
Charter Schools - Annual Authorizer Fee, Rule 0520-14-01-.05

The Background:

In 2017, the Tennessee General Assembly passed Public Chapter 307, known as the Tennessee High Quality Charter Schools Act.

Pursuant to this piece of legislation, this item seeks to provide clarity and consistency to the charter school authorizer fee process by establishing the Annual Authorizer Fee Rule. Specifically the rule:

- Allows local boards of education (LEAs) that serve as the chartering authority of a charter school to receive an annual authorizer fee that is a percentage of the charter school's per student state and local funding. The authorizer fee to be collected by LEAs is set forth in statute as three percent (3%) or \$35,000 per school, whichever is less;
- Clarifies how LEAs can use the annual authorizer fees;
- Outlines the annual authorizer fees report; and
- Outlines requirements for excess funds collected by an LEA.

The Fiscal Analysis Impact:

Tenn. Code Ann. § 49-1-212 requires that the Department prepare a fiscal analysis of any policy, rule, or regulation proposed to the State Board of Education. This item has a financial impact on an LEA. (Chapter 307 of the Public Acts of 2017 impacts LEAs by the amount of funds the LEA collects from the annual authorizer fees. The proposed rules do not result in any additional impact.)

The Recommendation:

The Department of Education recommends acceptance of this item on first reading. The SBE staff concurs with this recommendation.