

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1676 – SB 1720

February 1, 2016

SUMMARY OF BILL: Authorizes dependent children under the age of 24 whose parent is a full-time law enforcement officer or full-time firefighter to be granted a 25 percent tuition discount to attend any state-operated institution of higher education. Prohibits a dependent child who is receiving the tuition discount to lose the discount if the child's parent perishes. Requires the Tennessee Higher Education Commission (THEC) to promulgate rules and regulations necessary for implementation. Requires any reimbursements to state-operated higher education institutions for tuition discounts be limited to those funds specifically appropriated for that purpose in the general appropriations act.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$656,500/FY16-17/TBR

\$643,200/FY16-17/UT

Exceeds \$676,200/FY17-18 and Subsequent Years/TBR

Exceeds \$662,500/FY17-18 and Subsequent Years/UT

Assumptions:

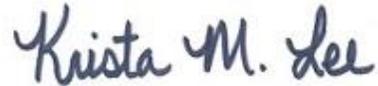
- Based on information from the Tennessee Bureau of Labor Statistics, Tennessee Consolidated Retirement System, and FY14-15 data from the state's tuition discount program, an estimated 922 additional students will receive an average tuition waiver of \$712 from Tennessee Board of Regents (TBR) member institutions in FY16-17.
- The decrease in state revenue to TBR in FY16-17 is estimated to be \$656,464 (922 x \$712).
- Based on information from the Tennessee Bureau of Labor Statistics, Tennessee Consolidated Retirement System, and FY14-15 data from the state's tuition discount program, an estimated 589 additional students will receive an annual average tuition waiver of \$1,092 from UT member institutions in FY16-17.
- The decrease in state revenue to UT in FY16-17 is estimated to be \$643,188 (589 x \$1,092).
- With a minimum annual increase in tuition of three percent, the decrease in state revenue to TBR in FY17-18 and subsequent years is estimated to exceed \$676,158 (\$656,464 x 103.0%).

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- With a minimum annual increase in tuition of three percent, the decrease in state revenue to UT in FY17-18 and subsequent years is estimated to exceed \$662,484 (\$643,188 x 103.0%).

CERTIFICATION:

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

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/rbp