

Internal Fee Implementation Policy

2016-17 School Year

Overview

To ensure a sustainable method of funding for the Office of Education Innovation's (OEI) authorizing function, OEI will begin collecting an authorizing fee in July 2016. OEI will collect a fee from mayor-sponsored charter schools beginning in the 4th year of the school's operation on a quarterly basis. Additional details on fee calculations, logistics and collection policies are provided in this document.

Fee Amount

Mayor-sponsored charter schools will not pay a fee until the 4th year of the school's operations. In September of a school's fourth year of operation, it will begin receiving invoices based on the prior school year's May estimate.

School Year	Fee Implication
2013-14 (school opens)	None
2014-15	None
2015-16	None
2016-17	1% fee based on May estimate. Fee assessed on basic tuition grant ONLY

The May estimate will be used to calculate 1% of the school's basic state grant for the September invoice in the current school year. September enrollment counts will be used to determine fee amounts based on 1% of the school's basic state grant for December and March invoices. The February enrollment count of the current school year will be used to calculate fee amounts for the June invoice.

Adult high schools will be assessed a 1% fee based on the same basic state grant number as all other mayor-sponsored charter schools, *not* at the adult high school amount appropriated by the legislature.

Fee Collection

Schools will receive invoices from the city budget office on a quarterly basis, on the first business day of September, December, March and June. Invoices will be payable immediately, due within 30 days. The budget office will submit an accounts payable report to OEI at the close of business on the fifth day of the month. See late payment section below for next steps.

OEI will submit enrollment counts and calculated fee amounts to the budget office when updates have occurred by the first business day of the month prior to invoicing (i.e., August, November and May).

Action	Responsible	Due Date (repeats annually)
School submits enrollment estimate	School	April 1 September 18 February 1st
Submit enrollment count to city budget office	OEI	August 1 November 1 May 1
Budget Office sends bill to schools w/in 30 days to pay (via direct deposit or check)	Budget Office	September 1 December 1 March 1 June 1
Budget Office deposits payments into Charter School Fee Account	Budget Office	October 1 January 1 April 1 July 1
Budget Office submits accounts receivable report to OEI by end of business on 5th of month	Budget Office	September 5 December 5 March 5 June 5

Budget Implications

Schools should budget for the 1% charter school fee in September, December, March and June, with deposits anticipated in October, January, April and July. Each payment will cover a 3-month period.

- September: $1\% \times ((\text{May enrollment estimate} \times \$5,088)/4)$
- December: $1\% \times ((\text{September enrollment count} \times \$5,088)/4)$
- March: $1\% \times ((\text{September enrollment count} \times \$5,088)/4)$
- June: $1\% \times ((\text{February enrollment count} \times \$5,088)/4)$

Late Payment

When a school has not paid its invoice by the fifth day past due, the budget office will assess a 10% late payment fee.

OEI will reserve the right to reflect late payment or missed payment as non-compliance in schools’ annual accountability ratings on the performance framework (under indicator 3.2a).

Fee Use & Reserve Fund

It is important to note that OEI can collect this fee pursuant to Ind. Code §20-24-7-4 and 20-43-1-8. The code stipulates that “the authorizer shall use its funding provided under this section exclusively for the purpose of

fulfilling authorizing obligations.” As such, OEI must be able to justify any use of funds as an authorizing “obligation.”