

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 1035 – SB 1163

April 14, 2015

**SUMMARY OF ORIGINAL BILL:** Requires the Department of Education to report on the availability and content of driver education and training courses to the Education Committees of the General Assembly by March 1, 2016.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENTS (004501, 005115, 006553):** Amendment 004501 deletes all language after the enacting clause of the original bill. Requires the State Board of Education (SBE) to replace the Common Core curriculum standards in the subjects of English language arts and mathematics with new state-developed curriculum standards. Requires the SBE to appoint two standard review committee, one for each subject, comprised of eight members. Requires the SBE to appoint six advisory teams, three for each content area, each comprised of seven members. Requires a website to be set up where the public may comment on the current standards and suggest changes. Requires the SBE to select a third-party contractor to collect website data and transmit it to the appropriate advisory team. The advisory teams shall make recommendations on changes to the current curriculum standards to the standards review and development committees.

Creates a standards recommendation committee comprised of ten members. The Governor shall appoint four members and the Speaker of the House and the Speaker of the Senate shall appoint three members, respectively. The standards recommendation committee shall review and evaluate the work of the standards review and development committees and shall make final recommendations to the SBE.

Requires the SBE to set up a process, prior to the next adoption of academic standards in science and social studies, whereby the SBE shall receive recommendations from a standards recommendation committee (SRC) that shall be appointed by the same process as the SRC for English language arts and mathematics. Requires each local education agency (LEA) to be responsible for developing and implementing instructional programs under the new state standards. The new curriculum standards shall be implemented in the 2017-2018 academic year.

Amendment 005115 makes a technical correction to amendment 004501, substituting the words “postsecondary-and-workforce-ready” for “college and career-ready”.

Amendment 006553 adds language after the caption of amendment 004501 and adds language to Section 1 of Amendment 004501 that requires all appointments of the Standards

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Recommendation Committee to be confirmed by the General Assembly. All appointments of the Standards Recommendation Committee shall be effective until adversely acted upon by the General Assembly.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:**

### **Increase State Expenditures –**

**Exceeds \$586,600/FY15-16**

**Exceeds \$3,093,700/FY16-17**

**Exceeds \$393,700/FY17-18**

**\$93,700/FY18-19 and Subsequent Years**

**Other Fiscal Impact – There will be additional one-time increases in state expenditures estimated to exceed \$100,000 in out years that the state performs a standards review process for curriculum standards.**

**An amount of \$420,400 in one-time state expenditures is included in the Governor’s FY14-15 budget for the current standards review process. This funding will be carried forward into FY15-16.**

**Recurring state expenditures of \$65,000 for one position at the State Board of Education is included in the Governor’s proposed budget for FY15-16 (page A-29).**

Assumptions for the bill as amended:

- The Governor’s K-12 Academic Standards review team currently includes two development committees comprised of eight people per committee and six advisory teams comprised of seven members per team. There is currently one advisory team for each content area in each broad grade level.
- The SBE will require one additional employee to oversee the development process, conduct administrative work related to the process, and will be utilized to oversee future standards review in other subjects and help update the standards currently under review.
- The recurring increase in state expenditures for personnel is estimated to be \$93,716 (\$75,000 salary + 18,716 benefits).
- In addition to the existing development committees and advisory teams, a nine member standards review committee will also be appointed.
- Based on information provided by the SBE, the state traditionally pays stipends and travel costs for these types for these types of committees and teams in order to incentivize, attract, and retain the necessary level of expertise.
- The chairmen of the development committee and advisory teams will be paid a total of \$10,000 each; for a total of increase in state expenditures of \$60,000 (\$10,000 x 6 chairmen). Two of the chairmen will serve as a chair of a committee and the chair of an advisory team.

- Members of the development committees, excluding the two chairmen, will be paid a stipend of \$3,000 each; for an increase in state expenditures of \$42,000 ( $\$3,000 \times 14$ ).
- Members of the advisory teams, excluding the six chairmen, will be paid a stipend of \$5,000 each; for an increase in state expenditures of \$180,000 ( $\$5,000 \times 36$ ).
- Each SRC member will receive stipends of \$3,000 each; an increase in state expenditures of \$27,000 ( $9 \times \$3,000$ ).
- The total increase in state expenditures in FY15-16 for stipend payments is estimated to be \$309,000 ( $\$60,000 + \$42,000 + \$180,000 + \$27,000$ ).
- Travel for mileage and parking is estimated to be approximately \$200 per trip per member; therefore a total increase in state expenditures of \$51,600 ( $\$200 \times 258$  cumulative trip meetings) in FY15-16, which includes travel for: eight meetings for each development teams or advisory team chairmen; three meetings for development team members; 4 meetings for each of the 36 advisory team members; and four meetings for each of the 9 SRC members.
- Lodging is estimated for the 36 development committees or advisory team members for 11 nights at \$120 per night, and \$120 per night for four nights for 9 SRC members; an increase in state expenditures of \$51,840 [ $(\$120 \times 11 \times 36) + (\$120 \times 4 \times 9)$ ].
- Costs for rental of meeting space, technology, and materials for all committee and advisory teams meeting is estimated to be \$17,000 in FY15-16.
- The DOE will reopen the website that is currently being used for comment on the Common Core curriculum standards for an estimated increase in state expenditures of \$15,000 in FY15-16.
- Based on information from the Department of Education, there will be a separate process for the review of science standards in FY15-16, estimated to exceed \$100,000 for meetings, travel, per diem, lodging, meeting materials.
- The total increase in state expenditures in FY15-16 is estimated to exceed \$586,556 ( $\$93,716 + \$309,000 + \$51,840 + \$17,000 + \$15,000 + 100,000$ ).
- Training will be performed by the state in FY16-17 for an estimated 15,000 educators. Based on information from the DOE and information on costs for other statewide training programs, the increase in state expenditures for FY16-17 for new standards development training is estimated to be \$3,000,000.
- The total increase in state expenditures relative to the review the standards in English language arts and mathematics in FY16-17 is estimated to be \$3,093,716 ( $\$93,716 + \$3,000,000$ ).
- The DOE will amend their current testing contract to align the state standardized tests with the new curriculum standards. Based on information provided by DOE, the one-time increase in state expenditures in FY17-18 is estimated to be \$200,000 to develop new test items and cut scores for grading.
- The total increase in state expenditures in FY17-18 relative to the review of the standards in English language arts and mathematics is estimated to be \$293,716 ( $\$93,716 + \$200,000$ ).
- The state will provide the necessary training materials for individuals attending the state-run training to train other personnel at their school.

- It is assumed that all training performed at the local level will be done during the normal course of in-service training or planning days, for which teachers are already being paid.
- There will be recurring expenditures of \$93,716 for the SBE personnel position in FY17-18 and subsequent fiscal years.
- There will be additional one-time increases of state expenditures estimated to exceed \$100,000 in years that the state performs a standards review. The next standards review for social studies is scheduled to take place in FY17-18.
- The increase in state expenditures in FY17-18 is estimated to exceed \$393,716 (\$293,716 + \$100,000).

**CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

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