TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE

FISCAL NOTE

HB 858 - SB 1013

March 20, 2015

SUMMARY OF BILL: Authorizes the Commissioner of Education to assign any school or grade configuration to the Achievement School District (ASD) any time a school is designated as a priority school, unless 60 percent of the parents of students enrolled at the school sign a petition objecting to the placement in the ASD. After reaching the 60 percent threshold, the local education agency (LEA) may agree to one of the alternative school restructuring models set forth in Tenn. Code Ann. § 49-1-602.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds $100,000/Permissive

Other Fiscal Impact – Less state and local Basic Education Program funding (BEP) will transfer to the ASD than under current law if a parent petition is successful and the LEA agrees to implement one of the alternative school restructuring models.

Assumptions:

- No change in the Basic Education Program (BEP) funding formula.
- ASD schools are funded from state and local BEP funding.
- LEAs will be required to implement the restructuring model preferred by the parents upon verification of a successful petition.
- The fiscal impact on local government expenditures will be dependent upon the type of the conversion and its implementation. The fiscal impact will vary from LEA to LEA and from school to school.
- Based on information received from the Comptroller, permissive local expenditures will include additional or new staff for the restructured school, hiring of new staff at other schools in the LEA to which students may transfer, additional professional development, expansion of the school day, implementation of a revised or new instructional program, and technical assistance from the LEA or education management organization. Given the extent of unknown factors, a precise impact cannot be determined. However, the permissive increase in local expenditures is reasonably estimated to exceed $100,000.
- The number and type of petitions for conversions that will be successful is unknown.

CERTIFICATION:

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

Jeffrey L. Spalding, Executive Director

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