

HOUSE BILL 2270

By Hardaway

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 1; Title 49, Chapter 2 and Title 49, Chapter 3, relative to maintenance of effort.

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 subdivision in its entirety and by substituting instead the following:

(1)

(A) No LEA shall use state funds to fund any portion of its local maintenance of effort. An LEA's local maintenance of effort for the 2013-2014 school year and school years thereafter shall equal the total local operating funds for the prior school year, excluding capital outlay and debt service, multiplied by the consumer price index (all items—city average) as published by the United States department of labor, bureau of labor statistics, for the year in which the prior school year started.

(B) Subdivision (c)(1)(A) shall not apply to a newly created LEA in any county where the county and city schools are being combined for a period of three (3) years after the creation of the LEA.

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) Beginning with the 2013-2014 school year, 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 of the LEA's local maintenance of effort as defined in § 49-3-314(c)(1)(A). The tax rate for school purposes adopted by the local legislative body shall be sufficient to fund the required local maintenance of effort;

SECTION 3. This act shall take effect July 1, 2012, the public welfare requiring it.