

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 293 – HB 473

March 14, 2015

**SUMMARY OF ORIGINAL BILL:** Requires the Tennessee Financial Literacy Commission to post its annual report on the State Treasurer’s website.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (003975):** Deletes all language of the original bill. Requires public charter schools authorized by the Achievement School District (ASD) to conduct an initial student application period of 30 days. During the initial enrollment period, enrollment shall be limited to only those students zoned to attend or currently enrolled in a school that is eligible to be placed into the ASD. Authorizes children of staff members and other individuals affiliated with the charter school, and students who failed their proficiency testing in reading, English language arts, or mathematics, to enroll in the public charter school, if the initial capacity of the school, program, class, grade level, or building is not filled at the end of the initial enrollment period. Prohibits the population of the students that are enrolled during the second enrollment period from exceeding 25 percent of the total student population of the public charter school. Prohibits the enrollment of additional students that are within the student populations, defined under Tenn. Code Ann. § 49-13-106(b)(1)(C)(ii),(iii), or (iv), until the ASD authorized public charter school has received student achievement growth data that demonstrates growth at a level of “at expectations”. This restriction does not apply to students previously enrolled in an ASD authorized public charter school. Authorizes the ASD to collect a charter authorizer fee, from ASD-authorized public charter schools, up to three percent of each public charter school’s total per pupil allocation from state and local Basic Education Program (BEP) funding,

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Increase State Revenue -**

**Exceeds \$1,636,400/ASD/FY15-16 and Subsequent Fiscal Years**

**Other Fiscal Impact – Additional state and local Basic Education Program (BEP) funding may shift from local education agencies to public charter schools within the Achievement School District (ASD), if additional students decide to enroll in a public charter school. The amount of any such shift cannot be quantified and is based on multiple unknown factors.**

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Assumptions for the bill as amended:

- No increase in the number of public charter schools.
- Students within additional enrollment categories may choose to enroll in a public charter school. The extent of any additional enrollment is unknown. As such, any increase in state and local BEP funds shifting from LEAs to public charter schools is unknown and cannot be reasonably quantified.
- Estimated fee collections for the ASD are based on public charter school enrollment within ASD charter schools in FY14-15.
- Public charter school enrollment and BEP per pupil expenditures (PPE) will increase in FY15-16 and subsequent years.
- The ASD will be eligible to collect charter authorizer fees equal to three percent of the PPE in each LEA from ASD-authorized public charter schools.
- The ASD currently has 6,422 students in ASD-authorized public charter schools in Shelby County (SCS) and 277 students in ASD-authorized public charter schools in Metro-Nashville Public Schools (MNPS).
- The ASD PPE for charter schools in Shelby County is \$8,091. Three percent of this total is \$243 per student.
- The ASD PPE for charter schools in Metro-Nashville is \$9,143. Three percent of this total is \$274 per student.
- In FY15-16 and subsequent years, the increase in state revenue that will be collected by the ASD is estimated to exceed \$1,636,444 [ $\$243 \times 6,422$ ] + [ $\$274 \times 277$ ].

### **CERTIFICATION:**

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



Jeffrey L. Spalding, Executive Director

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