

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2263 - HB 2429**

March 4, 2018

**SUMMARY OF BILL:** Exempts undocumented students from paying out-of-state tuition at a state institution of higher education. Such individuals shall meet certain requirements to receive in-state tuition, including but not limited to, attending a school in this state for the three years immediately prior to graduation from high school; graduating from a Tennessee high school or obtaining a GED or HiSET credential awarded by a state-approved institution or organization, or completing high school in a Tennessee home school program; and being registered as an entering student or being enrolled at a state institution of higher education. 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);

Requires each student granted the out-of-state tuition exemption to sign an affidavit stating that the student is either a citizen or a lawfully present noncitizen, or, in the case of a person without lawful immigration status, that the student will file an application to legalize such student's immigration status as soon as the student is eligible. Establishes that the exemption from paying the out-of-state tuition in this section affirmatively satisfies the express eligibility requirement of 8 U.S.C. § 1621(d). Establishes information obtained in the implementation of this act is confidential and not a public record.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue – Net Impact –**

**\$1,334,500/FY18-19/Locally Governed Institutions**  
**\$1,374,500/FY19-20/Locally Governed Institutions**  
**Exceeds \$1,415,800/FY20-21 and Subsequent Years/**  
**Locally Governed Institutions**

**\$267,400/FY18-19/Community College System**  
**\$275,400/FY19-20/Community College System**  
**Exceeds \$283,600/FY20-21 and Subsequent Years/**  
**Community College System**

**\$1,479,800/FY18-19/University of Tennessee**  
**\$1,524,200/FY19-20/University of Tennessee**  
**Exceeds \$1,570,000/FY20-21 and Subsequent Years/**  
**University of Tennessee**

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*Assumptions relative to the Locally Governed Institutions:*

- Based on information provided by the Locally Governed Institutions (LGIs), there will be a small portion of the student population who currently attends an LGI and pays out-of-state tuition rates that will be impacted by this legislation.
- It is further estimated that there will be a significant increase in the number of this student population that attends any institution of higher education as a direct result of this legislation.
- It is estimated that there are 40 students currently enrolled at a LGI that will be impacted by this proposed legislation.
- The difference in annual out-of-state tuition and in-state tuition for universities at LGIs is estimated to be \$16,105.
- The decrease in state revenue for LGIs in FY18-19 is estimated to be \$644,200 (40 students x \$16,105)
- Based on information provided by LGIs, it is estimated 273 additional students would enroll in a LGI institution as a result of the proposed legislation that would not enroll in the absence of the legislation.
- It is estimated that the additional students would pay in-state tuition at an average rate of \$7,248
- The increase in state revenue for LGIs in FY18-19 is estimated to be \$1,978,704 (273 students x \$7,248).
- The net increase in state revenue for LGIs in FY18-19 as a result of the proposed legislation is estimated to be \$1,334,504 (\$1,978,704 - \$644,200).
- With a three percent annual increase in tuition, the net increase in state revenue for LGIs is estimated to be \$1,374,539 (\$1,334,504 x 103.0%) in FY19-20; and is estimated to exceed \$1,415,775 (\$1,374,539 x 103.0%) in FY20-21 and subsequent years.
- Based on the information provided by the LGIs, each LGI has the capacity and faculty to facilitate 273 additional students. Therefore, any cost associated with infrastructure and faculty is estimated to be not significant.

*Assumptions relative to the Tennessee Board of Regents Community Colleges:*

- Based on information provided by TBR, there will be a small portion of the student population who currently attends a TBR Community College and pays out-of-state tuition rates that will be impacted by this legislation.
- It is further estimated that there will be a significant increase in the number of this student population that attends any postsecondary institution as a direct result of this legislation.
- It is estimated that there are 60 students currently enrolled at a TBR community college that will be impacted by this proposed legislation.
- The difference in annual out-of-state tuition and in-state tuition for TBR community colleges is estimated to be \$12,613.

- The decrease in state revenue for TBR community colleges in FY18-19 is estimated to be \$756,780 (60 students x \$12,613)
- Based on information provided by TBR, it is estimated 253 additional students would enroll in a TBR community college as a result of the proposed legislation that would not enroll in the absence of the legislation.
- It is estimated that the additional students would pay in-state tuition at an average rate of \$4,048.
- The increase in state revenue for TBR community colleges in FY18-19 is estimated to be \$1,024,144 (253 students x \$4,048).
- The net increase in state revenue for TBR community colleges in FY18-19 as a result of the proposed legislation is estimated to be \$267,364 (\$1,024,144 - \$756,780).
- With a three percent annual increase in tuition, the net increase in state revenue for TBR community colleges is estimated to be \$275,385 (\$267,364 x 103.0%) in FY19-20; and is estimated to exceed \$283,647 (\$275,385 x 103.0%) in FY20-21 and subsequent years.
- Based on the information provided by TBR, the TBR community colleges have the capacity and faculty to facilitate 253 additional students. Therefore, any cost associated with infrastructure and faculty is estimated to be not significant.

*Assumptions relative to the University of Tennessee System:*

- Based on information provided by UT, there will be a small portion of the student population who currently attends an institution in the UT system that currently pays out-of-state tuition rates that will be impacted by this legislation.
- It is further estimated that there will be a significant increase in the number of this student population that attends any UT system institution as a direct result of this legislation.
- It is estimated that there are 10 students currently enrolled at a UT system institution that will be impacted by this proposed legislation.
- The difference in annual out-of-state tuition and in-state tuition at UT is estimated to be \$15,749.
- The decrease in state revenue for the UT system in FY18-19 is estimated to be \$157,490 (10 students x \$15,749)
- Based on information provided by UT, it is estimated 171 additional students would enroll in a UT system institution as a result of the proposed legislation that would not enroll in the absence of the legislation.
- It is estimated that the additional students would pay in-state tuition at an average rate of \$9,575.
- The increase in state revenue for the UT system in FY18-19 is estimated to be \$1,637,325 (171 students x \$9,575).
- The net increase in state revenue for the UT system in FY18-19 as a result of the proposed legislation is estimated to be \$1,479,835 (\$1,637,325 - \$157,490).
- With a three percent annual increase in tuition, the net increase in state revenue for the UT system is estimated to be \$1,524,230 (\$1,479,835 x 103.0%) in FY19-20; and estimated to exceed \$1,569,957 (\$1,524,230 x 103.0%) in FY20-21 and subsequent years.

- Based on the information provided by UT, UT has the capacity and faculty to facilitate 171 additional students. Therefore, any cost associated with infrastructure and faculty is estimated to be not significant.

**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