

Proposed Amendment to Maintenance of Effort Language from Dr. Bobby Webb

Hello Review Committee Members,

Dr. Bobby Webb has sent the following language related to amending the maintenance of effort language voted on at the last meeting. The proposed language is highlighted.

This language addresses the "hold harmless" wording related to negative growth for inflation and includes slightly different wording related to declines in student enrollment.

This amendment will be discussed during the "Feedback and Comments" section of the agenda.

Please review the following language.

Regards,

Art Fuller

T.C.A. 49-3-314(c)(1):

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 rather than actual fund cuts, shall not be considered a reduction of funds for purposes of this provision.**

T.C.A. 49-2-203(a)(10)(A)(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 **funds** from the local legislative body **that are less than the funds received by the LEA from the local legislative body 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 proposed reduction in funds based on fewer students in the system rather than actual fund cuts, shall not be considered a reduction in funds for purposes of this provision.**