

## **FISCAL NOTE**

**TO:** Chief Clerk of the Senate  
Chief Clerk of the House

**FROM:** Fiscal Review Committee Staff

**DATE:** February 6, 1995

**SUBJECT: HB 0104 - SB 0391**

This bill, if enacted, will provide for a 25% discount on tuition at any state-operated area technical vocational school or institution of higher learning to children under the age of 24:

- 1) whose parent is a full-time member of the armed forces of the United States;
- 2) whose parent was killed on the job or in the line of duty while a full-time member of the armed forces; or
- 3) whose parent is a retired member of the armed forces of the United States.

The fiscal impact from enactment of this bill is estimated to be an increase in state expenditures of approximately \$3,310,000 to offset lost tuition revenues to the schools of approximately \$3,310,000. This estimate assumes the following:

- 1) There are 221,700 Tennessee veterans (age 40-60) and 8,868 dependent children who will participate in the fee discount program.
- 2) There are at present 588 students who attend higher education institutions in Tennessee under Chapter 35 (dependents of deceased and disabled veterans) who will be eligible for the discount.
- 3) The participation to employee ratio is 4%.

- 4) The average cost of this program is estimated to be \$350 per participant in 1995-96.

Details of the estimate are as follows:

Number of Tennessee veterans	221,700
Participation factor	x <u>4%</u>
	8,868
Add: Children attending under Chp. 35	<u>588</u>
Estimated Participants	9,456
Average Program Costs	<u>x \$ 350</u>
Total Increase in State Expenditures	<u>\$3,309,600</u>

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

Fiscal Review Committee Staff