



February 16, 2020

**SUMMARY OF ORIGINAL BILL:** Requires a local education agency (LEA) to allocate funding for payments, on a prorated daily basis, for students to be admitted to out-of-state mental health facilities if certain criteria are met. Requires a student to be currently enrolled in a public school at the time of admission to a mental health facility and lengthens a student's required enrollment period to one full school year in a state public school prior to a student's admission to a mental health facility. Authorizes the Department of Education (DOE) and LEAs to monitor the out-of-state residential mental health facility for compliance if an LEA allocates funds to such facility pursuant to this Act. Requires DOE to determine various outlined criteria prior to the medical placement decision.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase State Expenditures – \$89,700

Decrease Local Revenue – \$138,000

**SUMMARY OF AMENDMENT (014728):** Deletes and replaces language in the original bill without making any substantive changes to the legislation.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- Tennessee Code Annotated § 49-3-370 requires LEAs to allocate funds and make payments to qualifying, in-state, mental health facilities for students with a medical necessity meeting specified school enrollment criteria.
- Based on information from DOE, approximately 889 students are placed into in-state residential mental health facilities each year.
- The average daily rate for residential mental health facilities in FY19-20 is \$46 per day; it is estimated that 100 students each year are placed in out-of-state facilities and the proposed legislation will provide funding for those students.

- As additional students would qualify for funding, payments will be transferred from LEAs to out-of-state residential mental health facilities that meet all requirements.
- Assuming an average stay of 30 days , the amount of state and local revenue shifted from LEAs to the-out-of-state facilities is estimated to be \$138,000 (100 students x 30 days x \$46 per day).
- It is estimated that the proposed legislation will result in a recurring decrease in local revenue in the amount of \$138,000.
- DOE will require one additional full-time employee to approve and monitor out-of-state facilities.
- The cost for one Education Consultant 2 position at a minimum salary point is estimated to be \$89,675 (\$54,120 salary + \$15,555 benefits + \$20,000 travel).
- The total recurring increase in state expenditures is estimated to be \$89,675.
- No significant impact to state education funding or to the Basic Education Program funding formula.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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