

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 612 – HB 675

April 7, 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 (005582):** Deletes all language of the original bill. Requires students to be classified as a Tennessee resident and be charged in-state tuition if a student is lawfully present in the United States; graduated from a Tennessee high school; obtained a GED or HiSET credential awarded by a state-approved institution or organization; or completed high school in a Tennessee home school program. States that the provisions of Tenn. Code Ann. § 4-58-107 does not apply to the residency rule authorized by the bill, as amended.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Revenue – Net Impact –

\$124,500/FY15-16/UT and TBR Institutions

\$132,000/FY16-17/UT and TBR Institutions

Exceeds \$139,900/FY17-18 and Subsequent Years/UT and TBR

Institutions

Assumptions for the bill as amended:

SB 612 – HB 675

- 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 two students currently enrolled in the TBR system that will be impacted by this bill; one at a university and one at a community college.
- The decrease in state revenue for TBR institutions in FY15-16 is estimated to be \$27,888 (\$16,268 + \$11,620).
- 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 \$47,444 (\$27,888 + \$19,556).
- TBR estimates an additional 22 students will attend a TBR institution; with 11 attending a community college and 11 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 \$114,059 [(11 x \$6,655) + (11 x \$3,714)].
- UT estimates that an additional six students will attend a UT institution; with four at UT-Knoxville (UTK); one 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 \$57,887 [(4 x \$10,988) + \$6,816 + \$7,119].
- The total net increase in state revenue for the bill is estimated to be \$124,502 [(\$114,059 + \$57,887) - \$47,444].
- With a six percent annual increase in tuition, the net increase in state revenue is estimated to be \$131,972 (\$124,502 x 106.0%) in FY16-17; and estimated to exceed \$139,890 (\$131,972 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

/msg