

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 2174 – HB 2434

February 26, 2018

**SUMMARY OF ORIGINAL BILL:** Requires governing boards of state institutions of higher education to adopt policies addressing management of student debts or obligations owed directly to the state institutions.

Removes the requirement that state institutions withhold diplomas, certificates of credit, or grade reports if the student has an outstanding debt to the institution of more than \$25 that is less than 10 years old.

Requires a governing board in any year in which the board adopts or amends policies to report the adoption or amendment of such policies to the Chairs of the Finance, Ways and Means Committees of the General Assembly by December 31st .

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Passage of this legislation could result in some debts to public institutions becoming uncollectible or collection being delayed. The extent and timing of such impacts cannot be determined because they are dependent on the specific circumstances of each outstanding debt.

**SUMMARY OF AMENDMENT (013416):** Deletes and rewrites all language after the enacting clause. Defines “college system of Tennessee” as the community colleges and colleges of applied technology governed by the Tennessee Board of Regents. Defines “state universities” as: The University of Tennessee and all its several branches; The University of Memphis; Tennessee State University; Austin Peay State University; Middle Tennessee State University; Tennessee Technological University; and East Tennessee State University.

Exempts debt of less than \$100 from the reasons that state institutions may withhold diplomas, certificates of credit, or grade reports if the student has an outstanding debt.

Authorizes colleges in the college system of Tennessee to issue a certificate of credit or official transcript for a student seeking admission to any college in that system if the student has entered a written agreement to satisfy the outstanding debt or obligation owed to the college issuing the certificate of credit or official transcript.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Based on the information collectively provided by the Tennessee Board of Regents (TBR) and the Locally Governed Institutions (LGI), adopting policies under the provisions of the proposed legislation will be performed during the normal course of business.
- Removing the requirement that public institutions withhold diplomas, certificates of credit, or grade reports, if the student has an outstanding debt to the institution less than \$100, could result some debts becoming uncollectible or be delayed in collection. The extent and timing of such impacts cannot be determined because such impacts are dependent upon the specific circumstances relative to each outstanding debt.

**CERTIFICATION:**

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



Krista M. Lee, Executive Director

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