ann. § 49-7-119 will result in an increase in revenue of \$4,937,383 for TBR and \$3,962,675 for UT; a total increase in state revenue of \$8,900,058 (\$4,937,383 + \$3,962,675).

- Based on information provided by UT and TBR, eliminating the tuition and fee waiver in Tenn. Code Ann. § 49-7-116 will result in an increase in revenue of \$1,556,016 for TBR and \$1,247,928 for UT; a total increase in state revenue of \$2,803,944 (\$1,556,016 + \$1,247,928).
- Based on information provided by UT and TBR, eliminating the tuition and fee waiver on Tenn. Code Ann. § 49-7-113 will result in an increase in revenue of \$1,764,016 for TBR and \$223,462 for UT; a total increase in state revenue of \$1,987,478 (\$1,764,016 + \$223,462).
- The total increase in state revenue to UT and TBR institutions in FY14-15 is estimated to be \$21,077,720 (\$3,744,644 + \$3,627,569 + \$14,027 + \$8,900,058 + \$2,803,944 + \$1,987,478). It is estimated that in FY15-16 and subsequent fiscal years the recurring increase in state revenue to TBR and UT institutions will exceed \$21,077,720 as tuition and student enrollment increases.
- The state currently appropriates approximately \$2,000,000 annually to help fund tuition and fee waiver programs. These funds will not be appropriated to the institutions under this bill; therefore, a recurring increase in state revenue to the General Fund of \$2,000,000 beginning in FY14-15.
- The net increase in state revenue to UT and TBR institutions in FY14-15 is estimated to be \$19,077,720 (\$21,077,720 - \$2,000,000); the net recurring increase in state revenue to UT and TBR institutions beginning in FY15-16 is estimated to exceed \$19,077,720.
- Expenditures for UT and TBR institutions are assumed to remain constant.

**CERTIFICATION:**

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



Lucian D. Geise, Executive Director

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