

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1131 - HB 1174

March 19, 2021

SUMMARY OF BILL: Creates the Tennessee Rapid Growth School District (TRGSD) Fund within the General Fund for the purpose of making grants to local education agencies (LEAs) experiencing certain levels of growth for use with capital improvements. Requires the Treasurer to deposit up to \$30,000,000 in the TRGSD Fund for use in FY21-22, with unawarded funds reverting to the General Fund. Requires the Department of Education (DOE) to administer the TRGSD Fund and the capital improvement grant awards.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$30,000,000/FY21-22/TRGSD Fund

Increase State Expenditures – \$30,000,000/FY21-22/General Fund
\$30,000,000/FY21-22/TRGSD Fund

Increase Local Revenue – \$30,000,000/FY21-22

Assumptions:

- The proposed legislation would provide up to \$7,000,000 in individual grant funding for capital improvement to LEAs experiencing a minimum average growth of two percent in average daily membership (ADM) over the five years immediately preceding FY21-22.
- Based on data from DOE, 39 LEAs had ADM growth in excess of two percent from FY15-16 through FY19-20; under the proposed legislation, these districts will be eligible to receive capital improvement grants from the TRGSD Fund in FY21-22.
- It is assumed that the maximum amount allowable will be deposited into the TRGSD Fund and DOE will expend all available funds to eligible districts, with no funds reverting back to the General Fund.
- The one-time total increase in state expenditures from the General Fund is estimated to be \$30,000,000 in FY21-22.
- There will be a corresponding one-time increase in state revenue and state expenditures from the TRGSD Fund of \$30,000,000 in FY21-22.
- A one-time increase in local revenue of \$30,000,000 will occur in FY21-22.

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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