

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 210 - SB 270

April 2, 2019

SUMMARY OF BILL: Requires preschool programs operated by a local education agency (LEA) for children with disabilities to be entitled to annual appropriations. Defines “children with disabilities” and requires the Commissioner of the Department of Education (DOE) to annually recommend an annual funding amount per classroom for those classrooms established under §§ 49-6-103 through 49-6-110 and for preschool classrooms for children with disabilities. Requires the Commissioner of DOE to include the same costs per component in recommending the amount of funding per classroom.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$59,829,300

Increase Local Revenue – \$59,829,300

Increase Local Expenditures – \$59,829,300*

Assumptions:

- In FY19-20, there are 400 self-contained special education preschool classrooms. The funding for regular education preschool classrooms (Voluntary Pre-K classrooms or VPK) at unit costs are equal those in the FY19-20 BEP, which is estimated to be \$142,060 per classroom.
- The state will fund 75 percent of the cost, or \$106,545. The recurring increase in state expenditures is estimated to be \$42,618,000 (400 x \$106,545).
- The unit costs for the VPK classrooms will be increased to match those of the special education pre-kindergarten classrooms.
- The current funding amount for a VPK classroom is \$117,490. An increase of \$24,570 per classroom will be required to bring the funding of the VPK classrooms to equal FY19-20 costs.
- Currently, there are 934 VPK classrooms across the state. The state would fund 75 percent of the cost, or \$18,427.50. This recurring increase in state expenditures is estimated to be \$17,211,285 (934 x \$18,427.50).
- The total recurring increase in state expenditures is estimated to be \$59,829,285 (\$42,618,000 + \$17,211,285).

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- Pursuant to Tenn. Code Ann. § 49-6-107(e), no state funds received for pre-kindergarten programs pursuant to §§ 49-6-103 through 49-6-110 shall be used to supplant any other state or local funds for pre-kindergarten programs.
- LEAs are currently funding the current cost of VPK classrooms and will not need to increase contribution levels.
- The total recurring increase in local revenue and the corresponding mandatory recurring increase in local expenditures is estimated to be \$59,829,285.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

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

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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