

SENATE BILL 614

By Hensley

AN ACT to amend Tennessee Code Annotated, Section 49-3-314, relative to education finance.

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

SECTION 1. Tennessee Code Annotated, Section 49-3-314(c), is amended by adding the following as a new subdivision:

(5)

(A) Notwithstanding a law to the contrary, for fiscal year 2025-2026 and any subsequent fiscal year, if a local government adopts a budget that includes the maintenance of local funding effort required under this section but fails to appropriate or allocate the full amount budgeted to the LEA, then the local government shall appropriate and allocate the unfunded portion to the LEA in the following fiscal year.

(B) Funds appropriated under subdivision (c)(5)(A) to correct a local funding shortfall must be considered a nonrecurring expenditure under subdivision (c)(4). The maintenance of local funding effort required for a fiscal year following a fiscal year in which the local government failed to appropriate or allocate the full amount budgeted to the LEA must be determined based on the amount budgeted to the LEA for the previous fiscal year instead of the amount actually appropriated or allocated to the LEA by the local government.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.