

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 1642 - SB 1654

January 26, 2016

SUMMARY OF BILL: Requires current public school teachers who volunteer as mentors for the Tennessee Promise Scholarship Program (TPSP) to receive credit for up to one day of in-service each year for becoming mentors and completing all required mentorship tasks. Declares that the one day of credit for mentoring shall count as one day of in-service during those in-service days in which a teacher is permitted to choose the in-service activity. Requires retired teachers who volunteer as mentors in the TPSP to be included in the state employee discount program for one year following the completion of all required mentorship tasks.

ESTIMATED FISCAL IMPACT:

On January 25, 2016, a fiscal note was issued for this bill with a fiscal estimate of:

Decrease State Revenue – Exceeds \$101,000/Public Higher Education Institutions

On January 26, 2016, additional review was conducted by Fiscal Review Committee Staff and additional information was received from the Tennessee Student Assistance Corporation. Due to a misunderstanding of the current state employee discount program, the fiscal impact and related assumptions were determined to be in error and have been corrected. The corrected fiscal estimate is as follows:

(CORRECTED)

Decrease State Revenue – \$9,000/Public Higher Education Institutions

Corrected Assumptions:

- Based on information from the Tennessee Student Assistance Corporation (TSAC), there were 100 retired teachers serving as mentors in the TPSP program last year.
- TSAC estimates that the number of retired teachers serving as mentors will not significantly change from year to year.
- Mentors who are retired teachers will be eligible to take one free course at a public Tennessee college or university for a period of one year.
- The current average cost for one course at two-year community college is \$550; the current average cost for one course at four-year public institution is \$1,240.
- The average cost for one course is anticipated to increase by some unknown percentage in future years; as a result, the cost to attend one course at a two-year community college in FY16-17 and subsequent years is estimated to exceed \$550 per year; and the

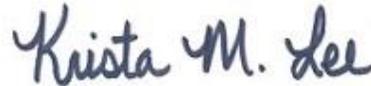
HB 1642 - SB 1654 (CORRECTED)

cost to attend one course at a four-year public institution is estimated to exceed \$1,240 per year.

- The number of retired teachers who will choose to take a class at a community college or university is unknown. However, it is estimated that 10 retired teachers, five at a two-year community college and five at a four-year institution, will take one free course and receive the applicable tuition discount.
- The annual tuition discount for participating mentors that will attend a two-year community college is estimated to be \$2,750 ($\550×5); and the annual tuition discount for participating mentors that will attend a four-year public institution is estimated to be \$6,200 ($\$1,240 \times 5$).
- The total decrease in state revenue to public higher education institutions is estimated to be \$8,950 ($\$2,750 + \$6,200$).
- Retired teachers currently attending a Tennessee College of Applied Technology (TCAT) already receive a Tennessee Reconnect Grant and would not be eligible for an additional discount.
- Based on information from the Department of Human Resources (DOHR), vendors request to be added to the information displayed on the state employee discount webpage. DOHR does not grant employees use of the webpage. Therefore, it is unclear what information vendors participating in the program would require from a participating mentor to verify that the individual was an eligible retired employee.
- No impact on the operations of the Department of Education or the Basic Education Program (BEP).
- Qualifying mentor teachers will be granted an in-service day on a previously-scheduled in-service day during which the teacher is authorized to choose the in-service activity.
- No increase in local expenditures for additional substitute teachers or for additional paid in-service days that are not included in the regular calendar.
- Based on information from the TSAC, there will be no impact on operations or the lottery scholarship program.
- TN Achieves is the non-profit organization that facilitates the TPSP mentors. Any cost associated with providing a method of tracking volunteers for the purposes of in-service days or for retired teachers to be included in the state employee discount program will be borne by TN Achieves. Therefore, no increase in state or local expenditures for these activities.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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