

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 105 - HB 387

March 5, 2013

SUMMARY OF BILL: Enacts the “Tennessee Alternative Diploma Act”. Requires the Department of Labor and Workforce Development (LWD) and the State Board of Education (SBE) to design and implement a test that will award a credential for individuals who did not graduate from high school. The credential shall be known as the Tennessee Alternative Diploma (TAD). Requires various agencies to assist in the design of the test and requires LWD to consult on the design and development of the TAD. Requires receipt of the TAD to be equivalent to the receipt of the General Education Development (GED) credential. Requires LWD, by February 1, 2013, to complete the report required of the Department pursuant to Chapter 787 of the Public Acts of 2012. Requires LWD and the SBE to report on the progress of TAD to the Education Committees of the General Assembly by February 1, 2014. Requires the test to be developed and fully-implemented on January 1, 2015.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$863,500/One-Time
Exceeds \$500,000/Recurring**

Assumptions:

- LWD will develop an alternative test, rather than using an off-the-shelf test from a professional testing organization.
- LWD has estimated that initial test development analysis and test construction will occur in FY13-14. LWD has estimated state expenditures for test development and construction that include the following: consulting costs and information technology expenditures (\$524,330); developing an assessment blueprint (\$64,360); developing the actual assessment (\$79,600); field and population testing (\$114,280) test analysis, and psychometrics and test validation (\$80,940);
- The total one-time increase in state expenditures is estimated to be \$863,510 (\$524,330 + \$64,360 + \$79,600 + \$114,280 + \$80,940).

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- Determining the extent of recurring state expenditures for on-going administration, continued test maintenance and refreshing, subsequent testing of the developed product, and consultant costs is difficult. However, and based on information provided by LWD, the recurring increase in state expenditures is reasonably estimated to exceed \$500,000.

CERTIFICATION:

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

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with a large initial "L" and "G".

Lucian D. Geise, Executive Director

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