

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2592 – SB 2504

March 14, 2016

SUMMARY OF ORIGINAL BILL: Authorizes contributions from a student's Individualized Education Account (IEA) to the student's Achieving a Better Life Experience (ABLE) account for the benefit of the student. Authorizes such contributions, along with the earnings in the ABLE account from such contributions, to be used for the student's qualified disability expenses. Removes the requirement that eligibility for the ABLE program is limited to state residents and residents of contracting states.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (013766): Adds language requiring all revenues collected by the ABLE program to remain with the program. Any unused revenues during a given fiscal year, will not revert to the General Fund, but will be carried forward to fund the program. Revenues include, but are not limited to, state appropriated funds, monetary gifts, grants, or any other monetary aids received by the program from public or private sources; however, revenues do not include the contributions and earnings in an ABLE account.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

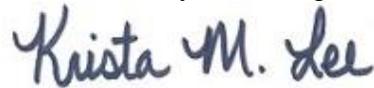
- Based on information provided by the Department of Education (DOE), the proposed legislation does not change the amount of funding allocated for IEAs, but adds an expense to the list of approved uses of the funds. The DOE can complete all administrative responsibilities associated with the proposed legislation within existing resources without an increased appropriation or reduced reversion.
- The State Board of Education adopts rules and regulations for the IEA program and would need to amend its rules; any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

HB 2592 – SB 2504

- According to the Department of Intellectual and Developmental Disabilities, the proposed legislation will not affect any programs or operations of the Department; any fiscal impact is not significant.
- According to the Department of Treasury, the proposed legislation will not result in any fiscal impact to the Department. The Department will accommodate any additional investments made into ABLÉ accounts from IEA contributions, from additional participants not residing in Tennessee, or from any contracting states, using existing resources without an increased appropriation or reduced reversion.
- Further, requiring all revenues collected by the program to stay with the program will not require any additional costs or departmental resources for the Department of Treasury.
- It is assumed that, under current law, unused funds in the ABLÉ account would not revert to the General Fund.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/jem