



# Annual Authorizer Fees

# Authorizer Fees

- T.C.A. § 49-13-128
- Effective 2018-19
- State Board Rules presented on first reading in April
- Rule making hearing in June.
- State Board Rules approved on final reading this past Friday (Sept. 21)
- Tennessee State Board of Education Rule 0520-14-01-.05.

# Authorizer Fee Guidance

## Authorizer fee determinations

- The annual authorizer fee will be the lesser of 3% of the charter school's per pupil state and local BEP funding or \$35,000 payable in two annual installments.
- The annual authorizer fee amount will initially be based on the charter school's current year adjusted average daily membership (ADM) count in October.
- If a charter school experiences a change in student enrollment such that the authorizer fee calculation is impacted, the annual authorizer fee will be adjusted and reflected in the second (February) invoice.

# Authorizer Fee Guidance

## LEA Invoicing

- The LEA will annually invoice each charter school in October and February.
- Authorizing LEAs will send each charter school its adjusted ADM count in October and February for verification and reconciliation.
- If a charter school does not respond within 5 calendar days to verify the ADM count, the LEAs ADM count will be used.
- After verification and reconciliation of ADMs have occurred, the invoice will be sent to each charter school.
- The October invoice will be for an amount equal to half of total annual authorizer fee amount owed from the charter school.
- The February invoice will be for an amount reflecting the remaining authorizer fee due from the charter school and will reflect any adjustments needed to the calculation.

# Authorizer Fee Guidance

## Charter School Payments

- Charter schools will pay the annual authorizer fee in two (2) installments to its authorizing LEA upon receipt of invoice in October and February.
- Charter Management Organizations (CMOs) may combine payment for all authorized charter schools within an LEA.
- Upon notification that a charter school has failed to submit the required authorizer fee payment to its authorizing LEA within 30 calendar days of receiving an invoice, the department will withhold an amount equal to the authorizer fee and distribute the authorizer fee funds directly to the LEA.

# Authorizer Fee Guidance

## Unspent or Misallocated Funds

- Any unspent authorizer fee funds will be identified in the authorizer fee report due annually on December 1.
- Any excess funds will be distributed to charter schools in the fiscal year immediately following the fiscal year in which the excess fees were collected. (adjusted during February invoice)
- Unspent funds will be distributed in proportionate share to all charter schools authorized by the LEA.
- If the department determines authorizer fees were misallocated by an LEA, the department will withhold an amount equal to the misallocated funds in the following fiscal year and will distribute the funds in a proportionate share to each charter school.

# Authorizer Fee Guidance

## Allowable expenses

- Approval, interim and renewal processes
- Monitoring and oversight activities
- Personnel costs for LEA staff supporting charter schools
- Annual reporting requirements
- Ongoing charter school support services

# Authorizer Fee Reporting

- Each LEA must provide a projected charter school office budget for the upcoming school year to the department by August 1.
- The department will post the projected budget to the TDOE website by August 15.
- The LEA will report to the department the total amount of authorizer fees collected in the previous school year and the authorizing obligations fulfilled using the fee by December 1 of each year
- The department will post each authorizer fee report on the TDOE website.

**Questions?**



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