

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2455 - SB 2447

March 10, 2024

SUMMARY OF BILL: Requires the Department of Economic and Community Development (ECD) to establish and support entrepreneurship assistance centers at career education agencies and nonprofit corporations including local development corporations and chambers of commerce, community-based business outreach centers, and other community-based organizations. Requires each center to be operated by a board of directors, be incorporated as a nonprofit corporation, be located in an area accessible to eligible clients, establish an advisory group of community business experts, and establish a referral system and linkages to existing area small business assistance programs and financing sources. Outlines required services that must be offered at each center. Outlines grant application requirements.

Requires ECD to monitor the performance of each center and require quarterly reports from each center. Requires ECD to evaluate the centers and report by January 1 of each year, beginning January 1, 2025, the results of the evaluation to the Governor and Chair of the Commerce Committee of the House of Representatives and the Chair of the Commerce and Labor Committee of Senate. Requires the report to be made available on ECD's website.

FISCAL IMPACT:

Increase State Expenditures – \$2,161,000/FY24-25 and Subsequent Years

Assumptions:

- The Business Enterprise Resource Office (BERO), Twende Accelerator, and LaunchTN are existing programs aimed to support entrepreneurs as outlined in the proposed legislation.
- The Twende Accelerator is a statewide program offering minority-owned businesses curriculum, capital resources, coaching, and mentorship. Therefore, the proposed legislation would expand such initiatives to the current centers.
- Based on information provided by ECD, there are currently eight centers across the state.
- Each entrepreneurship center would need approximately \$250,000, totaling \$2,000,000 (\$250,000 x 8 centers) for program implementation.
- ECD will require at least one additional Program Director position beginning in FY24-25.
- The recurring increase in state expenditures for the additional position is as follows:

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| Title | Salary | Benefits | Operational | # Positions | Total |
|------------------|---------------|-----------------|--------------------|--------------------|--------------|
| Program Director | \$113,496 | \$26,437 | \$21,100 | 1 | \$161,033 |

- The total recurring increase in state expenditures is estimated to exceed \$2,161,033 (\$2,000,000 + \$161,033) in FY24-25 and subsequent years.

CERTIFICATION:

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



Krista Lee Carsner, Executive Director

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