

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1686 - SB 1737

May 5, 2020

SUMMARY OF BILL: Requires a teacher in kindergarten through grade three (K-3) to have received an evaluation demonstrating an overall performance effectiveness level of "above expectations" or "significantly above expectations" on the most recent teacher evaluation in order to teach K-3. Authorizes a first-year teacher who has not yet received an evaluation to teach K-3 if certain conditions are met.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$250,000/FY20-21

Increase Local Expenditures – \$27,469,100/FY20-21*

Assumptions:

- Currently, the state has two different data systems that track licensure, staffing assignments, evaluation data, and the correlation of course code and endorsements.
- To comply with the proposed legislation, the Department of Education (DOE) will need to build out staffing reports that include the specific assignment levels for each educator; this functionality and crosswalk between these two systems does not currently exist.
- DOE will be required to make changes to their current data system which will require one-time development cost systems and recurring maintenance fees.
- It is estimated that development costs will result in a one-time increase in state expenditures of \$250,000 in FY20-21; it is estimated that maintenance costs will be covered by existing resources without a significant increase in state expenditures.
- Each district that replaces a teacher will be responsible for the salary and benefits of a new full-time teacher.
- A teacher rated 1 or 2 would not be able to be immediately terminated if they had tenure or did not have multiple years of low ratings; pursuant to Tenn. Code Ann. § 49-5-504, teachers who received tenure before July 1, 2011, cannot have tenure removed due to low performance.
- A teacher who receives two consecutive years of "below expectations" or "significantly below expectations" can be placed on probationary status; because evaluation scores are not known until the fall, districts will need to find an alternate placement for some non-tenured teachers who are on a one-year contract.
- According to DOE, a teacher who must be replaced will not be terminated immediately due to the time it would take to carry out due process; therefore, the LEA would need to pay that teacher's salary for one year.

- The average classroom teacher salary is \$51,349 and the average starting salary of a new teacher is \$39,354; local education agencies (LEAs) will be required to keep paying the teacher who must be replaced and to pay the salary of one new teacher.
- This scenario is estimated to increase local costs of \$39,354 per instance.
- Based on data from DOE, at least 2,792 teachers across the state received ratings which would require replacement during the 2018-2019 school year; it is estimated that 25 percent, or 698 individuals, are teachers in grades K-3.
- Thus, it is estimated that additional replacement teachers will result in a one-time increase in local expenditures of \$27,469,092 (698 x \$39,354) in FY20-21.
- In future years, beginning in FY21-22, LEAs will experience a decrease in expenditures due to a higher number of lower salaried teachers. This decrease is expected to be offset by any additional replacement costs that will be experienced for teachers receiving low evaluation scores in future years beginning in FY21-22. Any net impact in FY21-22 and subsequent years is considered not significant.

*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.



Krista Lee Carsner, Executive Director

/alh