

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2101 - SB 2636

February 7, 2016

SUMMARY OF BILL: Deletes and rewrites subsection (a) of Tenn. Code Ann. § 49-13-122, such that it requires a public charter school's agreement to be revoked or denied renewal by its chartering authority if the school is identified as a priority school in 2017 or in any subsequent year.

Prohibits a public charter school identified as a priority school from being closed, if the school demonstrated student achievement growth of "above expectations" or greater on its Tennessee Value-Added Assessment System (TVAAS) scores in the academic year that preceded identification as a priority school.

Places public charter schools created by sponsor petition, which are codified under Tenn. Code Ann. § 49-13-106, under the revocation or nonrenewal of charter provisions, which are codified under Tenn. Code Ann. § 49-13-122. Defines community-based charter school.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – The bill could result in a shifting of funds between a charter school and an LEA depending on whether the charter school closes (resulting in funds to the LEA) or the charter school remains open (resulting in funds remaining with the charter school). The extent to which each scenario will occur is unknown, but each instance will result in a shift of funds in an amount estimated to exceed \$1,000,000.

Assumptions Relative to Charter Schools Converted by Sponsor Petition:

- Currently public charter schools that are converted as a result of a petition of a public charter school sponsor are exempt from having their charter revoked based solely on the basis the school was placed on the priority school list for two consecutive cycles.
- Expanding the pool of public charter schools that will be subject to statutory revocation may increase the number of public charter schools that will close annually.
- Each closure will lead to a shift in state and local BEP funding from a public charter school back to the regular LEA in an amount estimated to exceed \$1,000,000 per closure.
- No change in state or local BEP funding.

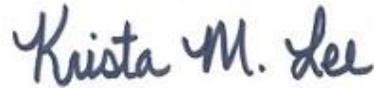
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Assumptions Relative to TVAAS Exemption for Public Charter Schools:

- A shift in funding from public charter schools back to LEAs will be prevented if a charter school that would have otherwise closed pursuant to Tenn. Code Ann. § 49-13-122 is not closed as a result of meeting the proposed TVAAS achievement score.
- The exact amount of any BEP funding that would be retained by a public charter school under the provisions of this bill, that would shift from the public charter school to an LEA pursuant to the provisions of Tenn. Code Ann. § 49-13-122 is reasonably estimated to exceed \$1,000,000 per closure.
- No change in state or local BEP funding.

CERTIFICATION:

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



Krista M. Lee, Executive Director

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