



State of Tennessee

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

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Tennessee State School Bond Authority Approves \$212 Million in School Construction Loans

The Tennessee State School Bond Authority (TSSBA) gave its approval Friday to approximately \$212 million worth of school construction loans for 15 school districts. The loan funds, which are being made available through the state's Qualified School Construction Bond program, will be used to build, renovate and repair schools in those districts.

Money from the program can only be used for new construction, rehabilitation or repair of public school facilities; land acquisition for qualified school construction projects or purchase of equipment used in connection with qualified projects.

The school systems and loan amounts approved Friday were:

Blount County - \$15,016,740

Cocke County - \$5,634,997

Coffee County - \$3,060,000

Dyer County - \$5,734,134

Hawkins County - \$2,357,669

Jefferson County - \$10,710,000

Knox County - \$29,584,000

Lauderdale County - \$2,550,000

Maury County - \$4,959,240

Metro Nashville - \$31,156,000

Sevier County - \$14,661,423

Shelby County - \$67,611,000

Sullivan County - \$5,243,055

Trousdale County - \$2,550,000

Warren County - \$10,710,000

Some of the individual projects within those school districts are still under review to ensure they comply with the program's guidelines. A final list of projects is expected to be available after the TSSBA approves the loan agreements with the county governments in August.

Of the \$212 million, the federal government made a direct allocation of approximately \$85.7 million for various projects in the Knox County School System, Memphis City Schools and Metro Nashville Public Schools.

The bond sale to finance the construction and renovation projects is tentatively scheduled for the week of Sept. 13.

The TSSBA will invest the proceeds from the bond sale in the State Pooled Investment Fund and distribute them to the school districts to cover expenses related to their construction projects. The loans will be repaid at a very low interest rate.

Last year, the TSSBA provided \$177 million in Qualified School Construction Bond loans to 13 local governments. Those loans are being repaid over 17 years at an interest rate of 1.515 percent.

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

"I am very pleased that we are once again able to provide funding for these school districts through the Qualified School Construction Bond program," Comptroller Wilson said. "In difficult economic times, this is an important source of financing for our state's schools."

"The low interest rates available through this program are as good as school districts are likely to find anywhere," Treasurer Lillard said. "The needs of some of our school districts are substantial. I am glad that this type of financing is available to meet those needs."

"I commend the General Assembly for creating this program," Secretary of State Hargett said. "Our legislators recognized the importance of creating a valuable new funding source for our schools."

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