

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2612 - HB 2828

February 11, 2024

SUMMARY OF BILL: Establishes the African American Cultural and Historical Grant Fund for the purpose of supporting capital projects at facilities in this state that highlight the contributions, culture, and history of African Americans. Requires the Tennessee Historical Commission (THC) to administer the Fund, which shall be composed of funds appropriated by the General Assembly, gifts, grants, and other donations. Establishes that monies in the Fund will not revert to the General Fund, but carryforward to be expended for the purposes provided in this act.

Requires THC, subject to the availability of funds, to allocate and disperse grants to entities and facilities to effectuate this act. Establishes that monies in the fund may be used by the THC for program administration, marketing, and program evaluation; however, such expenses are prohibited from exceeding five percent of the total amount appropriated for the program in any fiscal year.

FISCAL IMPACT:

**Increase State Revenue – \$475,000/FY24-25 and Subsequent Years/
African American Cultural and Historical Grant Fund**

**Increase State Expenditures - \$580,800/FY24-25/General Fund
\$579,800/FY25-26 and Subsequent Years/General Fund**

**\$475,000/FY24-25 and Subsequent Years/
African American Cultural and Historical Grant Fund**

Assumptions:

- The THC is administratively attached to the Department of Environment and Conservation (TDEC).
- Based on information provided by TDEC, the THC will require one additional employee to administer the African American Cultural and Historical Grant Fund, as the THC does not currently administer any funds such as the one created by this legislation.
- Such new position will be required to review all applicants for grants and award such grants in accordance with this act and subsequent guidelines established by the THC.
- This legislation will require one additional TDEC - Cultural Resources Consultant-2 position beginning in FY24-25.

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- The total recurring increase in state expenditures is as follows:

Title	Salary	Benefits	Supplies and Travel	# Positions	Total
TDEC - Cultural Resources Consultant-2	\$74,604	\$19,985	\$10,200	1	\$104,789

- There will be a one-time increase in state expenditures in FY24-25 of \$1,000 for a computer.
- There will be an increase in state expenditures in FY24-25 of \$105,789 (\$104,789 + \$1,000).
- There will be a recurring increase in state expenditures in FY25-26 and subsequent years of \$104,789.
- This legislation prohibits total expenses for administration, marketing, and program evaluation from exceeding five percent of total amount appropriated to the program in any fiscal year.
- The level of appropriations for the program in any given year is unknown. However, the African American Cultural Heritage Action Fund, a program of the National Trust for Historic Preservation, announced, on June 19, 2023, grants totaling \$3,800,000 to protect and preserve 40 sites across the country representing African American history.
- It is assumed that the program created pursuant to this legislation will be sufficiently funded to provide grants to five such sites at a similar level, resulting in a recurring increase in state expenditures of \$475,000 [(\$3,800,000 / 40) x 5].
- Since the allocation of five percent of appropriated fund will not be sufficient to cover the expenditures of the additional position, it is assumed that such expenditures will be funded on a recurring basis by General Fund appropriations and all funding appropriated to the African American Cultural and Historical Grant Fund will be utilized for grants for projects that highlight the contributions, culture, and history of African Americans.
- Therefore, the total increase in state expenditures from the General Fund will be \$580,789 in FY24-25 (\$105,789 + \$475,000) and \$579,789 in FY25-26 and subsequent years (\$104,789 + \$475,000).
- The total increase in state revenue and an equivalent increase in state expenditures from the African American Cultural and Historical Grant Fund will be \$475,000 in FY24-25 and subsequent years. The amount of gifts, grants, and other donations to the fund is unknown but is assumed to be not significant.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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