

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 664 - SB 604**

March 22, 2019

**SUMMARY OF BILL:** Requires mandatory attendance in an alternative school for students in grades seven through twelve who have been expelled. Specifies that attendance in an alternative school is voluntary for students in grades one through six who have been suspended or expelled and for students in grades seven through twelve who have been suspended. Specifies that students attending an alternative school are subject to all the rules of the local board of education. Requires the governing body of a public charter school establish an alternative educational setting for students who have been suspended from the regular school program. Prohibits a charter school from expelling a student until the student has been placed in an alternative educational setting and requires the governing body of a local charter school to adopt policies consistent with the proposed legislation.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$3,000,000**

**Increase Local Expenditures – Exceeds \$1,000,000\***

Assumptions:

- In FY19-20, there are 22 alternative schools throughout the state.
- Tennessee Code Annotated § 49-6-3402 stipulates that student attendance in an alternative school is voluntary unless a local board adopts a policy making it mandatory. In addition, local boards of education may enter into agreements to send students from any school system to any alternative school already in operation.
- In FY17-18, there were approximately 2,008 students expelled. It is unknown how many of these expelled students were in grades seven through twelve; the extent to which local boards of education have adopted policies mandating that such students attend an alternative school; the extent to which local boards of education have entered into agreements to send expelled students to alternative schools; and the extent to which expelled students in grades seven through twelve voluntarily attended an alternative school.
- The proposed legislation will require mandatory attendance in alternative school for all students in grades seven through twelve who are expelled.

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- Tennessee Code Annotated § 49-6-3402 requires local boards of education to establish at least one alternative school to be available for students in grades seven through twelve who have been expelled or suspended.
- The fiscal impact of this legislation is dependent on multiple unknown factors, including but not limited to, the number of expelled students in grades seven through twelve that will be required to attend an alternative school under the provisions of this legislation; the number of expelled students in grades seven through twelve who voluntarily attend an alternative school under current law; the extent of new facilities that may need to be constructed, if any; the extent of faculty and personnel that would be required to educate an additional unknown number of students, the extent of facilities management for any such new alternative schools; and the extent of required funding that would be generated by the BEP funding formula taking the provisions of this legislation into account.
- While the fiscal impact of this legislation to state and local government cannot be determined with specificity; it is reasonably estimated that the recurring increase in state expenditures would exceed \$3,000,000 per year; and the mandatory recurring increase in local expenditures would exceed \$1,000,000 per year.

**CERTIFICATION:**

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



Krista Lee Carsner, Executive Director

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