

HOUSE BILL 1507

By Winningham

AN ACT to amend Tennessee Code Annotated, Title 49,
relative to the funding of schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-3-314(c)(1), is amended by deleting the first sentence of the subdivision in its entirety and by substituting instead the following:

Excluding capital outlay and debt service, no LEA shall use state funds to supplant total local current operating funds nor shall such LEA receive less funds from a local legislative body than it received in the previous fiscal year as adjusted for inflation based on the local government price deflator, which is an index used to adjust the basic education program. However, if such index reflects an inflation rate of less than zero, such decline shall be treated as no change in the inflation rate. A reduction of funds based on fewer students in the system shall not be considered a reduction of funds for the purposes of this provision.

SECTION 2. Tennessee Code Annotated, Section 49-2-203(a)(10)(A)(ii), is amended by deleting the subdivision in its entirety and by substituting instead the following:

(ii) Excluding capital outlay and debt service, no LEA shall submit a budget to the local legislative body that directly or indirectly supplants or proposes to use state funds to supplant any local operating funds nor shall such budget include a funding level from the local legislative body that, when adjusted for inflation based on the local government price deflator, is less than the funds received by the LEA from the local legislative body in the previous fiscal year. However, if such index reflects an inflation rate of less than zero, such decline shall be treated as no change in the inflation rate. A

proposed reduction in funds based on fewer students in the system shall not be considered a reduction in funds for the purposes of this subdivision (a)(10)(A)(ii).

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.