TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL MEMORANDUM

SB 612 – HB 675

April 6, 2015

SUMMARY OF ORIGINAL BILL: Authorizes individuals without lawful immigration status to receive in-state tuition at Tennessee Board of Regents (TBR) and University of Tennessee (UT) institutions. Such individuals shall meet certain requirements to receive in-state tuition, including but not limited to, attending a school in Tennessee for three years prior to high school graduation; graduation from a Tennessee high school or obtaining a GED or HiSET diploma; been a Tennessee resident for at least one year prior to their enrollment in a public higher education institution; and filing an affidavit with the institution of higher education that the student has filed or will file an application to legalize their immigration status. The out-of-state tuition exemption does not apply to international students or trainees who are nonimmigrants within the meaning of § 8 U.S.C. 1101(a)(15)(F); (a)(15)(H)(iii); (a)(15)(J); or (a)(15)(M). Affidavits shall be treated in compliance with federal privacy law. Effective for the 2015-16 academic year and thereafter.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Net Impact –
$176,600/FY15-16/UT and TBR Institutions
$187,200/FY16-17/UT and TBR Institutions
Exceeds $198,500/FY17-18 and Subsequent Years/UT and TBR Institutions

SUMMARY OF AMENDMENT (004538): Amends Section 1 of the bill to authorize, rather than require, the Tennessee Board of Regents and the University of Tennessee to grant in-state tuition to eligible students at the discretion of the university or community college.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- This fiscal estimate assumes that the action authorized will be performed by the state and reflects the fiscal impact of implementation.
- Based on information received from TBR, and assuming a six percent annual increase in tuition, the difference between in-state and out-of-state tuition for FY15-16 is estimated to be $16,268 at a TBR university and $11,620 at a community college.

- TBR estimates that there are four students currently enrolled in the TBR system that will be impacted by this bill; two at a university and two at a community college.
- The decrease in state revenue for TBR institutions in FY15-16 is estimated to be $55,776 [($16,268 x 2) + ($11,620 x 2)].
- Based on information received from UT, and assuming a six percent annual increase in tuition, the difference between in-state and out-of-state tuition for FY15-16 is estimated to be $19,556.
- UT estimates that one student currently enrolled at UTK will be impacted by this bill; thus, a decrease in revenue to the UT system in FY15-16 estimated to be $19,556.
- The total decrease in state revenue to TBR and UT institutions in FY15-16 is estimated to be $75,332 ($55,776 + $19,556).
- TBR estimates an additional 34 students will attend a TBR institution; with 17 attending a community college and 17 attending a TBR university.
- With a six percent annual increase in tuition, in-state tuition in FY15-16 is estimated to be $6,655 at a TBR university and $3,714 at a community college
- The increase in state revenue for TBR institutions in FY15-16 is estimated to be $176,273 [(17 x $6,655) + (17 x $3,714)].
- UT estimates that an additional eight students will attend a UT institution; with five at UT-Knoxville (UTK); two at the UT-Chattanooga (UTC); and one at the UT-Martin (UTM).
- With a six percent annual increase in tuition, in-state tuition in FY15-16 is estimated to be $10,988 at UTK; $6,816 at UTC; and $7,119 at UTM.
- The increase in state in revenue for UT institutions in FY15-16 is estimated to be $75,691 [(5 x $10,988) + (2 x $6,816) + $7,119].
- The total net increase in state revenue for the bill is estimated to be $176,632 [($176,273 + $75,691) - $75,332].
- With a six percent annual increase in tuition, the net increase in state revenue is estimated to be $187,230 (176,632 x 106.0%) in FY16-17; and estimated to exceed $198,464 ($187,230 x 106.0%) in FY17-18 and subsequent years.

CERTIFICATION:

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

Jeffrey L. Spalding, Executive Director

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