

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 947 - SB 803

March 19, 2019

SUMMARY OF BILL: Requires rather than authorizes, the Tennessee School Safety Center to establish school safety grants to assist local education agencies (LEAs) in funding programs that address school safety. Removes certain data analysis and collection requirements for the Tennessee School Safety Center and changes reporting requirements such that the only entity that the Tennessee School Safety Center must report to is the Education Committees of the Senate and the House of Representatives.

Requires the Tennessee School Safety Center to develop a school safety grant application that requires an LEA to describe how the funds will be used and how it aligns with the needs identified in a school safety assessment. To qualify for eligibility, requires an LEA to be in compliance with all state laws, rules, and regulations regarding school safety. Clarifies language to affirm funding availability for LEAs. Requires the Tennessee School Safety Center to reserve monies to fund school safety grants based on applications received from LEAs with schools that did not have a full-time School Resource Officer (SRO) during the 2018-2019 school year and prioritize those applications; the funding must be available for school safety grants awarded for the 2019-20 and 2020-21 school years.

ESTIMATED FISCAL IMPACT:

On March 6, 2019, a fiscal note was issued for this legislation with the following estimated fiscal impact:

*Increase State Expenditures – \$20,000,000/FY19-20
\$10,000,000/FY20-21 and Subsequent Years*

*Increase Local Expenditures –
\$6,666,700/FY19-20/Permissive
\$3,333,300/FY20-21 and Subsequent Years/Permissive*

The Governor's proposed budget document for FY19-20 (page A-37) includes one-time funding of \$20,000,000 and recurring funding of \$10,000,000.

After further analysis, it was determined this impact was in error. Therefore, the fiscal impact has been corrected as follows:

HB 947 - SB 803 – (CORRECTED)

(CORRECTED)

**Increase State Expenditures – \$30,000,000/FY19-20
\$10,000,000/FY20-21 and Subsequent Years**

**Increase Local Expenditures –
\$10,000,000/FY19-20/Permissive
\$3,333,300/FY20-21 and Subsequent Years/Permissive**

The Governor’s proposed FY 19-20 budget document (page A-37) includes \$20,000,000 in one-time funding and \$10,000,000 in recurring funding.

Corrected Assumptions:

- The Governor’s FY19-20 proposed budget document (page A-37) includes \$10,000,000 in recurring funds and \$20,000,000 in one-time funds for school safety grants.
- Therefore, it is assumed that \$30,000,000 of state funding will be expended for purposes consistent with this legislation in FY19-20; and \$10,000,000 will be expended in FY20-21 and subsequent years.
- Pursuant to provisions of the legislation, the receipt of state funding is subject to a 25 percent match by LEAs adjusted for the LEAs fiscal capacity under the BEP formula.
- Any increase in LEA expenditures are considered permissive on the basis they have to elect to spend the 25 percent match requirement in order to draw down the 75 percent state share of funding.
- The total amount of funding (state and local) that will be expended for purposes consistent with this legislation in FY19-20 is estimated to be \$40,000,000 (\$30,000,000 / 75.0% state share).
- The increase in state expenditures in FY19-20 is estimated to be \$30,000,000 (\$40,000,000 x 75.0 state portion); the permissive increase in local expenditures in FY19-20 is estimated to be \$10,000,000 (\$40,000,000 - \$30,000,000).
- The total amount of funding (state and local) that will be expended for purposes consistent with this legislation in FY20-21 and subsequent years is estimated to be \$13,333,333 (\$10,000,000 / 75.0% state share).
- The recurring increase in state expenditures beginning in FY20-21 is estimated to be \$10,000,000 (\$13,333,333 x 75.0 state portion); the permissive recurring increase in local expenditures beginning in FY20-21 is estimated to be \$3,333,333 (\$13,333,333 - \$10,000,000).

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

/alh