

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 94 – SB 158

March 5, 2017

SUMMARY OF BILL: Requires LEAs to place at least one automated external defibrillator (AED) device in each school. Creates “The Lovin Law” which requires an owner or operator of a publicly-operated or privately-operated facility that has a capacity of 500 or more to make available at least one AED, ensure the presence of at least one person who is employed by the facility to be trained to operate the AED, and inspect the AED according to the manufacturer’s recommendations. Effective date of January 1, 2018.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$452,000/FY17-18
\$289,600/FY18-19
\$292,900/FY19-20 and Subsequent Years

Increase Local Expenditures - \$360,000/FY17-18*
\$42,800/FY19-20 and Subsequent Years*

Assumptions:

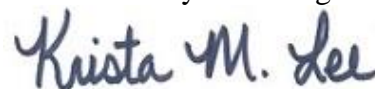
- Based on information from the Department of Education, there are 180 schools without an AED.
- Based on information provided by the Comptroller of the Treasury, the average cost for an AED per the state contract is approximately \$2,000. Replacement parts are estimated to be \$475 (\$140 for AED pads + \$135 battery + \$200 electrodes), to be replaced every two years.
- The mandatory one-time increase in local expenditures associated with the AEDs is estimated to be \$360,000 (180 schools x \$2,000).
- The mandatory recurring biennial increase in local expenditures is estimated to be \$85,500 (180 schools x \$475); annualized, the mandatory recurring increase, beginning in FY19-20, is estimated to be \$42,750 (\$85,500 / 2 years).
- Based on information provided by the Department of General Services (DGS), the DGS has 26 facilities that would be required to have an AED and trained staff person. Currently, 12 of these facilities have at least one AED and have a security guard who is AED-certified annually.
- The other 14 facilities will need AED devices installed and nine facilities will need to be staffed with a person trained to use the device.
- The one-time increase in state expenditures associated with the AEDs is estimated to be \$28,000 (\$2,000 x 14 facilities).

- The biennial recurring increase in state expenditures associated with AEDs is estimated to be \$6,650 (14 facilities x \$475); annualized, the recurring increase, beginning in FY19-20, is estimated to be \$3,325 (\$6,650 / 2 years).
- The recurring increase in state expenditures associated with the trained staff is estimated to be \$289,602 (\$32,178 salary and benefits x 9 facilities). Due to the effective date of January 1, 2018, the first-year (FY17-18) increase in state expenditures is estimated to be \$144,801 (\$289,602 x 50%).
- Based on information provided by the Department of Commerce and Insurance, it is estimated that 2,850 (30 buildings x 95 counties) buildings in the state would require the fire marshal to determine the occupancy load of 500 or more.
- The provisions of the bill cannot be accommodated within existing resources. An inspection of one building would require 3 hours of overtime for travel, inspection, and occupant load calculations. The cost of overtime per building is estimated to be \$97.95 (\$32.65 overtime hourly rate x 3 hours per building). The one-time increase in state expenditures for overtime costs for State Fire Marshal Office inspectors is estimated to be \$279,158 (\$97.95 per building x 2,850 buildings).
- The total increase in state expenditures is estimated to be: \$451,959 in FY17-18 (\$28,000 + \$144,801 + \$279,158); \$289,602 in FY18-19; and \$292,927 in FY19-20 and subsequent years (\$289,602 + \$3,325).
- Based on information provided by the Department of Environment and Conservation (TDEC), the six state park inns have a capacity of 500 or more. All of the inns have AEDs and a designated employee responsible for each AED. None of TDEC's field offices have a capacity of 500 or more; therefore, any fiscal impact is estimated to be not significant.
- Based on information provided by the Department of Agriculture, the Department does not have facilities with a capacity of 500 or more; therefore, any fiscal impact is estimated to be not significant.
- All of the Department of Military facilities with capacity over 500 people have AEDs installed and individuals trained to use them.
- The Department of Transportation only has one facility that would be included in the proposed legislation; the facility has AEDs on every floor and adequate staff trained to use the devices.

*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 M. Lee, Executive Director

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