

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1955

March 9, 2020

SUMMARY OF BILL: Clarifies that the Commissioner of the Department of Education's (DOE's) removal authority applies only to a school that is directly operated by an Achievement School District (ASD). Prohibits the Commissioner of DOE from removing a school operated by the ASD until the expiration of the charter agreement. Requires the authorizer fee to be, rather than up to three percent, the lesser of three percent of the annual per student state and local allocations or \$35,000 per school. Prohibits the ASD from charging a public charter school authorized by the ASD certain fees to rent or access any school building, facilities, or property that is otherwise part of the school, and that was recognized as part of the facilities or assets of the school, prior to the school's placement in the ASD. Requires an ASD to grant a public charter school authorized by the ASD full access, at no cost, to any additional facilities that were available to the school or to the school's students, faculty, and staff prior to the school's placement in the ASD. Requires the ASD to adopt certain quality public charter school authorizing standards.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue – \$1,464,200/FY20-21 and Subsequent Years/
Achievement School District**

Assumptions:

- There are currently thirty charter schools operated by the ASD to which the proposed legislation will apply.
- Such charter schools are operated by private entities that pay authorizes fees to the DOE's ASD.
- The ASD will take on new schools after the next priority list is released in 2021 and every three years thereafter.
- By using the lesser of three percent of the annual per student state and local allocations or \$35,000 per school, it estimated that the state will collect less in authorizer fees for the current group of schools operated by the ASD.
- Pursuant to Tenn. Code Ann. § 49-1-614, the ASD receives funding based on per pupil amounts generated by the Basic Education Program (BEP); this amount goes directly to ASD charter schools, minus the authorizer fee retained by DOE to be used for administrative and other support to ASD charter schools.

- It is unknown which schools will be on the next priority list, thus a precise estimate of the amount of authorizer fees collected beyond 2021 cannot be reasonably determined; however, it is estimated that a decrease in authorizer fees will continue beyond 2021.
- Based on information provided by DOE, it is estimated that state revenue to the Achievement School District will decrease \$1,464,227 in FY20-21 and subsequent years.
- No impact to the Basic Education Program.

CERTIFICATION:

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

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/alh