



February 12, 2024

SUMMARY OF BILL: Authorizes certain schools in need of an intervention to exit the Department of Education's (DOE's) School Turnaround Pilot Program (pilot program) before the 2024-25 school year. Requires a school that exits the pilot program before the 2024-25 school year to compensate the independent school turnaround expert under contract for all services provided up until the DOE and expert are notified that the school is exiting the pilot program.

FISCAL IMPACT:

Decrease State Expenditures – \$250,000/FY24-25

Other Fiscal Impact – For schools that exit the pilot program before the 2024-25 school year, it is unknown if those schools would have met the exit criteria during the 2024-25 school year in order to receive a total of \$1,000,000 in federal funding. Therefore, a precise impact to federal expenditures cannot be determined.

Assumptions:

- Tennessee Code Annotated § 49-6-3703 requires the DOE to create and develop a four-year pilot program for five priority schools, beginning with the 2021-2022 school year.
- The pilot program is funded by both state and federal resources. For each FY21-22 through FY23-24, \$125,000 in planning grants for the five schools were paid out of federal funds. Beginning in FY24-25, planning grants will be paid out of state funds.
- Upon passage of the proposed legislation, two schools in the pilot program that have not met exit criteria would be eligible to exit before the 2024-25 school year.
- If both eligible schools choose to exit the pilot program before the 2024-25 school year, the DOE would not be required to pay the remaining \$125,000 in grants in FY24-25 for each school.
- The decrease in state expenditures will be \$250,000 (\$125,000 x 2) in FY24-25.
- Pursuant to Tenn. Code Ann. § 49-6-3707(d), the DOE is authorized to incentivize schools to meet the exit criteria before the 2024-25 school year. According to the DOE, schools would be entitled to receive \$500,000 in federal funding if they meet the exit criteria.
- If both eligible schools exit the pilot program before the 2024-25 school year, they would no longer be eligible to receive incentivized funding. Because it is unknown if

those schools would have met the exit criteria to receive the \$1,000,000 (\$500,000 x 2) in FY24-25, a precise impact to federal expenditures cannot be determined.

- The one-time decrease in both local revenue and local expenditures will be \$250,000 (\$125,000 x 2) in FY24-25. Because the schools that exit the pilot program early would no longer have to pay the school turnaround expert, the decrease in local revenue is offset by a decrease in local expenditures such that the net local impact is 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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