



*Secretary of State, Tre Hargett  
State Comptroller, Justin P. Wilson  
State Treasurer, David H. Lillard, Jr.*

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Communities throughout Tennessee will receive financing to build or repair schools as a result of the Tennessee State School Bond Authority's (TSSBA) action today.

The TSSBA finalized plans to sell up to \$184 million worth of Qualified School Construction Bonds (QSCBs) as part of a program created by the federal American Recovery and Reinvestment Act. The bonds are tax credit bonds that provide a federal tax credit to the investor on a quarterly basis. The bonds may also pay a supplemental coupon to the bondholders on a quarterly basis.

Today the TSSBA selected a bond underwriting team, approved a final bond resolution and finalized documents needed to move forward with the bond sale. The TSSBA had preliminarily approved the loans in September and, after some revisions in loan amounts and the addition of the City of Kingsport as a new borrower, the revised list of project loans were approved by the TSSBA.

The TSSBA will invest the proceeds from the bond sale in the State Pooled Investment Fund (SPIF) and will disburse the funds to the communities to pay the expenses related to their school construction projects.

The communities authorized to receive portions of the bond money will be required to spend the proceeds on qualified projects within three years of the bond sale and comply with federal Davis-Bacon regulations. The sale is expected to be completed with bond proceeds available for disbursement in early December. Additionally, the communities are required to enter into binding contracts for at least 10 percent of their allocation of the bond proceeds within six months after the bond sale.

The TSSBA members are: Comptroller Justin P. Wilson, Secretary of State Tre Hargett, Treasurer David H. Lillard Jr., Governor Phil Bredesen, Finance and Administration Commissioner Dave Goetz, Board of Regents Chancellor Charles Manning and acting University of Tennessee President Jan Simek.

"I am very pleased that we have been able to finalize the details necessary to move forward these bonds," said Comptroller Wilson. "These are worthy projects and they will provide much needed help to students and educators across the

state.”

“Through enabling legislation the General Assembly has empowered us to extend this opportunity for substantive capital projects to local schools. We are delighted the communities availed themselves of this program.” Secretary Hargett said. “The QSCB program is an exciting direct-benefit use of stimulus funds impacting local communities and our children.”

“Education is a key to Tennessee moving forward economically,” Treasurer Lillard said. “Providing better facilities for our children should help their academic achievement over the long term.”

Of the total bond proceeds, Memphis City Schools will receive \$42,960,000 and Metropolitan Nashville Public Schools will receive \$21,760,000 for various projects. Those two school systems received direct allocations from the federal government because they were among the nation’s top 100 local educational agencies with the largest numbers of school-age children from families living below the poverty level.

The other participating communities that were selected through a competitive application process to receive bond proceeds are as follows:

**Clarksville/Montgomery County** - \$20 million for renovation of Montgomery Central High School

**Cleveland City Schools** - \$4,160,000 for a new science wing at Cleveland High School

**Cumberland County Schools** - \$2,680,000 for infrastructure and energy-efficiency upgrades at Cumberland County High School

**Dyer County** - \$9 million for construction of a new elementary school

**Dyersburg City Schools** - \$2,960,000 for renovations to Dyersburg Intermediate School

**Hamblen County Schools** - \$11,280,000 for land acquisition and construction at Morristown-Hamblen High School East

**Hawkins County** - \$1,418,347 for renovations to Rogersville Middle School and \$1,221,653 for renovations to Surgoinsville Middle School

**Henry County** - \$2.6 million for new construction and improvements to E.W. Grove School

**Johnson City Schools** - \$8,160,000 for renovations and new construction at

Science Hill High School

**Kingsport** - \$1,240,000 for renovations at Dobyys-Bennett High School

**Maryville City Schools** - \$18,760,000 for construction of Coulter Grove Intermediate School

**Shelby County Schools** - \$13,760,000 to demolish and replace Elmore Park Middle School

**Sullivan County** - \$15,480,000 to renovate and expand Ketron Intermediate School

**Union County** - \$6,807,054 to build Paulette Middle School and \$352,946 to renovate and expand Luttrell Elementary School

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