



**Annual Authorizer Fee Report  
December 1, 2021**

Pursuant to Tennessee Code Annotated (T.C.A.) §§ 49-13-108 and 49-13-142, the State Board of Education (State Board) served as the chartering authority and local education agency (LEA) for charter schools that it authorized on appeal through June 30, 2021. The State Board's authority as a charter school authorizer was governed by T.C.A. § 49-13-142 as well as relevant State Board charter school authorizer policies. While the State Board no longer serves as the chartering authority and LEA for its charter schools, the State Board submits this authorizer fee report based on its final school year as an authorizer and LEA.

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

The State Board served 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 authorizer through the 2020-21 school year<sup>1</sup>. The State Board school district was 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 built an infrastructure to fulfill its responsibilities of serving as both the LEA and the chartering authority of its charter schools, and its responsibilities included but were not limited to:

- Managing the flow of all federal, state, and local funds to its charter schools;
- Maintaining a student information system and oversee data reporting to the state from its schools;
- Developing and implementing school improvement plans to fulfill requirements under the Every Student Succeeds Act (ESSA);
- Monitoring its authorized charter schools to ensure compliance with federal and state laws, rules, and policies;
- Providing 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;

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<sup>1</sup> On July 1, 2021, all charter agreements for which the State Board was the authorizer transferred, for the remainder of the unexpired term of the charter agreement, to the Tennessee Public Charter School Commission.



- Providing oversight of test administration and transportation programs;
- Conducting background checks of all employees, contractors, and volunteers of its authorized charter schools;
- Developing and maintaining policies and procedures for its role as an LEA; and
- Fulfilling 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 the 2020-21 school year, the State Board funded its work as a charter school authorizer and an 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, 2020 to June 30, 2021, 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    | \$406,874              |

From July 1, 2020 to June 30, 2021, 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 through January 2021 | \$44,982 | <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"> <li>• Developed and implemented the LEA plan and supported the authorized charter schools in the development of their school improvement plans;</li> <li>• Completed the Consolidated Funding Application required by the Tennessee Department of Education;</li> <li>• Processed reimbursement requests of federal funds for the authorized charter schools;</li> <li>• Monitored the implementation of ESSA within the State Board and the authorized charter schools;</li> </ul> |

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|----------------|-----------------------------------|--|----------|--|
|                |                                   |  |          | <ul style="list-style-type: none"> <li>Completed all required state and federal reporting for the Tennessee Department of Education;</li> <li>Managed the annual LEA policy and procedure audit for the State Board; and</li> <li>Provided oversight of the school-level policy audit for the authorized charter schools.</li> </ul>   |
| 72210          | 308                               | Part-time contractor to support LEA obligations regarding the administration of federal programs   | \$5,850  | 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 to close out the LEA's federal programs reporting responsibilities after the State Board employee left the role.  |
| 72110          | 399                               | Part-time contractor to support LEA obligations regarding the student information system   | \$1,000  | The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its state reporting responsibilities of an LEA to the Department of Education. The contractor served in a support role to assist with errors and data validation within the LEA's student information system and state reporting systems.  |
| 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 | \$72,512 | <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"> <li>Provided oversight of Individualized Education Programs (IEPs) within the EasyIEP system;</li> <li>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;</li> <li>Monitored the screening, placement, service, and annual assessment of English Learner students through regular check-ins with school-level staff and on-site monitoring;</li> </ul> |

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|----------------|---------------------|---|---------|---|
|                |                     |   |         | <ul style="list-style-type: none"> <li>Completed all required state and federal reporting for the Tennessee Department of Education;</li> <li>Assisted with processing BEP payments and monthly budget reports for the authorized charter schools; and</li> <li>Provided general administrative and project support to the LEA charter school team.</li> </ul>  |
| 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                           | \$2,205 | 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.  |
| 72110          | 399                 | Student information system                          | \$4,682 | The State Board serves as the LEA for its authorized charter schools, and it is required to fulfill its state reporting responsibilities of an LEA to the Department of Education. The State Board adopted PowerSchool as its student information system and is charged an annual operating fee based on the LEA's student enrollment.  |
| 72320          | 399                 | Translation of applicable LEA policies/procedures   | \$1,114 | 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 2020-21 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. |
| 72320          | 355                 | In-state travel expenses for monitoring site visits | \$96    | In order to serve as a quality authorizer to its authorized charter schools, the State Board conducts monitoring and oversight visits to its schools  |



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|---|---------------------|---|-----------|--|
|   |                     |   |           | annually. The travel expenses include rental cars fees monitoring visits to its charter school in Memphis.   |
| 72510   | 399                 | Part-time contractor to fulfill financial oversight obligations | \$400     | 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. |
| <b>Total Expenditures<br/>(July 1, 2020 to June 30, 2021)</b> |                     |   | \$133,891 |  |

**Distribution of Unused Authorizer Fee Funds**

In the 2020-21 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. § 49-13-128, the State Board is required to return to its authorized charter schools any unused authorizer fee funds. Based on the June 2021 BEP amount, the State Board will return \$272,983<sup>2</sup> to its authorized charter schools, proportional to the initial per pupil state and local funding collected from each school.

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<sup>2</sup> This figure is based on the June 30, 2021 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 2021 BEP true-up to the State Board. Once this final BEP amount is received, the total amount to be returned will be finalized.