

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 107 – SB 1306**

February 24, 2023

**SUMMARY OF BILL:** Requires each local board of education and public charter school governing body to adopt and implement a retention policy for third grade students who are not proficient in English language arts (ELA). Requires all retention decisions to be made by the student's LEA or public charter school in accordance with the policy. Authorizes a local education agency (LEA) or public charter school to recommend, instead of require, that a third-grade student be retained based on the student achieving certain Tennessee Comprehensive Assessment Program (TCAP) scores. Requires the student's school principal to notify the student's parent or guardian about a recommendation for retention and alternatives to retention that are available to the student.

Establishes certain alternatives to retention and further establishes that a student's participation in an alternative to retention is voluntary. Removes the State Board of Education's (SBE's) authority to establish an appeal process for third grade retention decisions. Applies to the 2023-24 school year and each school year thereafter.

**FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- The current third grade retention law takes effect at the end of the 2022-23 school year and requires a student in the third grade to not be promoted to the next grade level unless the student is determined to be proficient in English language arts (ELA) based on the student's achieving a performance level rating of "on track" or "mastered" on the ELA portion of the student's most recent TCAP test.
- The proposed legislation removes the requirement for LEAs and public charter schools to retain students in the third grade who do not meet certain testing benchmarks; all retention decisions will now be at the discretion of each LEA and public charter school.
- DOE will be required to update retention guidance documents and communicate with districts on the changes to retention law.
- LEAs, public charter schools, SBE, and DOE will be able to comply with the proposed legislation within existing resources. Any fiscal impact is estimated to be not significant

**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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