

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 702 – SB 830

March 5, 2013

SUMMARY OF ORIGINAL BILL: Extends, from 10 to 20, the number of days that a sponsor of a public charter school may appeal to the State Board of Education (SBE), a local board of education's denial of a public charter school application

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (004095): Deletes all language after the enacting clause. Creates a new state charter school panel which shall be authorized to hear appeals of public charter schools that have had their initial applications denied by local education agencies (LEAs). Removes language in current statute that authorizes appeals to be heard by the State Board of Education (SBE). Sets forth the procedure for the panel to hear appeals of public charter school applications and renewals. The panel shall be a new independent state agency. Public charter schools authorized by the panel may apply to the panel for renewal at the end of the initial application term. Such public charter schools shall continue to operate for a period of 10 years. The panel shall be composed of nine members. Sets forth the manner in which panel members will be appointed and requires initial appointments to be made no later than July 1, 2013. Members of the panel shall not receive a salary but are authorized to receive reimbursement for actual expenditures in accordance with the state's travel regulations. The panel shall hire an executive director who shall be empowered to hire additional staff as needed. Requires the panel to file an annual report on the overall state of public charter schools and charter school authorizers with the Education Committees of the General Assembly and the Comptroller of the Treasury by February 1, 2014, and each year thereafter. Public charter schools approved by the panel shall receive the full state and local Basic Education Program (BEP) funding due other public charter schools in accordance with Tenn. Code Ann. § 49-13-112. The panel shall begin to hear appeals filed by sponsors of public charter schools proposing to open in the 2015-2016 academic year.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures - \$239,000

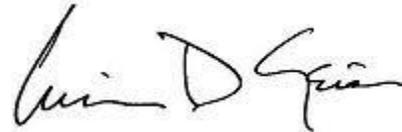
HB 702 – SB 830

Assumptions for the bill as amended:

- Based on information received from the Department of Education, it is estimated the panel will hire an executive director at a cost of \$100,000 in salary and \$30,000 in benefits and at least one additional administrative staff position at a cost of \$35,000 in salary and \$10,500 in benefits. These individuals will coordinate the evaluation of initial public charter school appeals and subsequent renewals, oversight, and monitoring of the panel's authorized public charter schools.
- The DOE estimates that equipment, supplies, and travel expenses will be \$20,000; office rental is estimated to be \$3,600; and meeting expenses to hold at least two meetings each year is estimated to be \$40,000.
- The total recurring increase in state expenditures is estimated to be \$239,000 (\$130,000 + \$45,500 + \$20,000 + \$3,600 + \$40,000).
- Public charter school sponsors may currently appeal denials of initial applications or renewals to the SBE. No increase in the number of authorized public charter school that would have been denied under current law through the appeals process that the state charter school panel will hold.
- No increase in state or local BEP funding.
- Any decrease in state expenditures as a result of the SBE no longer reviewing public charter school appeals or renewals is estimated to be not significant.
- Any increase in state expenditures to perform an audit of this agency is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

/msg