

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 1912 – HB 2248

April 19, 2016

SUMMARY OF ORIGINAL BILL: Prohibits state funds from being expended to support the Office of Diversity and Inclusion (ODI) at the University of Tennessee at Knoxville (UTK) beginning in FY16-17. Any duties relative to compliance monitoring required by the federal government for diversity and inclusion that are currently performed by the ODI staff shall be performed by an employee in the Office of the Chancellor at UTK. Prohibits UTK from hiring an employee to perform any additional duties. All state funds budgeted for the ODI of UTK in FY16-17 shall be reallocated to the Department of Finance and Administration (F&A) to be used in a decal program that will place the national motto on vehicles of state law enforcement agencies. Requires the Governor's annual budget to include an amount equal to the amount appropriated in the previous fiscal year for the decal program beginning in FY17-18.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue- \$436,700/UTK/Office of Diversity and Inclusion
Increase State Revenue - \$436,700/F&A/Earmarked for Decal Program

Decrease State Expenditures - \$436,700/UTK/Office of Diversity and Inclusion
Increase State Expenditures - \$436,700/F&A/Earmarked for Decal Program

SUMMARY OF AMENDMENT (016242): Deletes all language after the enacting clause.

Prohibits state funds from being expended to support the Office for Diversity and Inclusion (ODI) at the University of Tennessee, Knoxville (UTK); to promote the use of gender neutral pronouns; to promote or inhibit the celebration of religious holidays; or to fund or support sex week.

Allocates 25 percent of the state funds budgeted for the ODI at UTK in FY16-17, to be used to fund a national motto decal program. This funding shall be appropriated by UT from the UTK ODI's budget to the School of Art's graphic design program and UT print shop to design, produce, and distribute decals for any law enforcement agency that requests them. Specifies which national decal shall be used. Such decals will be made available for affixation to the vehicles of local or state law enforcement agencies. Funds remaining from the original transfer of funding in FY16-17 for the decal program shall not revert to the General Fund but shall remain available for the program until FY19-20 when any remaining funds shall be returned to the university's general fund.

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Allocates 75 percent of state funds budgeted for the ODI at UTK in FY16-17, to be used to fund additional scholarships awarded through the minority engineering scholarship program. Any of these funds from the budget of the ODI that are not used for minority engineering scholarships in FY16-17 shall remain in the scholarship program for use in future fiscal years for additional scholarships until expended.

Requires UT to make an annual report to the General Assembly at the end of each year that the decal program is operational. The report shall include: a list of the law enforcement agencies that requested the decals, the number requested by each law enforcement agency, the total number of decals produced, and the total expenditures of the program for the year. Any increase in expenditures for the report shall be included in the cost of program administration.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Other Fiscal Impact – A one-time shift of \$109,200 in funding in FY16-17 from the Office of Diversity and Inclusion (ODI) at the University of Tennessee (UTK) to UTK’s School of Art for the purpose of designing and administering a decal program for law enforcement agencies. Any funds remaining from this transfer shall not revert to the General Fund in FY16-17 through FY18-19. In FY19-20, any unexpended funds shall then be returned to the university’s general fund.

An additional one-time shift of \$327,500 in funding in FY16-17 from the ODI to the UTK minority engineering scholarship program. Any funds that are unexpended in FY16-17 for additional minority engineering scholarships shall remain in the scholarship program for future use.

It is assumed the ODI at the UTK will not receive any state funding in FY16-17 and subsequent years, and any funding that would have otherwise been allocated to the ODI in FY17-18 and subsequent years is assumed to be redirected to UTK’s general fund. Any net recurring impacts to the UTK budget in FY16-17 and subsequent years is estimated to be not significant.

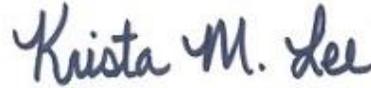
Assumptions for the bill as amended:

- The total FY15-16 budget for the ODI at UTK is \$436,722.
- It is unknown how much funding will be necessary to fund the required decal program; however 25 percent of the FY16-17 funding for the ODI at UTK will be reallocated to the decal program.

- This reallocation will result in a decrease in revenue and expenditures relative to the ODI of UTK; and an increase in state revenue and expenditures, relative to the decal program and minority engineering scholarship program.
- UT will reallocate \$109,180 ($\$436,722 \times 0.25$) from the ODI budget in FY16-17 to the UTK School of Art for the national decal program.
- UT will reallocate \$327,415 ($\$436,722 \times 0.75$) from the ODI budget in FY16-17 to fund additional minority engineering scholarships.
- Any remaining funds for the decal program in FY16-17 shall not revert to the General Fund but shall remain available for expenditure for the decal program until FY19-20 when any remaining funds will revert to the university's General Fund.
- The Governor's FY16-17 budget includes \$5,806,700 for the UT Access and Diversity Initiative. It is assumed this funding will continue to be directed to UTK and will not be a part of the proposed reallocation.
- Any increase in state and local expenditures to affix decals to local or state law enforcement vehicles is estimated to be not significant.
- Any increase in expenditures for UT to make the annual report to the General Assembly is estimated to be not significant and will be included in any administrative cost of the programs.

CERTIFICATION:

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



Krista M. Lee, Executive Director

/rbp