CITY COUNCIL RESOLUTION

WHEREAS, the Tennessee Constitution guarantees to school children of this state the right to a free public education; and

WHEREAS, all public school children should be afforded substantially equitable educational opportunities regardless of their place of residence in Shelby County; and

WHEREAS, stable and adequate public funding is essential to the development and maintenance of an effective educational system throughout Shelby County; and

WHEREAS, the sole purpose of public education funding is to provide adequate financial resources and support to each school district to provide the opportunity for a meaningful and enriching education to all students to enable them to function as productive citizens in the 21st Century and to accomplish other essential basic educational objectives required for students to grow and develop into productive adults in an increasingly global society; and

WHEREAS, the goal, determination, commitment and responsibility of this Commission is to provide the local financial resources and support required to afford the opportunity for an excellent education program in the City of Memphis and Shelby County; and

WHEREAS, the purpose of this Resolution is to request the General Assembly of the State of Tennessee to enact appropriate legislation prior to the commencement of the next school year to more fully enable Shelby County to provide for stable and adequate local funding to both school districts in Shelby County.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMPHIS CITY COUNCIL hereby requests the members of the Tennessee General Assembly enact legislation, a copy of which is attached hereto and incorporated herein by reference, amending Tennessee Code Annotated, Title 49, Chapter 3, relative to education funding.

BE IT FURTHER RESOLVED, that the Shelby County Legislative Delegation and members of the Tennessee General Assembly be made aware of this request by copy of this resolution.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately, the public welfare requiring the same.

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 3, Part __, relative to education finance to establish a single source of local school funding in any county where there is more than one LEA, one of which is a special school district whose boundaries are coterminous with the city's boundaries, and authorizing the establishment of an Education Trust Fund.

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

SECTION 2. Tennessee Code Annotated Title 49, Chapter 3, Part ___ is amended by adding the following language as a new, appropriately designated section:

§ 49-3-___.

(a.) In any county wherein there is more than one LEA, one of which is a special school district whose boundaries are coterminous with the city's boundaries, the county is hereby designated and mandated as the single local source of funding for said special school district and shall be solely responsible under the laws of this state for the local support of operations and maintenance of such special school district.

(b.) Any county mandated pursuant to division (a) hereof to solely provide all local funding for a special school district shall, commencing with the school year immediately following the effective date of this Act ("first fiscal year" or FY 1) and henceforth, be the single source of all local funding for each LEA within such county, notwithstanding any law, private act, public act, municipal charter, ordinance, ruling, regulation, agreement or pattern and practice of funding support to the contrary.

(c.) Each LEA within such county shall annually submit the current budget for the LEA to the county mayor for review and comment on or before the 1st day of _____ of each fiscal year, and shall give due regard to the written comments of the county mayor concerning the proposed budget of the LEA and submit its proposed or modified proposed budget for the current fiscal year to the county legislative and funding body no later than the 1st day of _____ for approval.

(d.) If the legislative and funding body fails to approve the budget for any LEA in the county by July 1st of the current year, the county legislative funding body and the board of such LEA may agree to participate in non-binding mediation, the cost and expense of such mediation being borne jointly by the county and said LEA. Mediation between the county and said LEA should be completed on or before the 1st day of August of the current year.

(e.) Notwithstanding the provisions of divisions (a) and (b) hereinabove or any law to the contrary, there shall be a three (3) year transition period for single source funding by such county commencing with the first fiscal year (FY 1) identified in division (b) hereinabove, through the third fiscal year (FY 3), inclusive. During the transition period the county shall annually increase funds appropriated to each special school district in the county by an amount to be negotiated by the county mayor and the president or chair of the board for such special school district, provided that the funding amount agreed to by the county mayor and the president or chair of the board of such special school district must be jointly approved by the board of such special school district and the legislative body of the county and the legislative body of the city in which the special school district is located. Provided, however, during this transition

period, if the two legislative bodies and the board of such special school district fail to approve such funding agreement by the 1st day of August, the legislative body of the county shall have sole authority to determine by resolution the amount of funding the county commission shall appropriate to such special school district for operations and maintenance for the current fiscal year, and the legislative body of city wherein said special school district is located shall appropriate a level of funding to the special school district sufficient to comply with local funding levels required by the maintenance of effort provisions of Title 49, Chapter 3 or other law. In each fiscal year thereafter, the county legislative body shall maintain the previous level of funding and, in addition, shall increase funding appropriated by the county to the special school district during the current fiscal year to the level determined by the process herein set forth in this division (e).

(f.) A county that increases local funding during the three year FY 1 through FY 3 transition period to a special school district as provided in division (e) hereof is not required under the WFTEADA formula to increase funding to any other LEA in the county during the three year transition period or any fiscal year thereafter due to the county becoming solely responsible under the laws of this state for the local support of operations and maintenance of such special school district, notwithstanding any law, ruling, regulation, agreement or pattern and practice of funding support to the contrary. In all other respects, however, the WFTEADA formula shall apply to any other LEA in the county, except as expressly provided by division (i) hereof or other law.

(g.) During the three year FY 1 through FY 3 transition period, the legislative body of the city in which the special school district is located shall concurrently reduce the city

property tax rate by an amount equivalent and corresponding to the amount of increase in funding to the special school district provided by the county. Such reduction in the city tax rate shall be determined and expressly designated by resolution of the city legislative body.

(h.) Commencing the first fiscal year (FY 1), the legislative body of the city in which the special school district is located shall by resolution assume all existing capital debt service and costs previously borne by the special school district located within such city.

(i.) In any county hereby designated and mandated as the single source of local school funding, the LEAs in such county may enter into an agreement, approved by their respective boards, to distribute local funding for operations and maintenance in accordance with a modified WFTEADA formula set forth in said agreement. Such modified WFTEADA formula shall provide that local school funding dollars shall follow each student to whatever LEA the student may attend within the county, thereby eliminating artificial boundaries between LEAs in the county that impinge upon learning and educational effectiveness.

(j.) In any county hereby designated and mandated as the single source of local school funding the county legislative body may issue bonds as permitted under Tenn. Code Ann. § 49-3-1005(b)(c), commonly known as "rural school bonds," to fund the capital needs of any LEA, other than an LEA that is a special school district. Rural school bonds issued by the county legislative body shall not be subject to ADA allocation between such LEA and any special school district. The legislative body of the county may also issue general obligation school bonds for capital needs of all LEAs in the

county, and proceeds of all such general obligation bonds shall be allocated between LEAs as required by Tenn. Code Ann. § 49-3-1003(c)(1) and (2).

(k.) In any county hereby designated and mandated as the single source of local school funding, annexations by the city in which the special school district is located shall not trigger automatic school attendance transfers, thereby allowing for the LEAs in the county to consider capital needs and availability and to plan for an orderly and efficient transition of students as the respective LEAs move toward permanent boundaries.

(l.) (1) Nothing in this Act shall be construed to permit any local legislative and funding body or LEA to supplant local funds with state funds.

(2) Nothing in this Act shall be construed to permit any local legislative and funding body or LEA to take any legislative action in derogation of any education funding requirement set forth in Title 49, Chapter 3 or other law unless expressly authorized by this Act.

(m.) Nothing in this Act shall be deemed, construed or applied to terminate the legal status of any affected special school district, LEA or Board of a special school district, and any such special school district, LEA or Board of a special school district shall be, and will continue to be, in perpetual legal existence as a validly operating special school district, LEA or Board of a special school district, notwithstanding any law, private act, public act, municipal charter, ordinance, ruling, regulation, agreement or pattern and practice of funding support to the contrary.

(n.) Nothing in this Act shall authorize the merger or consolidation of any affected special school district or LEA. Notwithstanding the provisions of Tenn. Code Ann. § 7-2-108(a)(18), any special school district affected by this Act is permitted to remain in

existence if a metropolitan form of government is adopted, unless the metropolitan charter expressly provides for the consolidation of school districts. Nothing in this Act limits, amends or affects the provisions of Tenn. Code Ann. § 49-2-502, which shall remain in full force and effect.

SECTION 2. Tennessee Code Annotated Title 49, Chapter 3, Part ___ is amended by adding the following language as a new, appropriately designated section:

§ 49-3-___.

(a) Any county where there is more than one LEA, one of which is a special school district whose boundaries are coterminous with the city's boundaries, and the county is the single local source of funding for all LEAs within such county, is hereby authorized to establish an "Education Trust Fund" solely for the support of operations and maintenance of all LEAs within the county.

(b) A county that establishes an Education Trust Fund as authorized by division (a) hereof, may by resolution set a "cap" or limit on the amount of "surplus tax proceeds" any LEA within the county is entitled or permitted to receive in a given fiscal year.

(c) "Surplus tax proceeds" is defined as any and all amounts received, generated, collected or derived within the current fiscal year from a property tax levy designated, allocated and appropriated for school operation and maintenance purposes, including all other local tax collections within the current fiscal year, if any, designated, allocated and appropriated for school operation and maintenance purposes for each LEA within the county that exceed the local maintenance of effort requirement for education funding mandated by Title 49, Chapter 3 or other law.

(d) If property tax revenue received, generated, collected or derived within the current fiscal year that is designated, allocated and appropriated for school operations and maintenance, together with revenue received, generated, collected or derived within the current fiscal year from other local taxes, if any, designated, allocated and appropriated for school operations and maintenance purposes are insufficient to meet and fully satisfy the maintenance of effort requirement described in division (c) hereof, the county shall within a reasonable time during the current fiscal year allocate and appropriate funds from other appropriate sources including, but not limited to, the general fund of the county in an amount sufficient to fully and completely satisfy the local maintenance of effort requirement.

(e) The cap authorized by division (b) hereof shall be 1.5 percent (1.5%) of the surplus tax proceeds received, collected or generated by the property tax within the current fiscal year and designated, allocated and appropriated for school operation and maintenance purposes and all other local taxes received, collected or generated, if any, designated and allocated for school operation and maintenance purposes.

(f) All local property tax revenue generated or collected for school operations and maintenance and all other local generated or collected taxes, if any, designated for school operations and maintenance in excess of the cap established by resolution of the county shall be placed into the Education Trust Fund. No tax proceeds, funds or moneys deposited or placed into the Education Trust Fund from any source, whatsoever, or interest or credit generated from such proceeds, funds or moneys deposited or placed into the Education Trust Fund, can be allocated, pledged,

encumbered, appropriated or used for any purpose whatsoever except for the direct and exclusive support of local school operations and maintenance.

(g) (1) The county trustee shall have sole authority to manage and control the Education Trust Fund, and shall ensure that all funds placed or deposited in or interest or credits derived from the Education Trust Fund shall be exclusively used for the purpose of support of school operations and maintenance.

(2) The county trustee shall provide for a current detailed accounting of all funds in the Education Trust Fund to include, but not limited to, the fund balance, interest earned, deposits made and withdrawals, specifically indicating the amount paid to each LEA and the specific date of such payment. A summary of such current accounting shall be made available on the website of the county trustee, and a full detailed accounting of all funds in the Education Trust Fund shall be available, with such redactions as required by law, to any citizen of Tennessee at the office of the county trustee during business hours.

SECTION 3. The provisions of this Act are deemed severable, and if any one or more provisions are held invalid, such invalidity shall not affect the other provisions or portions of this Act that can be given force and effect without regard to the invalid portion of this Act.

SECTION 4. This act shall take effect the 4th day of January, 2010.

RESOLUTION

WHEREAS, the City of Memphis owns, manages, and controls the Liberty Bowl Memorial Stadium and parking areas; and

WHEREAS, the City of Memphis operates this property and facilities through the Division of Park Services ; and

WHEREAS, the Division of Park Services did negotiate an agreement with the University of Memphis for the use of this property to accommodate up to seven (7) home football games between August and November ; and

WHEREAS, the term of this agreement is for more than two (2) years; and

WHEREAS, Ordinance No 4763 requires Council approval of all contracts for park facility usage of two (2) years or more in length;

NOW THEREFORE BE IT RESOLVED, that the Council of the City of Memphis hereby approves this use of facility agreement.