



**Annual Authorizer Fee Report
December 1, 2020**

Pursuant to Tennessee Code Annotated (T.C.A.) §§ 49-13-108 and 49-13-142, the State Board of Education (State Board) serves as the chartering authority and local education agency (LEA) for charter schools that it authorizes on appeal if the local board of education and the charter school operator do not mutually agree that the local board of education will be the authorizer. The State Board's authority as a charter school authorizer is governed by T.C.A. § 49-13-142 as well as relevant State Board [charter school authorizer policies](#).

The State Board's mission in charter school authorizing is to increase families' access to high-quality school options, and the State Board has adopted national and state authorizing standards, which serve as the foundation for its work as a charter school authorizer. As an authorizer, the State Board provides its authorized charter schools with autonomy and flexibility in exchange for high accountability.

The State Board serves as the LEA of record for its authorized charter schools in accordance with T.C.A. § 49-13-142(g) until July 1, 2021 and, therefore, is required to fulfill the same responsibilities of all other school districts in the state of Tennessee, in addition to fulfilling its responsibilities of being a charter school authorizer¹. The State Board school district is wholly comprised of charter schools authorized on appeal. Prior to the approval of the State Board's three authorized charter schools, the State Board was not established or functioning as an LEA. The State Board has built the infrastructure to fulfill its responsibilities of serving as both the LEA and the chartering authority of its charter schools, and the responsibilities include but are not limited to:

- Manage the flow of all federal, state, and local funds to its charter schools;
- Maintain a student information system and oversee data reporting to the state from its schools;
- Develop and implement school improvement plans to fulfill requirements under the Every Student Succeeds Act (ESSA);
- Monitor its authorized charter schools to ensure compliance with federal and state laws, rules, and policies;
- Provide oversight and monitoring of its charter schools to ensure all students are being served as required by law, including English Learners, students with disabilities, homeless students, students in foster care, and other special populations;
- Provide oversight of test administration and transportation programs;

¹ On July 1, 2021, all charter agreements for which the State Board is the authorizer shall be transferred, for the remainder of the unexpired term of the charter agreement, to the Tennessee Public Charter School Commission.



- Conduct background checks of all employees, contractors, and volunteers of its authorized charter schools;
- Develop and maintain policies and procedures for its role as an LEA; and
- Fulfill charter school authorizer responsibilities including managing the pre-opening process for new schools, conducting annual site visits, and producing an annual report on the performance of its charter schools.

In school year 2019-2020, the State Board funded its work as a charter school authorizer and a LEA through the State Board’s general operating budget as well as through the collection of an authorizer fee. In accordance with T.C.A. § 49-13-118, the State Board collected an annual authorizer fee of 3% from its three open and operating charter schools’ per pupil state and local funding.

From July 1, 2019 to June 30, 2020, the State Board collected the following total revenue in an authorizer fee:

Authorizer Fee for the 2019-2020 School Year	Total Amount Collected
3% of Per Student State and Local Funding	\$ 251,943 ²

From July 1, 2019 to June 30, 2020, the State Board spent the authorizer fee on the following expenditures:

Account Number	Line Item Number(s)	Description of Expenditure	Amount	Rationale for Expenditure
72210	189, 201, 204, 206, 207, 212, 217	Salary and benefits for full-time employee to fulfill LEA obligations regarding the administration of federal programs and LEA policy	\$68,399	<p>The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its responsibilities of an LEA under ESSA. The federal programs and policy coordinator’s responsibilities included, but were not limited to:</p> <ul style="list-style-type: none"> • Developed and implemented the LEA plan and supported the authorized charter schools in the development of their school improvement plans; • Completed the Consolidated Funding Application required by the Tennessee Department of Education; • Processed reimbursement requests of federal funds for the authorized charter schools;

²This figure is based on the June 30, 2020 BEP amount provided by the Tennessee Department of Education. As of the date of publication of this report, the Tennessee Department of Education has not provided the final fiscal year 2020 BEP true-up to the State Board. Once this final BEP amount is received, the total authorized fee collected will be adjusted based on the final amount.

Account Number	Line Item Number(s)	Description of Expenditure	Amount	Rationale for Expenditure
				<ul style="list-style-type: none"> • Monitored the implementation of ESSA within the State Board and the authorized charter schools; • Completed all required state and federal reporting for the Tennessee Department of Education; • Managed the annual LEA policy and procedure audit for the State Board; and • Provided oversight of the school-level policy audit for the authorized charter schools.
72210	308	Part-time contractor to support LEA obligations regarding the administration of federal programs	\$1,406	The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its responsibilities of an LEA under ESSA. The contractor served in a support role for the newly hired federal programs and policy coordinator and assisted with the responsibilities included previously.
72220	189, 201, 204, 206, 207, 212, 217	Salary and benefits for full-time employee to fulfill LEA obligations regarding the oversight and monitoring of special populations and general LEA operations	\$58,397	<p>The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its responsibilities of an LEA under the Individuals with Disabilities Education Act, ESSA, and other federal and state laws to ensure all students are served appropriately. The special populations and operations coordinator’s responsibilities included, but were not limited to:</p> <ul style="list-style-type: none"> • Provided oversight of Individualized Education Programs (IEPs) within the EasyIEP system; • Monitored the implementation of services provided to students with disabilities to ensure alignment with the students’ IEPs through regular check-ins with school-level staff and on-site monitoring; • Monitored the screening, placement, service, and annual assessment of English Learner students through regular check-ins with school-level staff and on-site monitoring; • Completed all required state and federal reporting for the Tennessee Department of Education; • Assisted with processing BEP payments and monthly budget reports for the authorized charter schools; and



Account Number	Line Item Number(s)	Description of Expenditure	Amount	Rationale for Expenditure
				<ul style="list-style-type: none"> Provided general administrative and project support to the LEA charter school team.
72220	308	Part-time contractor to fulfill LEA obligations regarding the oversight and monitoring of special populations	\$1,762	The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its responsibilities of an LEA under the Individuals with Disabilities Education Act, ESSA, and other federal and state laws to ensure all students are served appropriately. Prior to hiring a special populations and operations coordinator, the contractor was responsible for the responsibilities included previously.
72220	399	Translation of IEPs	\$1,050	In order to fulfill the State Board's obligation of an LEA to ensure that all parents/guardians and students can access a student's IEP in a language that they understand, the State Board pays for the translation services for schools through EasyIEP.
72220	399	Data system for 504 Plans	\$2,100	In order to fulfill the State Board's obligation of an LEA to ensure students with 504 service plans are appropriately served, the State Board paid for the 504 module system through Public Consulting Group (PCG) for its schools.
72320	399	Translation of applicable LEA policies/procedures	\$5,084	The State Board serves as the LEA for its authorized charter schools, and in order to comply with state and federal laws, rules, and policies, the State Board developed LEA policies and procedures to govern its work as a school district. In accordance with federal law, the State Board had a select number of policies and procedures translated into Spanish so that parents could access this information. In the 2019-20 school year, the State Board updated the translations for any policies or procedures which changed as well as translated school-specific documents to support their communication with their families. The translated policies and procedures are available on the State Board's Schools website .
72320	399	Tennessee School Boards Association (TSBA) Policy Subscription	\$3,000	To support the State Board's development and oversight of required policies and procedures as well as to support schools with their policies and procedures, the State Board maintains a policy subscription with TSBA. This subscription gives the State Board access to model policies and procedures and regular updates on changes in statute that impact the work of school districts.



Account Number	Line Item Number(s)	Description of Expenditure	Amount	Rationale for Expenditure
72320	524	Training and professional development	\$923	To support the State Board's LEA and authorizing responsibilities, the State Board staff participated in training and professional development at the Tennessee Data and Attendance Supervisors Conference. Additionally, State Board staff and school staff participated in training on the State Board's student information system, PowerSchool.
72320	355	In-state travel expenses for monitoring site visits	\$734	In order to serve as a quality authorizer to its authorized charter schools, the State Board conducts monitoring and oversight visits to its schools annually. The travel expenses include in-state mileage, meals, and rental cars for its annual site visit and special populations monitoring visits to its charter school in Memphis.
72310	348	Shipping assessment materials to authorized charter school	\$18	The State Board serves as the LEA for its authorized charter schools and is responsible for district testing coordination. The State Board occasionally ships assessment materials to its authorized charter school in Memphis.
72510	399	Part-time contractor to fulfill financial oversight obligations	\$7,923	The State Board is responsible for conducting financial oversight of its schools through its financial performance framework. The contractor analyzed the audits of the authorized charter schools against the framework and the charter schools' submissions of their annual budgets.
72510	399	Back office financial and federal programs support provided by the Tennessee Department of Education for the State Board school district	\$10,000	The State Board serves as the LEA for its authorized charter schools, and all federal, state, and local funds flow through the State Board to the authorized charter school. Pursuant to T.C.A. § 49-13-142(b)(1), the Tennessee Department of Education supported the review and processing of these funds, which included but was not limited to: <ul style="list-style-type: none"> • Reviewed monthly requests for reimbursement of federal funds for allowability; and • Processed monthly reimbursement requests and journal vouchers for Basic Education Program (BEP) funds.
Total Expenditures (July 1, 2019 to June 30, 2020)			\$ 160,796	



Distribution of Unused Authorizer Fee Funds (if applicable)

In the 2019-2020 school year, the State Board utilized resources from the State Board’s general operating budget and its authorizer fee to fulfill its authorizing obligations under T.C.A. § 49-13-142. In accordance with T.C.A. § 49-13-118(e), the State Board is required to return to its authorized charter schools any unused authorizer fee funds. Based on the June 2020 BEP amount, the State Board will return \$91,147³ to its authorized charter schools, proportional to the initial per pupil state and local funding collected from each school.

³ This figure is based on the June 30, 2020 BEP amount provided by the Tennessee Department of Education. As of the date of publication of this report, the Tennessee Department of Education has not provided the final fiscal year 2020 BEP true-up to the State Board. Once this final BEP amount is received, the total amount to be returned will be adjusted.