

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 343 - HB 398**

February 28, 2015

**SUMMARY OF BILL:** Extends the repeal date of the Virtual Schools Act from June 30, 2015, to June 30, 2019.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Under current law, if this act expires in 2015, there will be various shifts in state and local Basic Education Program (BEP) funding between local education agencies, as well as funding shifts from a virtual school to a regular brick-and-mortar school within the same LEA; possible savings to state and local government if some overhead expenditures of the virtual schools are not replicated when students return to traditional schools or some of the students at the virtual schools revert to home school; and Union County’s required BEP maintenance of effort would decline. Under the provisions of the bill, these impacts will be delayed by four years.**

Assumptions:

- No change in state and local BEP funding. All BEP funding will continue to be received by the same entities that receive such funding under current law.
- Under current law, the Union County school system would be the only local education agency that would have a substantial decrease in enrollment as a result of the Tennessee Virtual Academy closing. Extending authorization for the Virtual Academy by an additional four years will result in Union County continuing to provide their required maintenance of effort for four additional years for any students attending the Virtual Academy.

**CERTIFICATION:**

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

A handwritten signature in black ink that reads "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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