

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1731 - HB 1807

February 1, 2016

SUMMARY OF BILL: Authorizes the State Board of Education (SBE) to collect an annual charter authorizer fee from any authorized charter school up to four percent of the total state and local Basic Education Program (BEP) funding received by the SBE-authorized charter school. Requires the SBE to use such fee revenue to fund operations relative to the authorization of public charter schools.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

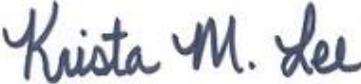
Exceeds \$72,400/FY17-18 and Subsequent Years/SBE

Assumptions:

- No increase in the number of public charter schools.
- Estimated fee collections for the SBE are based on current and future public charter school funding within SBE-authorized public charter schools for FY17-18.
- Public charter enrollment and state and local BEP funding will increase in FY16-17 and subsequent years.
- The SBE will collect charter authorizer fees equal to four percent of the total amount of state and local BEP funding received by SBE-authorized public charter schools.
- Based on information from the SBE, one public charter school has been authorized by the Board in Davidson County and is scheduled to open in FY17-18 with an initial enrollment of 200 students.
- The combined state and local BEP per pupil expenditure in FY14-15 for public charter schools located in Davidson County was \$9,046.
- The initial total BEP amount for the SBE-authorized public charter school is estimated to exceed \$1,809,200 (\$9,046 x 200).
- The recurring increase in state revenue to the SBE as a result of the charter authorizer fee is estimated to exceed \$72,368 (\$1,809,200 x 4.0%) beginning in FY17-18.

CERTIFICATION:

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

Handwritten signature of Krista M. Lee in blue ink.

Krista M. Lee, Executive Director

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