

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1997 - SB 2847

February 10, 2024

SUMMARY OF BILL: Requires the amount of the trust principal of the K-12 Mental Health Endowment Account to be reduced by \$75,000,000 and the trust's K-12 Mental Health Special Reserve Account be increased by \$75,000,000 in FY23-24.

Requires the Department of Mental Health and Substance Abuse Services (DMHSAS) to submit an annual spending plan to the trustees of the K-12 Mental Health Endowment Fund for the trustees' consideration in determining the amount of funds in the K-12 Mental Health Special Reserve Account that are available for appropriation and expenditure.

FISCAL IMPACT:

Increase State Revenue –

\$75,000,000/FY23-24/K-12 Mental Health Special Reserve Account

Increase State Expenditures –

\$75,000,000/FY23-24/K-12 Mental Health Endowment Account

Assumptions:

- According to the Department of Treasury, as of December 31, 2023 the amount of trust principal in the K-12 Mental Health Endowment Account was \$225,000,000 and the balance of the K-12 Mental Health Special Reserve Account was \$31,000,000.
- Pursuant to Tenn. Code Ann. §§ 49-3-502(9) and (11), the principal of the trust in the K-12 Mental Health Endowment Account cannot be expended for any purpose; however, the funds in the K-12 Mental Health Special Reserve Account are available to the DMHSAS for allocation and distribution for mental or behavioral health services or treatment for K-12 students, or for an assessment to review current mental and behavioral health resources for K-12 students that are available in each county.
- The proposed legislation requires \$75,000,000 to be transferred between funds within the same trust, but does not require any allocations to be made out of the trust. The timing and extent of any future expenditures from the Special Reserve Account is unknown.
- Decreasing the total amount of funds in the K-12 Mental Health Endowment Account could result in a decrease in earnings available for transfer to the K-12 Mental Health Special Reserve Account in future years.
- The DMHSAS can submit an annual spending plan to the trustees utilizing existing personnel and resources, without an increase in expenditures.

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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

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