

Appendix B: Senate Bill 1935/House Bill 2250 (addresses general administrative expenditures in excess of 10%)

SENATE BILL 1935

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 4; Title 5; Title 6; Title 7 and Title 49, relative to school budgets.

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

SECTION 1. Tennessee Code Annotated, Section 5-21-111, is amended by deleting subdivision (e) in its entirety and by substituting instead the following:

(e)

(1) The county legislative body may alter or revise the proposed budget except as to provision for debt service requirements and for other expenditures required by law. Except as provided in (e)(2), when reviewing the proposed budget of the county department of education, the county legislative body may only alter or revise the total amount of expenditures as proposed and such alterations or revisions shall comply with state law and regulations. Upon alteration or revision of the proposed budget of the department of education, the director of schools shall submit a revised budget within the total expenditures approved by the county legislative body within ten (10) days. If the revised budget complies with the amount of expenditures as adopted by the county legislative body, the revised budget will become the approved budget for the county department of education.

(2) If the proposed budget of a county department of education contains administrative spending, as defined in the department of education's annual statistical report, in excess of ten percent (10%) of the total proposed budget, then the county legislative body may alter or revise line items of the portion of the

proposed budget allocated for administrative spending. For purposes of this subdivision (e)(2), administrative spending includes, but is not limited to, expenditures for board of education services, the office of the superintendent, office of the principal, and human resources support services.

(3) The county legislative body shall finally adopt a budget in July.

SECTION 2. Tennessee Code Annotated, Section 5-12-109(b), is amended by adding the following language as a new subdivision (2) and by redesignating the remaining subdivisions accordingly:

(2) If the proposed budget of a county department of education contains administrative spending, as defined in the department of education's annual statistical report, in excess of ten percent (10%) of the total proposed budget, then the county legislative body may alter or revise line items of the portion of the proposed budget allocated for administrative spending. For purposes of this subdivision, administrative spending includes, but is not limited to, expenditures for board of education services, the office of the superintendent, office of the principal, and human resources support services.

SECTION 3. Tennessee Code Annotated, Section 5-12-209, is amended by adding the following language as a new subsection (b) and by redesignating the remaining subsection accordingly:

(b) Notwithstanding subsection (a), if the proposed budget of a county department of education contains administrative spending, as defined in the department of education's annual statistical report, in excess of ten percent (10%) of the total proposed budget, then the county legislative body may alter or revise line items of the portion of the proposed budget allocated for administrative spending. For purposes of this subsection, administrative spending includes, but is not limited to, expenditures for board of education services, the office of the superintendent, office of the principal, and human resources support services.

SECTION 4. Tennessee Code Annotated, Title 6, Chapter 54, Part 1, is amended by adding the following language as a new section:

When reviewing the proposed budget of any local board of education, the legislative body of any municipality may alter or revise line items of the portion of the proposed budget allocated for administrative spending, as defined in the department of education's annual statistical report, if the administrative spending exceeds ten percent (10%) of the total proposed budget. For purposes of this section, administrative spending includes, but is not limited to, expenditures for board of education services, the office of the superintendent, office of the principal, and human resources support services.

SECTION 5. Tennessee Code Annotated, Section 6-56-204, is amended by deleting subsection (b) in its entirety and by substituting instead the following:

(b)

(1) Except as provided in subdivision (b)(2), the governing body shall have no authority to modify or delete any item of the school estimates and shall have the power to modify only the total amount of the school budget, except that in no event shall a reduction in the school budget exceed the total sum requested by the board of education from current municipal revenues.

(2) If the proposed budget of a municipal board of education contains administrative spending, as defined in the department of education's annual statistical report, in excess of ten percent (10%) of the total proposed budget, then the governing body may alter or revise line items of the portion allocated for administrative spending. For purposes of this subdivision, administrative spending includes, but is not limited to, expenditures for board of education

services, the office of the superintendent, office of the principal, and human resources support services.

SECTION 6. Tennessee Code Annotated, Title 7, Chapter 3, Part 1, is amended by adding the following language as a new section:

When reviewing the proposed budget of any metropolitan board of education, the legislative body of any metropolitan government may alter or revise line items of the portion of the proposed budget allocated for administrative spending, as defined in the department of education's annual statistical report, if the administrative spending exceeds ten percent (10%) of the total proposed budget. For purposes of this section, administrative spending includes, but is not limited to, expenditures for board of education services, the office of the superintendent, office of the principal, and human resources support services.

SECTION 7. This act shall take effect July 1, 2014, the public welfare requiring it, and shall apply to budgets adopted for fiscal years beginning in 2015 and thereafter.