

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1981

May 21, 2020

SUMMARY OF BILL: Requires an appropriation of \$5,000,000 of non-recurring funds from the reserves available to the Department of Education (DOE) to the Department of Finance and Administration (F&A) for the purpose of making a grant in such amount to a nonprofit, four-year, postsecondary educational institution, to be used for supporting the institution's educator preparation program. Establishes eligibility for an approved educational preparation provider. Requires an institution that closes within five years of receiving the funds appropriated by this item, to repay all such funds to F&A within one year from the date of closure.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$5,000,000/FY20-21/Department of Finance and Administration

Increase State Expenditures –

\$5,000,000/FY20-21/Department of Education

\$5,000,000/FY20-21/Department of Finance and Administration

Assumptions:

- As of May 21, 2020, DOE reported a reserve balance of \$20,000,000; however, these funds are dedicated for existing obligations or upcoming expenses.
- DOE will make a one-time appropriation of \$5,000,000 from available reserve funds to F&A for the purpose of making grants to eligible postsecondary educational institutions to support educator preparation programs.
- It is assumed that F&A will award all \$5,000,000 appropriated by DOE to eligible postsecondary educational institutions in support of educator preparation programs.
- It is further assumed that no institutions will close within five years after receiving a grant and will not be required to repay any grant dollars.

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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