

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

HB 1477 – SB 1653

March 5, 2016

SUMMARY OF ORIGINAL BILL: Requires each local education agency (LEA) to offer at least six early postsecondary credit courses. These courses may be provided through a range of methods. LEAs are encouraged to partner with institutions of higher education or other LEAs to provide these opportunities to students.

CORRECTED FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures –

\$371,400/FY16-17 and Subsequent Year/DCS
\$90,900/FY16-17 and Subsequent Years/TBR

\$1,713,000/FY16-17/Lottery for Education Account
\$1,807,200/FY17-18/Lottery for Education Account
Exceeds \$1,807,200/FY18-19 and Subsequent Years/
Lottery for Education Account

SUMMARY OF AMENDMENT (011843): Deletes and replaces the first sentence of Section 1 of the bill such that the amended bill requires each local education agency (LEA) to offer at least six early postsecondary credit courses beginning in the 2017-2018 academic year. These courses may be provided through a range of methods. States that early postsecondary credit courses do not include courses taken through a dual enrollment program defined in Tenn. Code Ann. § 49-15-102(3).

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On February 3, 2016, a fiscal memorandum was issued for this amendment with a fiscal estimate as follows:

Increase State Expenditures - \$90,900/TBR

On March 4, 2016, after review of additional information received from the Tennessee Board of Regents, a determination was made by Fiscal Review Committee staff, that while TBR does have a need for an additional staff member in the area of dual enrollment and dual credit, the need for such position is not a direct result of this legislation. As a result, the fiscal impact of the amended bill has been corrected as follows:

HB 1477 – SB 1653 (CORRECTED)

(CORRECTED)

NOT SIGNIFICANT

Assumptions Relative to DOE and Local School District Expenditures:

- Based on information from the Department of Education (DOE), many LEAs currently offer at least six early postsecondary credit courses including multiple Advanced Placement (AP) courses, the International Baccalaureate Program, and dual credit courses.
- If necessary, LEAs will expand their postsecondary credit options without a significant increase in local expenditures through partnerships with community colleges and other options.
- Additionally, the DOE helps to support certain options for such courses by paying for teacher training and exam fees. Any increase in state expenditures relative to DOE are estimated to be not significant.

Corrected Assumptions Relative to the Department of Children’s Services:

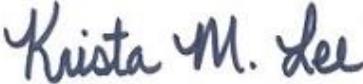
- Pursuant to Tenn. Code Ann. § 49-3-302(11), a “local education agency” is defined to mean any county, city, or special school district, unified school district, school district of any metropolitan form of government or any other school system established by law.
- Pursuant to Tenn. Code Ann. § 37-5-119(a), youth development centers and other facilities deemed appropriate by the commissioner shall be a special school district, which shall be given the same funding consideration for federal funds that school districts within the state are given.
- As a result of the two previously cited statutes, the Department of Children’s Services (DCS) is considered a state “local education agency” and will fall under the requirements of this legislation.
- DCS will meet the requirements of this legislation within the structure of their current curriculum and staff through the use of online resources and materials.
- DCS will not hire additional personnel at their Youth Development Centers.

Corrected Assumptions Relative to the Tennessee Board of Regents:

- Based on information from the Tennessee Board of Regents (TBR), there are currently nine statewide dual credit courses available through TBR community colleges and a number of others that are not offered statewide.
- TBR will not be required to hire additional staff as a direct result of this legislation.
- Any expansion that is ongoing will continue and would have taken place in the absence of the provisions of this legislation.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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