

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 776 - HB 959

March 31, 2019

SUMMARY OF BILL: Requires the dollar value of the BEP instructional positions component to be the average statewide licensed teacher salary as determined for the 2017-18 school year by the BEP review committee in its report issued November 1, 2018. Requires the dollar value of the BEP instructional positions component to be adjusted in subsequent fiscal years in accordance with the general appropriations act.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$406,147,000

Increase Local Expenditures – \$10,539,400*

Assumptions:

- Based on the FY19-20 instructional salary component of \$47,150, the total BEP budget for FY19-20 is estimated to be \$4,764,403,000.
- The average licensed salary in FY17-18 was \$53,821. The salary component would be increased in future years in accordance with the general appropriations act.
- Using the FY17-18 average licensed teacher salary of \$53,821, the state share of the total BEP budget for FY19-20 is estimated to be \$5,170,550,000.
- The total recurring increase in state expenditures is estimated to be \$406,147,000 (\$5,170,550,000 - \$4,764,403,000).
- According to DOE, 126 districts currently provide funding above the required local match and would not have to increase local expenditures to meet a higher required local match based on the proposed legislation; 20 districts would be required to increase local expenditures to meet a higher required local match based on the proposed legislation.
- The FY19-20 actual local contributions were compared to the projected FY19-20 required local match to determine the required increase in local funding. The mandatory recurring increase in local expenditures is estimated to be \$10,539,437.

*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.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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