



**TENNESSEE**

PUBLIC CHARTER SCHOOL COMMISSION

**AUTHORIZER FEE  
LANDSCAPE OVERVIEW**

**MARCH 23, 2023**

# WHAT IS AN AUTHORIZER FEE?

- The National Alliance for Public Charter Schools states that an essential component of model charter school law is “adequate authorizer funding”.
  - Guaranteed funding from the state or authorizer fees.
  - Public accountability for such expenditures.
- An authorizer fee is a percentage or portion of the revenue for each school that is under an authorizer that the authorizer can retain.



# WHAT IS AN AUTHORIZER FEE?

- Principles and recommendations from the National Alliance's model charter law:
  - Funding formula set by the state and apply uniformly to all authorizers in the state
  - An existing state entity who provides authorizer oversight should periodically review the revenue amount and use of the revenue.
  - Charter authorizing should neither be a burden nor a "cash cow" for authorizers
  - 3% of charter school per pupil funding is generally regarded as adequate funding.
  - Once authorizers achieve a "critical mass" of schools, the authorizer might be able to lower the fee.



# AUTHORIZER FEE LANDSCAPE

State	Authorizer Fee Amount
Alaska	Up to 4%
California	Up to 1%
Colorado	Charter School Institute - Up to 3%
Washington, DC	Up to 1%
Florida	Between 2% and 5%
Georgia	Up to 3%
Illinois	State Board of Education - Up to 3%
Indiana	Up to 3%
Louisiana	Up to 2%

Source: National Alliance for Public Charter Schools



# AUTHORIZER FEE LANDSCAPE

State	Authorizer Fee Amount
Maine	Up to 3%
Michigan	Up to 3%
Mississippi	Up to 3%
Missouri	Up to 1.5%
Nevada	Up to 2%
New Mexico	Up to 2%
Ohio	Up to 3%
Oklahoma	Up to 5%
South Carolina	Up to 2%
Washington	Up to 4%

Source: National Alliance for Public Charter Schools



# AUTHORIZER FEE IN TN

- Public Chapter 307, passed in April 2017, created the authorizer fee in statute.
- Prior to 2017, an authorizer fee could only be collected by authorizers if it was approved by a charter school in the charter agreement.
- Local boards of education can collect up to 3% of the charter school's per pupil allocation up to \$35,000.
- The Commission and Achievement School District can collect up to 3% of the charter school's per pupil allocation with no maximum amount.



# AUTHORIZER FEE IN TN

- State Board of Education Rule 0520-14-01-.05
  - Defines the uses of the authorizer fee
  - Outlines the reporting requirements including submission of a budget for the use of the fee and expenditure reporting
  - All reports are published on the Tennessee Department of Education's website
  - Any unused authorizer fee must be refunded to schools



# AUTHORIZER FEE

Entity	Fiscal Year	Total Revenue Collected	Total Expenditures	Number of Schools
State Board of Education	FY18	\$54,745	\$54,745	1
State Board of Education	FY19	\$173,763	\$82,113	2
State Board of Education	FY20	\$251,943	\$160,796	3
State Board of Education	FY21	\$406,874	\$133,891	3
Commission	FY22	\$636,182	\$427,545	4
Commission	FY23	\$1,370,537* (estimated)	TBD	9





# ADDITIONAL SUPPORT

- Traditional school districts
  - Federal grant administrative revenue
  - District-based revenue
- Achievement School District
  - Federal grant administrative revenue
  - State revenue from Tennessee Department of Education
- Commission
  - Federal grant administrative revenue
    - The Commission currently does not withhold any admin revenue
  - GEER Funding (through FY23)
  - State revenue for the Charter Commission





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