



State of Tennessee

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

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STATE SCHOOL BOND AUTHORITY APPROVES BONDS FOR MORE THAN \$180 MILLION WORTH OF SCHOOL CONSTRUCTION PROJECTS

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 agreed to sell more than \$180 million worth of Qualified School Construction Bonds as part of a program created by the federal American Recovery and Reinvestment Act.

After the bond sale, the TSSBA will invest the proceeds from the sale in the state's Local Government Investment Pool (LGIP) until communities need money to pay expenses related to their school construction projects.

Unlike other bonds that the State sells which pay semi-annual interest to the bondholder, tax credit bonds provide a federal tax credit to certain investors on a quarterly basis.

The communities authorized to receive portions of the bond money will be required to spend it on the projects within three years of the bond sale. The sale is expected to be completed with bond proceeds available for disbursement in late November. 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 communities will be required to repay their loans according to schedules worked out with the TSSBA – or risk the state intercepting their state-shared taxes to meet the annual debt service requirements.

The TSSBA members include 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.

Of the total bond proceeds, Memphis City Schools will receive \$41.7 million and Metropolitan Nashville Public Schools will receive \$21.1 million for various projects. Those two school systems received direct allocations from the federal government because they rank among the nation's top 100 districts in terms of school-aged children living below the poverty line.

Other communities that will receive bond proceeds were selected through a competitive application process.

Those communities are:

Clarksville/Montgomery County, which will receive \$20 million for renovation of Montgomery Central High School

Cleveland City Schools, which will receive \$4.2 million for a new science wing at Cleveland High School

Cumberland County Schools, which will receive \$2.6 million for infrastructure and energy-efficiency upgrades at Cumberland County High School

Dyer County, which will receive \$8.9 million for construction of a new elementary school

Dyersburg City Schools, which will receive \$2.9 million for renovations to Dyersburg Intermediate School

Hamblen County Schools, which will receive \$11.1 million for land acquisition and construction at Morristown-Hamblen High School East

Hawkins County, which will receive \$1.4 million for renovations to Rogersville Middle School and \$1.2 million for renovations to Surgoinsville Middle School

Henry County, which will receive \$2.6 million for new construction and improvements to E.W. Grove school

Johnson City Schools, which will receive \$8 million for renovations and new construction at Science Hill High School

Maryville City Schools, which will receive \$20.4 million for construction of Coulter Grove Intermediate School

Shelby County Schools, which will receive \$13.8 million to demolish and replace Elmore Park Middle School

Sullivan County, which will receive \$15.2 million to renovate and expand Ketron

Intermediate School

Union County, which will receive \$6.7 million to build Paulette Middle School and \$347,736 to renovate and expand Luttrell Elementary School

(Dollar amounts are approximate, due to rounding.)

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