

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 987 – HB 1109

April 23, 2018

SUMMARY OF ORIGINAL BILL: Deletes the existing requirement for a student to meet one of the following in order to qualify for the Individualized Education Account (IEA) Program: (1) was previously enrolled in a Tennessee public school during the previous two semesters; (2) is attending a Tennessee school for the first time; or (3) received an IEA in the previous academic year.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue –

\$77,800/FY18-19/Department of Education

\$81,700/FY19-20/Department of Education

\$85,800/FY20-21/Department of Education

Exceeds \$85,800 /FY21-22 and Subsequent Years/Department of Education

Increase Local Expenditures – Exceeds \$583,500/FY18-19*

Other Fiscal Impact – For local education agencies (LEAs) with students that opt to participate in the IEA program, the net shift of state and required local BEP funding from these local education agencies to the participating entities is estimated as follows: \$1,867,300 in FY18-19; \$1,961,600 in FY19-20; \$2,059,400 in FY20-21; and amounts exceeding \$2,059,400 in FY21-22 and subsequent years.

SUMMARY OF AMENDMENT (017742): Deletes all language after the enacting clause. Requires the Office of Research and Education Accountability in the Office of the Comptroller of the Treasury (COT) to study and report on the use of funding provided by the state share of funds generated for components within the instructional salaries and wages category of the basic education program.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions for the bill as amended:

- The COT will be able to create the report in accordance with the provisions of this legislation during the normal course of business; therefore, any fiscal impact related to the COT report is estimated to be not significant.
- No significant impact on local government operations.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/maf