

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2531 - SB 2622

February 24, 2020

SUMMARY OF BILL: Requires each local education agency (LEA) to receive no less than a 50 percent state share in the instructional salaries and wages components, instructional components, and classroom components.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$13,568,000/FY20-21 and Subsequent Years

Increase Local Revenue –

\$8,338,000/FY20-21 and Subsequent Years/Davidson County

\$5,230,000/FY20-21 and Subsequent Years/Sevier County

Assumptions:

- The proposed legislation will establish a minimum state share of 50 percent for the instructional salaries and wages components, instructional components, and classroom components; this will impact Davidson County and Sevier County only.
- It is estimated that the state share of BEP funding will increase by \$8,338,000 for Davidson County and \$5,230,000 for Sevier County.
- The total recurring increase in state expenditures is estimated to be \$13,568,000 (\$8,338,000 + \$5,230,000) in FY20-21 and subsequent years.
- The change in Basic Education Program funding would decrease the required local match for both Davidson and Sevier Counties; however, due to maintenance of effort requirements in Tenn. Code Ann. § 49-2-203 and § 49-3-314, which ensures that local governments do not reduce funding and use state dollars in place of local dollars, neither county will be able to reduce their current contribution levels.
- The proposed legislation will have a total recurring increase in local revenue of \$13,568,000 (\$8,338,000 Davidson County + \$5,230,000 Sevier County) in FY20-21 and subsequent years.

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

/alh