

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 401 - HB 457**

March 20, 2017

**SUMMARY OF BILL:** Increases, from \$200 to \$400, the required portion of Basic Education Program (BEP) funding to be allocated to every K-12 teacher for supplies.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$100,400**

**Increase Local Expenditures – \$12,887,400\***

**Other Fiscal Impact – To the extent local education agencies repurpose existing local BEP funds from other currently funded areas for the purpose of making the required additional payment to teachers, the impact to local government would be considered a permissive shift of use for recurring BEP funds up to \$12,887,400.**

Assumptions:

- Based on the state report card, there are 64,939 teachers, 502 of which are in the Achievement School District (ASD) and 64,437 local teachers.
- Currently, the BEP provides \$200 per teacher for supplies from local funding sources.
- The additional \$200 to teachers is assumed to be funded by local sources as is the case under current law.
- Local education agencies (LEAs) can meet the provisions of the legislation by either (1) increasing the total shares of local funding to their respective schools; or (2) repurposing current funding. It is assumed that LEAs will increase the total shares of local funding to their respective schools.
- The additional funding to teachers in ASD schools will require appropriations from the General Fund.
- The recurring increase in state expenditures from the General Fund is estimated to be \$100,400 (502 x \$200).
- The mandatory recurring increase in local expenditures is estimated to be \$12,887,400 (64,437 x \$200).

\*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**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

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