

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 3 - SB 5

February 10, 2015

SUMMARY OF BILL: Requires the State Board of Education (SBE) to adopt new standards for grades kindergarten through 12th grade in the subjects of English language arts and mathematics. Prohibits the SBE from expanding any of the standards for English language arts and mathematics in the 2014-2015 academic year. Requires the standards to be developed by Tennessee K-12 teachers, K-12 instructional leaders, faculty from Tennessee higher education institutions, and parents. Individuals shall be selected by the SBE to serve on development committees and advisory teams. Sets forth the minimum number and composition of development committees that shall be appointed by the SBE for each subject. The SBE may appoint as many members to each committee as it deems necessary. Requires additional outside entities, including but not limited to, the Tennessee School Boards Association, Tennessee Organization of School Superintendents, the Tennessee Parent-Teacher Association, and Tennessee's higher education entities to review drafts of the standards prior to their adoption. Requires the SBE to conduct at least one public hearing in each grand division per subject area and to post the propose standards on the Board's website. Authorizes additional hearings for different grade levels if necessary. Members of the public may send comments on the proposed standards by post or e-mail. The SBE shall present the new standards to the Education Committees of the General Assembly for review before March 31, 2016.

Members of the standards development committees and advisory teams may be compensated for their services and reimbursed for travel expenses in accordance with the travel regulation set forth by the Department of Finance and Administration.

Each LEA shall develop and implement the instructional programs under the new standards. An LEA may volunteer to test the new standards during the 2016-2017 academic year. The standards shall be fully implemented statewide during the 2017-2018 academic year.

The state standardized testing contract for the subjects of English language arts and mathematics shall be amended to make the standardized tests align with the new state standards for such subjects.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$668,000/FY15-16
\$3,093,700/FY16-17
\$293,700/FY17-18
\$93,700/FY18-19 and Subsequent Years

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Assumptions:

- The SBE will require one additional employee to oversee the development process, coordinate public hearings in conjunction with other SBE staff, and other administrative work as necessary. This will be a recurring expense as this employee will be utilized for updating these standards in the future and for standards review for subjects outside of English language arts and mathematics.
- The recurring increase in state expenditures for personnel is estimated to be \$93,716 (\$75,000 salary + \$18,716 benefits).
- The bill requires that there will be two standards review and development committees and at least six advisory teams.
- Each development committee shall be composed of eight members (for a minimum of 16 total members); each advisory team shall be composed of nine members (for a minimum of 54 total members).
- Based on costs for other development processes that have been performed in the past, the SBE has provided a detailed cost assessment to perform this work.
- Based on information provided by the SBE and DOE, stipends are traditionally paid for these types of committees and teams in order to incentivize, attract, and retain the necessary level of expertise.
- The state will pay stipends and travel costs for eligible members of the development committees and advisory teams.
- The stipends will be tiered depending on whether a member is a chairman of a development committee or advisory team, development committee member, or a member of the advisory team for each committee.
- The chairmen of the development committees and advisory teams will be paid a total stipend of approximately \$10,000 each; for a total increase in state expenditures of \$80,000 (\$10,000 x 8) in FY15-16.
- Members of the development committees, excluding the two chairmen, will be paid a stipend of \$3,000 each; for a total increase in state expenditures of \$42,000 (\$3,000 x 14) in FY15-16.
- Members of the advisory teams, excluding the six chairmen, will be paid a stipend of \$5,000 each; for a total increase in state expenditures of \$240,000 (\$5,000 x 48 members) in FY15-16.
- The total increase in state expenditures in FY15-16 for stipend payments is estimated to be \$362,000 (\$80,000 + \$42,000 + \$240,000).
- Travel for mileage and parking is estimated to be approximately \$200 per trip per member; therefore, a total increase in state expenditures of \$59,600 (\$200 x 298 cumulative trip meetings) in FY15-16, which includes travel for: eight meetings for each of the eight committee or team chairmen; three meetings for each of the 14 committee members; and four meetings for each of the 48 advisory panel members.
- Lodging is estimated for 48 members at \$120 a night for 11 nights; for a total increase in state expenditures of \$63,360 (\$120 x 11 x 48) in FY15-16.
- Costs for rental of meeting space, technology, and materials for development committee and advisory teams meetings are estimated to be \$25,000 in FY15-16.

- The SBE will hold 18 public hearings in FY15-16, six in each Grand Division, at a cost of approximately \$3,573 per hearing; for a total increase in state expenditures of \$64,314 ($\$3,573 \times 18$). This includes travel for SBE staff for two-thirds of the hearings; hearing materials; and facility rental as necessary.
- The total increase in state expenditures for FY15-16 is estimated to exceed \$667,990 ($\$93,716 + \$362,000 + \$59,600 + \$63,360 + \$25,000 + \$64,314$).
- Training will be performed by the state in FY16-17 for an estimated 15,000 educators. Based on information from the Department of Education (DOE) and information on costs for other statewide training programs where the “train the trainer” model has been utilized, the increase in state expenditures in FY16-17 for new standards development training is estimated to be \$3,000,000.
- The increase in state expenditures for FY16-17 is estimated to be \$3,093,716 ($\$3,000,000 + \$93,716$).
- 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 increase in state expenditures beginning in FY17-18 is estimated to be \$293,716 ($\$200,000 + \$93,716$).
- The recurring increase in state expenditures beginning in FY18-19 is estimated to be \$93,716.
- The state will provide 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 or planning days, for which teachers are already being paid.

CERTIFICATION:

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



Jeffrey L. Spalding, Executive Director

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