

SENATE BILL 2370

By Reeves

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 1; Title 49, Chapter 2; Title 49, Chapter 3 and Title 67, Chapter 6, relative to local education capital investment.

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

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 3, Part 3, is amended by adding the following language as a new section:

(a) As used in this section, "Tennessee rapid growth school district" or "TRGSD" means an LEA with a minimum average growth of two percent (2%) in average daily membership (ADM), as defined in § 49-3-302, over the five (5) fiscal years ("ADM growth") immediately preceding fiscal year 2020-2021.

(b) For the 2020-2021 fiscal year, the treasurer shall create within the general fund a fund to be known as the "Tennessee rapid growth school district fund" or the "TRGSD fund." The treasurer shall deposit in the TRGSD fund all moneys, not to exceed thirty million dollars (\$30,000,000), appropriated to the TRGSD fund in the 2020-2021 general appropriations act from the general fund.

(c) The purpose of the TRGSD fund is to provide moneys through capital improvement grants to LEAs experiencing rapid growth in student population as defined in subsection (a). Moneys from the TRGSD fund are to be used exclusively for public school-related debt service or public school-related capital improvements.

(d)

(1) The department of education shall administer the TRGSD fund and the capital improvement grants awarded from the TRGSD fund.

(2) The commissioner of education shall develop an application for LEAs that are Tennessee rapid growth school districts to apply for capital improvement grants from the TRGSD fund.

(3) The commissioner shall develop a process for the award of capital improvement grants from the TRGSD fund to Tennessee rapid growth school districts. The commissioner shall consider the rate of ADM growth of the applying LEAs with preference in the selection, award, and amounts of capital improvement grants to LEAs having ADM growth of twenty percent (20%) or greater. The commissioner shall not award capital improvement grants to LEAs with less than ten percent (10%) ADM growth. The commissioner may consider the number and condition of the buildings in a Tennessee rapid growth school district applying for a grant, the LEA's capital improvement plan adopted pursuant to subdivision (d)(5) and other factors the commissioner finds relevant to the award and amount of a capital improvement grant. The amount distributed in a capital improvement grant to an LEA shall not exceed seven million dollars (\$7,000,000).

(4) The commissioner shall expedite the development of the application and the process for awarding capital improvement grants so that capital outlay funds may be disbursed from the TRGSD fund to Tennessee rapid growth school districts as soon as possible in the 2020-2021 school year.

(5) Prior to applying for a capital improvement grant from the TRGSD fund, the county, city, or special school district must have adopted a formal school capital improvement plan for fiscal year 2020-2021 that specifies the manner by which moneys from a capital improvement grant are to be incorporated into the funding of the capital improvement plan. The plan must be adopted by the body responsible for approving indebtedness for the LEA.

(e) At the end of fiscal year 2020-2021, any unawarded funds remaining in the TRGSD fund revert to the general fund.

SECTION 2. This act shall not be construed to be an appropriation of funds, and no funds shall be obligated or expended pursuant to this act unless the funds are specifically appropriated by the general appropriations act.

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