



JUSTIN P. WILSON
Comptroller

JASON E. MUMPOWER
Deputy Comptroller

Fiscal Year 2021 Budget Adoption

To: Tennessee Local Government Officials
From: Betsy Knotts, Director, Division of Local Government Finance 
Date: March 20, 2020
Subject: Fiscal Year 2021 Budget Adoption

Thank you for your service to our citizens across the State of Tennessee. Amid the financial uncertainties resulting from COVID-19, timely budget adoption is even more critical. The Tennessee General Assembly promptly passed the State's budget last night before recessing until June 1, 2020. With that in mind, it is highly recommended that all local governments adopt their fiscal year 2021 budgets as soon as possible, but at least by June 30, 2020. In addition, please adhere to the following recommendations:

1. Continue with the current budget calendar, utilizing electronic means to hold public meetings.
2. Reduce revenue estimates based upon expected revenue shortfalls:
 - As an example, if your government is highly dependent on sales tax revenue to pay for its recurring expenditures, those revenue estimates will need to be adjusted.
3. Identify expenditures that can be removed from the budget.
4. Ensure your government has enough money to meet its debt obligations.
5. Always monitor your budget, making amendments as needed, to ensure the budget remains balanced throughout the fiscal year.
6. Review additional information concerning budgeting requirements at tncot.cc/budget.

Please also be aware that Governor Lee signed Senate Bill 1962/House Bill 2001 into law on March 19, 2020. This new law clarifies that the county legislative body has the duty to make revenue estimates and determine the level of revenue necessary for the county department of education to meet local match and maintenance of effort requirements. In other words, this new law does not limit a school board's ability to request funds, but it requires the school board to use the local revenue estimates provided by the county in the budget submitted to the county legislative body. Counties operating under a budget process in their charter (i.e. Shelby and Metro/Nashville) will not be affected by this new law.

If you have any questions or need assistance, please don't hesitate to contact our office. We have enclosed contact information to help you identify the financial analyst assigned to your local government as well as a copy of Senate Bill 1962/House Bill 2001.

SENATE BILL 1962

By Gresham

AN ACT to amend Tennessee Code Annotated, Title 49,
Chapter 2, relative to county education budgets.

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

SECTION 1. Tennessee Code Annotated, Section 49-2-101(1), is amended by adding the following as a new subdivision:

(D) Make revenue estimates and determine the level of revenue necessary to establish a budget for the operation of county schools that is at least equal to the minimum budget required to comply with the local match and maintenance of effort provisions of the basic education program (BEP) under chapter 3, part 3 of this title;

SECTION 2. Tennessee Code Annotated, Section 49-2-203(a)(10)(A), is amended by deleting subdivision (i) and substituting instead the following:

(i) Require the director of schools and the chair of the local board of education to prepare a budget on forms furnished by the commissioner, and when the budget has been approved by the local board, to submit the budget to the appropriate local legislative body. The director of schools and the chair of the local board of education shall prepare a budget according to the revenue estimates and revenue determinations made by the county legislative body under § 49-2-101(1)(D);

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.



Division of Local Government Finance

CONTACT INFORMATION BY REGION

REGION 5

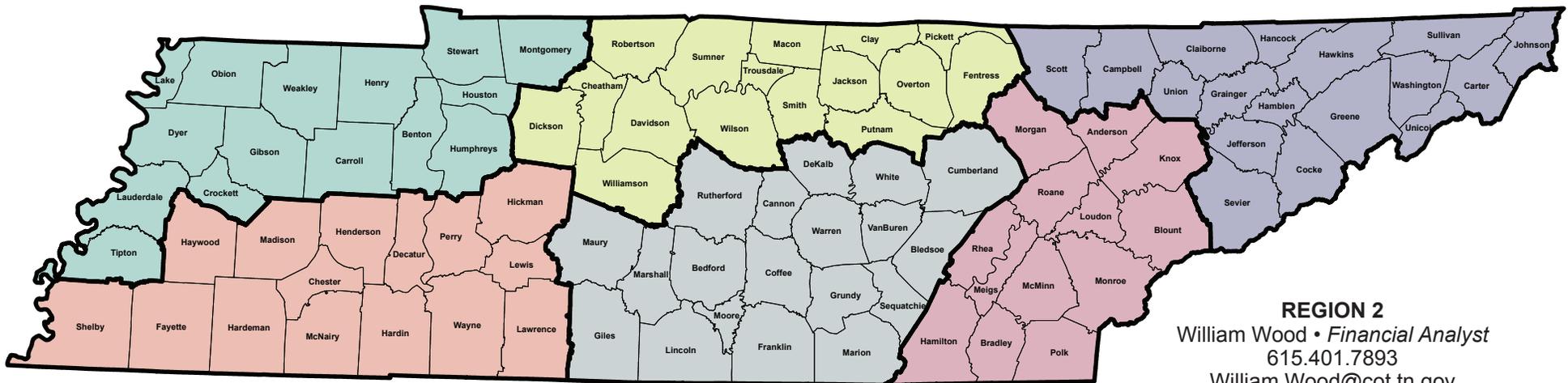
Adam Tschida • *Financial Analyst*
615.747.5340
Adam.Tschida@cot.tn.gov

REGION 3

Steve Osborne • *Financial Analyst*
615.747.5343
Steve.Osborne@cot.tn.gov

REGION 1

Lori Barnard • *Financial Analyst*
615.747.5347
Lori.Barnard@cot.tn.gov



REGION 2

William Wood • *Financial Analyst*
615.401.7893
William.Wood@cot.tn.gov

REGION 6

Betsy Knotts • *Director*
615.401.7954
Betsy.Knotts@cot.tn.gov

REGION 4

Meghan Huffstutter • *Financial Analyst*
615.747.5379
Meghan.Huffstutter@cot.tn.gov

Ron Queen • *Financial Analyst*
615.401.7862
Ron.Queen@cot.tn.gov

Please send submissions and requests to:
LGF@cot.tn.gov
615.401.7829

