

HOUSE BILL 1202

By Mitchell

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 13, relative to the "Transparency in Charter School Finance Act."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following as a new section:

(a) This act shall be known and may be cited as the "Transparency in Charter School Finance Act."

(b) Charter schools and charter management organizations are subject to the open records law, compiled in title 10, chapter 7.

(c) A charter school shall disclose for every fiscal year:

(1) The salaries and other payments made to each charter school employee;

(2) If charter school employees are paid through a contract between the charter school and a third party, then the salaries and other payments made to each charter school employee by the third party;

(3) The amount and a description of all contract payments that exceed ten thousand dollars (\$10,000); and

(4) The amount of all monies and payments received by the charter school, including state and local funds under the basic education program, grants, donations, and contract payments, and an explanation of the payments.

(d) If a charter school operated by a charter management organization makes one (1) or more payments to any business entity that exceeds one thousand dollars

(\$1,000) in any fiscal year, then the charter management organization shall disclose whether employees of the charter management organization or any family members of employees of the charter management organization have a financial interest in the business entity that received the payment. As used in this subsection (d):

(1) "Family member" means a spouse, parent, sibling, or child and includes the parent, sibling, or child of one's spouse; and

(2) "Financial interest" means any interest, legal or beneficial, such that an officer, director, employee, or contractor of the charter management organization that operates the charter school will be entitled to a share of the net profits or net worth of the business in which the interest is held, excluding the ownership of publicly traded stock equaling less than ten percent (10%) of the company.

SECTION 2. This act shall take effect July 1, 2019, the public welfare requiring it.