

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1765 – HB 2549

February 3, 2018

SUMMARY OF BILL: Authorizes the Energy Efficient Schools Council (the Council) to award grants or loans for energy efficient capital outlay projects to charter schools and the Achievement School District (ASD).

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Grant and loan funding may shift between LEAs or from public to private entities. The extent of any funding shifts cannot reasonably be determined because such impacts are dependent upon unknown factors.

Assumptions:

- No impact on state government operations.
- No change in the amount of total grant or loan funding available to schools from the Council.
- Increasing the number of schools that can compete for grants and loans from the Council may increase competition for available grant or loan funds, which may result in a shift in funds between LEAs.
- Loans are made to the county commission or city council for the benefit of LEAs over a 12-year payback period.
- Based on a January 2016 report by the Comptroller of the Treasury (COT), of the 112 charter schools statewide, there are at least 38 charter schools leasing privately-owned buildings.
- Charter schools often operate on a year-to-year basis; based on information from the COT, while new charter schools are being established annually, 15 percent of existing charter schools cease operations each year.
- Based on information obtained from the COT and from the office of the Energy Efficient Schools Initiative (EESI), this could result in public money shifting to subsidize the improvement of private facilities which may or may not serve to house a school beyond the year when the project is approved.

- Due to multiple unknown factors such as the increase, if any, in the number of applicants, the amount of each loan or grant awarded, the number of loans or grants awarded each year, and the number of charter schools in private facilities that win loans or grants in the future, the extent of any shift cannot be determined.

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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