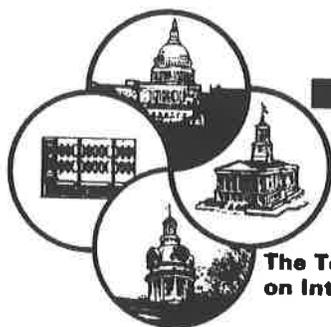




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MEMORANDUM

TO: Commission Members

FROM:  Lynnisse Roehrich-Patrick
Executive Director

DATE: 19 November 2014

SUBJECT: Tennessee School System Budgets: Authority and Accountability—Draft for Review and Comment

The attached Commission report is submitted for your review and comment. The report responds to Senate Bill 1935 by Johnson (House Bill 2250 by Casada), which was referred to the Commission for study by the Senate State and Local Government Committee of the 108th General Assembly. The bill would have given certain local legislative bodies authority to alter or revise administrative line items within school systems' budgets when administrative spending exceeds 10% of the total. Under current law, local legislative bodies can revise only the total budget amount.

Senate Bill 1935 would have shifted some of the local school board's authority for operating schools to the local legislative body without shifting a commensurate amount of accountability. Current law is based on the premise that accountability and authority must go hand in hand: School boards in Tennessee have accountability for educating students and authority to decide how best to do that, while local legislative bodies are accountable for funding schools and have authority to decide how best to do that. Giving the legislative bodies more authority over specific portions of school system budgets would blur these lines for both entities. Moreover, data on school system expenditures do not demonstrate that administrative expenditures for the overwhelming majority of school systems are unreasonable or that the present division of responsibility does not work. Although local legislative bodies lack authority to directly alter or revise specific budget line items, they have complete control over final budgets and thus can readily influence line items within them.

For all these reasons, the report recommends that authority over specific line items within school budgets remain with the elected school boards.