

Amendment No. 3 to SB1453

McNally
Signature of Sponsor

AMEND Senate Bill No. 1453*

House Bill No. 1558

by adding the following new section immediately preceding the last section and by renumbering the subsequent section accordingly:

SECTION _____. Tennessee Code Annotated, Section 49-3-352(c), is amended by designating the existing language as subdivision (1) and by adding the following language as new subdivision (2):

(2) For the 2014-2015 fiscal year, the accumulated fund balance required to be maintained pursuant to subdivision (c)(1) shall equal no less than one and one-half percent (1.5%) of budgeted annual operating expenses and amounts in excess of such level may be expended in accordance with this subsection (c); provided, that in subsequent fiscal years the accumulated fund balance required to be maintained pursuant to this subsection (c) shall be restored by at least one-half percent (0.5%) per year until such balance equals no less than three percent (3%) of budgeted annual operating expenses. An LEA may make nonrecurring expenditures from its accumulated fund balance that reduce the fund's balance below three percent (3%) of the budgeted annual operating expenses in the 2014-2015 fiscal year. A nonrecurring expenditure from the accumulated fund balance that reduces the fund's balance below three percent (3%) of the budgeted annual operating expenses in the 2014-2015 fiscal year shall be excluded from the LEA's maintenance of local funding requirement in future fiscal years. All such nonrecurring expenditures from an LEA's accumulated fund balance in the 2014-2015 fiscal year shall be subject to review by the department

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of education and the comptroller's office of research and education accountability
to ensure the nonrecurring nature.