

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

HB 30 – SB 299

March 20, 2019

SUMMARY OF BILL: Expands Tennessee Reconnect Grant (TRG) eligibility rules to include authorized incarcerated persons. Allows inmates to enroll in at least one course at a university or community college leading to the completion of an approved program of study.

ESTIMATED FISCAL IMPACT:

On February 25, 2019, a fiscal note was issued for this legislation with the following estimated fiscal impact:

*Increase State Expenditures – \$42,000/One-Time/General Fund
\$1,177,400/Recurring/General Fund
\$8,874,800/Recurring/Lottery for Education Account*

Other Fiscal Impact – Recurring funding of \$8,874,800 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

Based on additional information provided by the Department of Correction, the fiscal impact for this legislation has been corrected as follows:

(CORRECTED)

**Increase State Expenditures – \$3,000/One-Time/General Fund
\$414,100/Recurring/General Fund
\$8,874,800/Recurring/Lottery for Education Account**

Other Fiscal Impact – Recurring funding of \$8,874,800 will not be available for transfer from the Lottery for Education Account to the Tennessee Promise Special Reserve Account.

Corrected Assumptions:

- Pursuant to Tennessee Code Ann. § 41-21-509, under the “Prisoner Rehabilitation Act of 1970”, the Division of Rehabilitation Services is authorized to permit first and second term inmates hours of leave necessary to participate in educational programs and

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requires the Department of Education to develop a plan with suitable courses and to encourage inmates to enroll in such classes.

- Pursuant to Tenn. Code Ann. § 41-21-238, the plan is required to include the possible use of existing community colleges and vocational schools for authorized inmates.
- Pursuant to Tenn. Code Ann. § 49-04-904(6), a student incarcerated is ineligible for the TRG. This legislation authorizes incarcerated persons to become eligible to receive the TRG.
- Based on inmate data provided by the Department of Corrections (TDOC), expanding eligibility to incarcerated persons will result in 10 percent of the 22,000 individuals incarcerated in state prison facilities, or 2,200 (22,000 x 10%) participating in the TRG each year.
- Based on information provided by TDOC, the addition of one full-time Administrative Services Assistant 2 position will be required at the central office in order to track and record student participation and student results.
- There will be a one-time increase in state expenditures from the General Fund estimated to be \$3,000 for the new position.
- The recurring increase in state expenditures from the General Fund for this position is estimated to be \$42,349 (\$28,716 salary + \$11,333 benefits + \$2,300 operational expenses).
- Pursuant to Tennessee Code Ann. § 49-4-944(c)(7), students are required to participate in a college success program through the Tennessee reconnect community initiative as created by the Tennessee Higher Education Commission (THEC).
- Based on information provided by the Tennessee Student Assistants Corporation (TSAC), THEC has established a “hands-on” college success program to assist those with higher needs in navigating the college application and enrollment process.
- One Reconnect Navigator is needed per 400 students.
- An additional six positions will be required to carry out the program for 2,200 students; five Reconnect Navigators and one Program Director.
- The recurring increase in state expenditures from the General Fund for these THEC positions is estimated to be \$371,706 {[((\$45,000 salary + \$14,036 benefits) x 5 positions) + [(\$60,000 salary + \$16,526 benefits) x 1 position]}.
- The total recurring increase in state expenditures from the General Fund as a result of this legislation is estimated to be \$414,055 (\$42,349 + \$371,706).
- Based on information provided by TSAC, it is estimated that the 2,200 incarcerated individuals participating in the TRG will each take approximately 12 credit hours per year.
- Annual tuition for incarcerated individuals taking 12 credit hours per year is estimated to be \$4,034.
- Pursuant to Tennessee Code Ann. § 49-4-901, the TRG grant is to be distributed from the Lottery for Education Account (LFEA). Therefore, the recurring increase in state expenditures from the Lottery for Education Account (LFEA) is estimated to be \$8,874,800 (2,200 students x \$4,034).

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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