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The Tennessee General Assembly enacted Tennessee's charter school law in 2002, allowing nonprofit groups to create or "sponsor" taxpayer funded privately run charter schools.

Tennessee Code Annotated 49-13-106

2

As of 2021, Tennessee had 115 privately run, taxpayer-funded charter schools enrolling 44,000 students. Memphis had 78 charter schools, Nashville had 31, Chattanooga had five, and Knoxville had one.

"Impact Report 2021"

Tennessee Charter School Center

3

In 2019, Gov. Bill Lee and the General Assembly created a nine-member state charter school commission to hear appeals by charter operators whose applications are denied by local school boards. Under state law, the appointed state charter commission can overturn the decisions of elected local school boards in rural, suburban, and urban communities.

"Understanding Public Chapter 219: Public Charter School Commission"

Tennessee Comptroller of the Treasury, June 2019

4

Tennessee voters overwhelmingly oppose state-mandated charter schools, according to a poll by the State Collaborative on Reforming Education (SCORE). By a nearly two-to-one margin, voters believe that elected local school boards – not the appointed state charter school commission – should decide whether or not to approve new charter schools.

"Statewide Poll: Perceptions of Local Control & Negative Effects of Charter Schools"

CharterFiscalImpact.org, 2022

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Tennessee's past efforts to authorize charter schools failed. Vanderbilt University researchers found the state-run Achievement School District – one of the nation's largest and most-controversial charter-school experiments – had "not produced positive effects" despite spending nearly \$1 billion in state and local taxpayer money.

"School Turnaround in Tennessee: Insights After Six Years of Reform"

Tennessee Education Research Alliance, July 2019

"Tennessee spent nearly \$1B on underperforming schools program"

WZTV-TV, January 10, 2022

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Tennessee's charter law mandates that a privately run charter school must receive an amount equal to the per-pupil state and local funds of the local school district in which the charter is located.

Tennessee Code Annotated 49-13-112

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Tennessee's charter law has a negative fiscal impact on local school districts. When per-pupil funds are diverted to charter schools, "fixed costs" are left stranded in public schools. Fixed costs include but may not be limited to staffing, maintenance, transportation, and utilities.

"Local Budget Stress: Charter Schools & Fixed Costs Stranded in Public Schools"
CharterFiscalImpact.org, 2022

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A study commissioned by the Nashville school board found that "new charter schools will, with nearly 100 percent certainty, have a negative fiscal impact ... will continue to cause the transfer of state and local per student funds without reducing operational costs ... [and] will continue to increase direct and indirect costs."

"Charter School Financial Impact Model"
MGT of America, September 11, 2014

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Tennessee's charter law violates the state Constitution because it requires local school districts to transfer per-pupil state and local funding to charters without providing a subsidy to account for fixed costs stranded in traditional public schools. This amounts to an unfunded mandate on local governments.

"Constitutional Dilemma: State-Required Charter Schools & Unfunded Mandates"
CharterFiscalImpact.org, 2022

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Tennessee's charter law adds fiscal stress to a chronically underfunded education system. In 2021, Tennessee's per-pupil funding level ranked 44th among 50 states and the District of Columbia – earning the state an 'F' grade from the Education Law Center. Similarly, the EdWeek Research Center gave Tennessee an 'F' in spending on public education.

"Making the Grade: How Fair is School Funding in Your State"
Education Law Center, October 28, 2021
"Quality Counts 2021: Educational Opportunities and Performance in Tennessee"
EdWeek Research Center, January 19, 2021

Charter Fiscal Impact is a project of Public School Partners,
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on behalf of Tennessee students, parents, teachers, and taxpayers.

CharterFiscalImpact.org