

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 333 – HB 676

March 30, 2015

**SUMMARY OF ORIGINAL BILL:** Authorizes non-residents of Tennessee who attend the University of Memphis to receive in-state tuition, if they live within an out-of-state county immediately adjacent to Shelby County.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$4,300,000

**SUMMARY OF AMENDMENT (004711):** Changes the effective date of the bill from July 1, 2015, to July 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$4,300,000/FY16-17 and Subsequent Years**

Assumptions for the bill as amended:

- The University of Memphis currently authorizes, by practice, such students to receive in-state tuition at the institution.
- The higher education funding formula includes a factor that requires a deduction for students who are from outside Tennessee. This bill exempts UM from that deduction for those out-of-state students who live in counties contiguous to Shelby County.
- The number of students, from those counties that will enroll at the University of Memphis (UM), is expected to remain relatively stable in future fiscal years.
- Funding will be returned to UM beginning in FY16-17. Based on information from the Tennessee Higher Education Commission, the adjustment to the formula would require a recurring appropriation of approximately \$4,300,000 to the UM each year beginning in FY16-17.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "Jeffrey A. Spalding".

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Jeffrey L. Spalding, Executive Director

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