

**RULES
OF
THE STATE BOARD OF EDUCATION**

**CHAPTER 0520-14-01
CHARTER SCHOOLS**

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0520-14-01-.01 APPROVAL OF A CHARTER SCHOOL.

- (1) Charter school application requirements applicable to all authorizers as defined by T.C.A. § 49-13-104(3):
 - (a) The Commissioner of Education shall provide an application for charter school sponsors to use in applying for a public charter school and shall provide scoring criteria addressing the elements of the charter school application.
 - (b) All prospective charter school sponsors who intend to submit a charter application for consideration, including a charter school replication application, shall submit a letter of intent to both the Department of Education (Department) and to the appropriate authorizer at least sixty (60) calendar days prior to the date on which the application is due. The letter of intent shall be completed on the form provided by the Department, and the sponsor shall indicate on the letter of intent the application category selected by the sponsor. The authorizer shall determine whether the sponsor has selected the correct application category within ten (10) business days of receiving the letter of intent and notify the sponsor within five (5) business days of a determination that the incorrect application category has been selected. The sponsor shall correct and resubmit the letter of intent within five (5) business days of receipt of a notice from the authorizer that the wrong application category was selected.
 - (c) The Department shall aid a sponsor who has been notified that the incorrect application category has been selected to ensure the letter of intent is completed correctly, including ensuring the correct application category is selected.
 - (d) Failure to submit a letter of intent to both the Department and to the appropriate authorizer shall exclude a charter school sponsor from submitting an application for that application cycle.
 - (e) On or before 11:59 p.m. Central Time on February 1 of the year preceding the year in which the proposed public charter school plans to begin operation, the charter school sponsor seeking to establish a public charter school shall prepare and file an electronic copy of the state charter school application with the authorizer and the Department. If the February 1 due date for charter applications falls on a Saturday, Sunday, or state observed holiday, the application materials shall be due on the next business day.
 - (f) Authorizers may charge an application fee of up to \$2,500 for each application the charter school sponsor files.
 - (g) An application shall be considered complete if:

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1. The application is submitted on the Department's state charter application form for that application cycle;
 2. The sponsor has completed all required sections of the application aligned to the category indicated by the sponsor in its letter of intent and the application contains all required attachments and signatures;
 3. The application is submitted to the authorizer by the deadline specified in paragraph (e); and
 4. The application fee, if required by the authorizer, is submitted with the application.
- (h) Authorizers shall not be required to review and formally act upon an application if:
1. The charter school sponsor did not submit the letter of intent by the required due date;
 2. The charter application is not complete as defined in paragraph (g); or
 3. The application and applicable fee, if required, are not submitted to the authorizer by the required deadline.
- (i) The authorizer shall determine whether an application is complete within ten (10) business days of receiving the application, and shall notify the sponsor within five (5) business days of the determination if the application is determined to be incomplete.
1. If the charter application is determined to be incomplete due to the sponsor not meeting the requirements of subparagraphs (g)1. or (g)3. of this rule, the application is not required to be reviewed and any required application fee shall be refunded to the charter school sponsor by the authorizer.
 2. If the charter application is determined to be incomplete due to the sponsor not meeting the requirements of subparagraphs (g)2. or (g)4. of this rule, the sponsor shall be provided the opportunity to address any deficiencies and re-submit the application within five (5) business days after the notification from the authorizer that the application is incomplete. If the sponsor does not correct the deficiencies to meet the requirements of subparagraphs (g)2. or (g)4. of this rule by the deadline, the authorizer is not required to review the application and any required application fee shall be refunded to the charter school sponsor by the authorizer.
- (j) Authorizers shall review all complete and timely applications in accordance with T.C.A. § 49-13-108 and quality charter authorizing standards approved by the State Board.
- (k) No later than ten (10) calendar days after approval or denial of a charter application or amended charter application, the authorizer shall report to the Department whether the authorizer has approved or denied the application. The authorizer shall simultaneously provide the Department with a copy of the authorizer's resolution setting forth the authorizer's decision and the reasons for the authorizer's decision at the time of the authorizer's report.
- (2) Charter school application requirements only applicable to local boards of education.
- (a) In addition to the state charter school application, each local board of education may ask charter school sponsors to address additional priorities. Charter school sponsors may choose not to address any of those priorities. Local boards of education may not

(Rule 0520-14-01-.01, continued)

deny or refuse to review an application for failing to address additional priorities. Local boards of education shall submit to the Department by November 1 of each year all local application requirements.

- (b) All local policies regarding the submission of charter school applications shall be consistent with state law, policies, rules, and regulations.
- (c) The local board of education shall rule by resolution, at a regular or specially called meeting, on the approval or denial of a complete and timely charter application no later than ninety (90) calendar days after the local board of education's receipt of the completed application.
- (d) Should the local board of education fail to either approve or deny a complete and timely charter application within the ninety (90) calendar day time limit, the application shall be deemed approved.
- (e) If a charter school application is denied, the grounds upon which the local board of education based the decision to deny an application shall be stated in writing and provided to the charter school sponsor within ten (10) calendar days of the date of the decision to deny, specifying objective reasons for the denial and the deadline by which the charter school sponsor shall submit an amended application.
- (f) If a charter school application is denied, the charter school sponsor shall have thirty (30) calendar days from receipt of the grounds for denial to submit an amended application to correct the deficiencies. The local board of education shall have sixty (60) calendar days from receipt of the amended application to either deny or approve the amended application. Should the local board of education fail to either approve or deny the amended application within sixty (60) calendar days, the amended application shall be deemed approved. If the local board of education denies the amended application, it shall provide to the charter school sponsor the grounds upon which the local board of education based the decision to deny in writing within five (5) calendar days of the date of the decision to deny, specifying objective reasons for the denial.
- (g) A denial by the local board of education of an amended application to establish a public charter school may be appealed by the charter school sponsor, no later than ten (10) calendar days after the date of the final decision to deny, to the Tennessee Public Charter School Commission.

Authority: T.C.A. §§ 49-1-302, 49-13-106, 49-13-107, 49-13-108, and 49-13-126. **Administrative History:** Original rules filed March 31, 2003; effective July 29, 2003. Amendments filed January 11, 2019; effective April 11, 2019. Amendments filed September 29, 2020; effective December 28, 2020. Amendments filed November 30, 2020; effective February 28, 2021. Amendments filed August 19, 2022; effective November 17, 2022.

0520-14-01-.02 REPEALED.

Authority: T.C.A. §§ 49-1-302, 49-13-105, 49-13-106, 49-13-107, 49-13-108, 49-13-121, 49-13-122, and 49-13-126; Public Chapter 850 (2014); and Public Chapter 219 (2019). **Administrative History:** Original rules filed March 31, 2003; effective July 29, 2003. Amendment filed December 28, 2005; effective April 28, 2006. Amendment filed January 12, 2015; effective April 12, 2015. Amendments filed February 3, 2020; effective May 3, 2020. Repeal filed May 27, 2021; effective August 25, 2021.

0520-14-01-.03 ALLOCATION OF STATE AND LOCAL FUNDS.

- (1) Until the 2023-24 school year, public charter school funding shall be governed by the following:
 - (a) A local board of education shall allocate to each public charter school an amount equal to the per student state and local funds received by the LEA and all appropriate allocations under federal laws or regulations.
 - (b) Student enrollments used in per pupil calculations shall be based on current year average daily membership (ADM) for the LEA in which the school resides (inclusive of all public charter school enrollment). The public charter school's allocation shall be calculated by multiplying the per pupil amount by the public charter school's current year ADM.
 - (c) Allocations to public charter schools shall be based on one hundred percent (100%) of state and local funds received by the authorizer, including any current year growth funds received by the authorizer and the required local match for the state funds generated under the Basic Education Program (BEP) for capital outlay (excluding the proceeds of debt obligations and associated debt service).
 - (d) The Department of Education shall calculate and report the amount of state funding required under the BEP for capital outlay that each public charter school should receive in a fiscal year. The LEA in which a public charter school resides shall include in the per pupil funding amount required under paragraph (1)(a) and state law, all state and local funds generated under the BEP for capital outlay that are due to public charter schools operating in the LEA.
 - (e) Allocations to a public charter school shall not be reduced by the authorizer for any category of cost(s) except for the annual authorizer fee. If the charter agreement includes a provision whereby the authorizer will provide for employee benefits or retirement, then the authorizer may withhold funds to cover the costs of those services. Any services the public charter school chooses to purchase from the authorizer may also exist in a separate services contract between the public charter school and the authorizer. However, approval of a separate services contract shall not be a condition of approval of the charter agreement. If a services contract is executed with the authorizer, then the authorizer may withhold funds to cover the costs of those services.
 - (f) Each authorizer shall include as part of its budget submitted pursuant to T.C.A. § 49-2-203, the per pupil amount of local money it will pass through to public charter schools during the upcoming school year. Allocations to the public charter schools during that year shall be based on that figure. The authorizer shall distribute the portion of local funds it expects to receive in no fewer than nine (9) equal installments to public charter schools in the same manner as state funds are distributed. The initial per pupil amount of funding shall be calculated using the number of BEP funded ADMs for the first payments. An authorizer shall adjust payments to its public charter schools, at a minimum, in October, February and June, based on changes in revenue, student enrollment, or student services. Beginning with the first such adjustment, and continuing for the remainder of the school year, the authorizer shall use current year enrollment to calculate the adjusted per pupil amount.
 - (g) New public charter schools or public charter schools adding a new grade shall be funded based on anticipated enrollment in the charter agreement. Those figures shall be subsequently adjusted to reflect the actual number of students enrolled.

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- (h) Pursuant to T.C.A. § 49-13-124, the authorizer may endorse the submission of the qualified zone academy bond application to the local taxing authority. The authorizer may endorse such a bond application submitted by the public charter school governing body, or the authorizer may include the public charter school's project as part of the authorizer's bond application.
 - (i) If public charter schools provide school nutrition programs, they may provide their own programs in compliance with United States Department of Agriculture regulations and State law or they may contract with the authorizer for the provision of school nutrition programs.
 - (j) Public charter schools that provide transportation in accordance with the provisions of T.C.A. §§ 49-6-2101, et seq., other than through an agreement with the charter authorizer, shall receive the State and local funds generated through the BEP for such transportation.
- (2) Beginning in the 2023-24 school year and thereafter, public charter school funding shall be governed by the following:
 - (a) For the purpose of implementing this rule in calculating, allocating, and disbursing public charter school funding pursuant to T.C.A. § 49-13-112(a),
 1. The Department of Education ("Department") shall be responsible for calculating required funding and reporting the calculations to both authorizers and public charter schools.
 2. The local board of education shall be responsible for allocating the required funding to public charter schools in the local budget. Each authorizer shall include, as part of its budget submitted pursuant to T.C.A. § 49-2-203, the per student amount of local funds it will pass through to public charter schools during the upcoming school year. Allocations to the public charter schools during the budgeted school year shall be based on that figure until such time as updated interim and final allocations are run pursuant to paragraph (2)(e) below. The authorizer shall distribute funding in no fewer than nine (9) equal installments to public charter schools in the same manner as state funds are distributed.
 3. The LEA's fiscal agent shall be responsible for disbursement of required funding to public charter schools.
 4. The LEA shall be responsible for the timely and accurate submission of data and other reporting requirements to the Department.
 5. The public charter school shall be responsible for the timely and accurate submission of data and other reporting requirements to the authorizer.
 6. The authorizer and public charter school shall be responsible for collaborating to resolve any data or reporting discrepancies prior to Department reporting deadlines.
 - (b) Allocations are based on one hundred percent (100%) of state and local funds received by the LEA, including current funds allocated for capital outlay purposes and funds generated under the fast-growth stipends detailed in T.C.A. § 49-3-107, excluding the proceeds of debt obligations and associated debt services.
 - (c) A local board of education shall allocate to each public charter school an amount equal to the state and local funds as calculated in paragraphs (2)(d) and (2)(e) below for each

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student member enrolled in a public charter school and all appropriate allocations under federal laws or regulations, including, but not limited to, IDEA and ESEA funds.

1. Pursuant to T.C.A. § 49-13-112(a), federal funds received by the LEA must be disbursed to public charter schools authorized by the LEA by either joint agreement on shared services by individual public charter schools or sub-grants to public charter schools for the charter's equitable share of the federal grant based on eligible students. The allocation must be made in accordance with the policies and procedures developed by the Department.

(d) Initial Allocations.

1. The initial allocation shall be set forth in the local board of education's budget for the upcoming school year and represent the state and local funds to be allocated to each public charter school based on prior year ADM and student counts (as required by TISA) before such time as current year data and revenues are available.
2. Pursuant to T.C.A. § 49-13-112(a)(1)(A), the initial allocation from the local board of education to a public charter school shall be based on the total of the state and local student-generated funds for member students in a public charter school during the prior school year for the base funding amount, weighted allocation, and direct funding allocations in accordance with the Tennessee Investment in Student Achievement Act (TISA), and any rules promulgated by the Department pursuant to the TISA, including Chapter 0520-12-05.
3. Pursuant to T.C.A. § 49-13-112(a)(1)(B), if the local funds received by the LEA are greater than the local contribution required by TISA as set forth in T.C.A. § 49-3-109, the local board of education shall also allocate the average per pupil local funds received by the LEA in the budgeted school year above those required by the TISA for each member student in the public charter school in the prior year. The initial average per pupil local funding amount shall be determined by dividing the budgeted additional local funds by the LEA's prior year ADM (inclusive of all member students of public charter schools geographically located within the LEA).

(e) Interim Funding Adjustments and Final Allocations.

1. After the initial allocation is made as set forth in paragraph (2)(d), an authorizer shall adjust payments to its public charter schools on an interim basis during the school year, at a minimum, in October, February and June, with final allocations occurring with the completion of the authorizer's final expenditure reports. Pursuant to T.C.A. § 49-13-112(a)(1) and § 49-13-112(a)(3), these adjustments shall update allocations to reflect current year data, including changes in revenue, student enrollment, or student services.
2. To calculate interim and final allocations, the Department shall calculate current year ADM on the timeline in paragraph (2)(e)(1) above for all LEAs with public charter schools geographically located within the LEA's boundaries. The Department shall publish or otherwise make available to each authorizer and each public charter school the outputs and, if requested, the underlying data from each instance in which the Department runs the ADM calculations for purposes of calculating initial, interim, and final allocations. Authorizers may opt to run the adjustments more frequently in alignment with respective charter agreements.
3. Interim and final allocations to each public charter school shall include:

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- (i) Pursuant to T.C.A. § 49-13-112(a)(1)(A), the interim and final allocations from the local board of education to a public charter school shall be based on the total of the state and local student-generated funds for member students in a public charter school during the prior school year for the base funding amount, weighted allocation, and direct funding allocations in accordance with the TISA, and any rules promulgated by the Department pursuant to the TISA, including Chapter 0520-12-05.
 - (ii) Pursuant to T.C.A. § 49-13-112(a)(1)(B), if the local funds received by the LEA are greater than the local contribution required by TISA as set forth in T.C.A. § 49-3-109, the local board of education shall also allocate the average per pupil local funds received by the LEA in the budgeted school year above those required by the TISA for each member student in the public charter school in the prior year. The interim and final average per pupil local funding amount shall be determined by dividing the additional local funds by the LEA's current year ADM (inclusive of all member students of public charter schools geographically located within the LEA).
 - (iii) Pursuant to T.C.A. § 49-13-112(a)(1)(C) and § 49-13-112(a)(3), a local board of education shall allocate to the public charter school an amount equal to the per student state and local funds received by the LEA for member students in the public charter school in the current school year beyond the prior year's membership. For each required interim and final allocation adjustment, the Department shall calculate the ADMs for each public charter school and the difference from the prior year ADM as used in the base funding calculation in the TISA formula. For any difference in overall ADM counts, the local board of education shall adjust the public charter school's allocation by an amount equal to multiplying the average per student state and local funds received by the LEA in the current year by the difference in ADM for each public charter school, which may result in an increase or decrease to the overall allocation. In calculating the average per student state and local funds, the total funding will exclude grants awarded on behalf of specific schools and the charter direct funding component of the TISA.
- (f) Special Considerations.
1. New and Expanding Public Charter Schools: Notwithstanding paragraph (2)(d)(2), for the purpose of initial allocations, new public charter schools or public charter schools adding a new grade(s) shall be funded based on the anticipated enrollment in the charter agreement unless the authorizer and public charter school mutually agree on a projection of enrollment not to exceed any enrollment maximums or caps set forth in the charter agreement. The initial funding allocation for the new grade(s) shall be based on a per-student average of all state and local funds received by the LEA. Allocations shall be subsequently adjusted in accordance with paragraph (2)(e).
 2. Public Charter School Direct Funding: In accordance with T.C.A. § 49-3-105, the charter school direct funding amount each year is subject to an annual appropriation by the Tennessee General Assembly and is calculated by dividing the amount of the appropriation by the statewide public charter school ADM of the prior year. Pursuant to T.C.A. § 49-13-112(a)(1)(A), the authorizer shall distribute the charter school direct funding to each public charter school as generated by prior year ADM with their other TISA payments. This direct funding amount shall be fully state funded and not require additional local contribution

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funds. The public charter school direct funding amount is calculated the same as all other direct funding components of TISA as set forth in T.C.A. § 49-3-105.

3. Fast-Growth Stipends: Subject to annual appropriations by the Tennessee General Assembly and in accordance with T.C.A. § 49-3-107, if an LEA receives a fast-growth stipend or infrastructure stipend, then the LEA shall disburse to charter schools geographically located within that LEA a proportional share of funds received. The proportional share shall be equal to the percentage calculated by dividing a public charter school's TISA funding for base funding, weighted allocations, and direct allocations by the TISA funding for these same components of the LEA as a whole.
 4. Educator Salary Increases: Pursuant to T.C.A. § 49-3-105(e), if the Tennessee General Assembly restricts an amount of an annual increase to the TISA base funding amount for the purpose of providing salary increases to existing educators, then the Department shall determine the proportional share of funds received by each public charter school driven by the restricted funds and report that amount to each authorizer and to each public charter school. Public charter schools shall use these funds to provide salary increases to existing educators pursuant to T.C.A. § 49-3-105(e).
 5. Cost Differential Factor Grants: Subject to annual appropriations by the Tennessee General Assembly and in accordance with T.C.A. § 49-3-108(d), if an LEA receives a Cost Differential Factor (CDF) grant, then the LEA shall disburse to public charter schools geographically located within that LEA a proportional share of the CDF grant. The proportional share shall be equal to the percentage calculated by dividing a public charter school's TISA funding for base funding, weighted allocations, and direct allocations by the TISA funding for these same components of the LEA as a whole.
 6. Outcomes Funding: If a public charter school generates outcome bonus funding as a result of students enrolled in the public charter school in the prior year, then the public charter school shall receive the earned amount of outcome bonus funds from the authorizer when such funds are awarded by the Department. The Department shall report the amount of outcome bonus funds due to each public charter school to the authorizer and to each public charter school.
 7. Achievement School District (ASD) and Tennessee Public Charter School Commission (TPCSC): Pursuant to T.C.A. § 49-1-614 and T.C.A. § 49-13-112, the ASD and TPCSC shall receive funding in alignment with this rule for each public charter school within their respective LEAs from the LEAs in which each public charter school is geographically located.
- (g) Allocations to a public charter school shall not be reduced by the authorizer except for the annual authorizer fee. If the charter agreement includes a provision whereby the authorizer will provide for employee benefits or retirement, then the authorizer may withhold funds to cover the costs of those services. Any services the public charter school chooses to purchase from the authorizer may also exist in a separate services contract between the public charter school and the authorizer. However, approval of a separate services contract shall not be a condition of approval of the charter agreement. If a services contract is executed with the authorizer, then the authorizer may withhold funds to cover the costs of those services.
- (h) Pursuant to T.C.A. § 49-13-124, the authorizer may endorse the submission of the qualified zone academy bond application to the local taxing authority. The authorizer may endorse such a bond application submitted by the public charter school governing

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body, or the authorizer may include the public charter school's project as part of the authorizer's bond application.

- (i) If public charter schools provide school nutrition programs, they may provide their own programs in compliance with United States Department of Agriculture regulations and State law or they may contract with the authorizer for the provision of school nutrition programs.

Authority: T.C.A. §§ 49-1-302, 49-2-203, 49-6-2101, et seq., 49-13-112, 49-13-114, 49-13-124, and 49-13-126 and Public Chapter 966 of 2022. **Administrative History:** Original rule filed March 25, 2010; effective August 29, 2010. Repeal and new rule filed March 21, 2012; effective August 29, 2012. Amendments filed September 22, 2017; effective December 21, 2017. Amendments filed September 29, 2020; effective December 28, 2020. Amendments filed November 30, 2020; effective February 28, 2021. Amendments filed March 8, 2023; effective June 6, 2023.

0520-14-01-.04 ENROLLMENT.

- (1) Charter schools shall conduct an initial student application period of at least thirty (30) days. During this period, all eligible students may apply.
- (2) A charter school shall not exclude students from enrollment based on race, color, ethnicity, national origin, religion, income level, disability, proficiency in the English language, or academic ability.
- (3) A charter school may submit a charter school application that seeks to limit enrollment to a single sex, as long as such enrollment proposal is in compliance with federal law.
- (4) A charter school shall enroll an eligible student who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building.
- (5) Students that attended the charter school during the previous school year shall be given first enrollment preference and excluded from entering into a lottery. Students that attended the charter school during the previous school year shall not be required to re-apply. Students enrolling in a charter school from another charter school, even if both schools share a governing body, shall be subject to the preferences outlined in paragraph (9).
- (6) A charter school may give an enrollment preference to children of a teacher or member of the governing body of the charter school, not to exceed ten percent (10%) of total enrollment or twenty-five (25) students, whichever is less, in which case such students shall also be given first enrollment preference and excluded from entering into a lottery.
- (7) If, at the end of the initial student application period, the number of eligible students seeking to be enrolled does not exceed the school's capacity or the capacity of a program, class, grade level or building, then the enrollment of eligible students may proceed on a first come, first served basis.
- (8) If, at the end of the initial student application period, the number of eligible students seeking to be enrolled exceeds the school's capacity or the capacity of a program, class, grade level or building, then the enrollment of eligible students shall be determined on the basis of a lottery.
 - (a) Any such lottery shall be conducted within thirty (30) calendar days of the close of the initial student application period.
 - (b) A charter school shall provide to the Department of Education certification by an independent accounting firm or by a law firm that each lottery conducted for enrollment

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purposes complied with the requirements of T.C.A. § 49-13-113. Charter schools that choose to participate in the enrollment process of their authorizer may use certification from the authorizer to satisfy this requirement.

- (c) In lieu of an independent accounting firm or law firm, charter schools may request that the Department of Education review and approve the lottery process prior to the lottery.
- (9) A charter school shall give enrollment preferences in the following order:
- (a) Students enrolled in a pre-K program operated by the charter school sponsor;
 - (b) Students enrolled in a charter school that has an articulation agreement with the enrolling charter school; provided, that the articulation agreement has been approved by the authorizer;
 - (c) Siblings of students already enrolled in the charter school;
 - (d) Students residing within the geographic boundaries of the LEA in which the charter school is located who were enrolled in another public school during the previous school year; and
 - (e) Students residing outside the geographic boundaries of the LEA in which the charter school is located; if permitted through the authorizer's out-of-district enrollment policy.
- (10) If enrollment within a group of preference set out in paragraph (9) exceeds the planned capacity of the school, enrollment within that group shall be determined on the basis of a lottery.
- (11) A non-charter public school converting partially or entirely to a charter school under T.C.A. § 49-13-106 shall give enrollment preference to students who reside within the former school zone of the converted public school. Parents whose children are enrolled in the existing public school to be converted shall have the option to enroll their children in another public school operated by the LEA without penalty. The enrollment preference for students who reside within the former school zone of the converted public school excludes those students from entering into a lottery.
- (12) Students living in other school zones may enroll in a conversion charter school after those living in the school zone have the opportunity to enroll, but only if there is program, class, grade level, and building capacity to serve the out-of-zone students. If applications by out-of-zone students exceed the charter school's capacity, then enrollment of out-of-zone students shall be determined on the basis of a lottery. Out-of-zone students who attended the school the previous school year and such students' siblings may be given preference in enrollment.
- (13) A charter school may refuse to admit any student who is expelled from another public school or district or who is in the process of being expelled from another public school or district.

Authority: T.C.A. §§ 49-13-113 and 49-13-126. **Administrative History:** Original rule filed March 25, 2010; effective August 29, 2010. Repeal and new rule filed March 21, 2012; effective August 29, 2012. Amendments filed January 10, 2018; effective April 10, 2018. Amendments filed August 29, 2018; effective November 27, 2018. Amendments filed September 29, 2020; effective December 28, 2020. Amendments filed November 30, 2020; effective February 28, 2021.

0520-14-01-.05 ANNUAL AUTHORIZER FEE.

- (1) For purposes of this rule, any authorizer as defined in T.C.A. § 49-13-104 is also referred to as the Local Education Agency (LEA) for its authorized charter schools.

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- (2) Requirements applicable to local boards of education that serve as an authorizer of a charter school(s):
 - (a) Pursuant to T.C.A. § 49-13-128, if a local board of education is the authorizer of a charter school, then the local board of education shall receive an annual authorizer fee that is a percentage of the charter school's per student state and local funding as allocated under T.C.A. § 49-13-112. The annual authorizer fee shall be the lesser of three percent (3%) of the annual per-student state and local allocations or \$35,000 per school.
 - (b) The local board of education shall use the annual authorizer fee exclusively for fulfilling the following authorizing obligations:
 - 1. Charter school application approval process, including:
 - (i) Implementation of State Board approved quality authorizing standards; and
 - (ii) Stipends or travel for external reviewers.
 - 2. Interim review process required by T.C.A. § 49-13-121(k), including review of the progress of the school in achieving the goals, objectives, pupil performance standards, content standards, and other terms of the approved charter agreement.
 - 3. Charter school renewal process required by T.C.A. § 49-13-121, including:
 - (i) Review of the renewal application;
 - (ii) Stipends or travel for external reviewers; and
 - (iii) Development of the renewal evaluation required to be submitted to each charter school.
 - 4. Monitoring and oversight activities, including:
 - (i) Development of a performance framework;
 - (ii) Annual monitoring visits;
 - (iii) Data meetings;
 - (iv) Any software or data management tools required by the LEA exclusively for charter schools;
 - (v) Monitoring of all legal requirements; and
 - (vi) School closure responsibilities outlined in T.C.A. § 49-13-130.
 - 5. Personnel costs for LEA staff supporting charter schools, including:
 - (i) Salaries and benefits for full-time or part-time personnel with exclusive charter school responsibilities;
 - (ii) Salaries for LEA personnel who spend a portion of their time on direct charter school responsibilities. Any funds spent on salaries must be pro-

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rated to reflect the amount of time spent only on charter support work. Salaries for LEA personnel may only be paid for with authorizer fee funds if the activities and duties of the LEA personnel are beyond the scope and capacity of the LEA charter school office or personnel;

- (iii) External consultants or other consultancy or legal fees to support LEA charter authorizing obligations; and
 - (iv) Reasonable costs associated with recruiting or hiring charter support or authorizing staff.
 - 6. Operational expenses for LEA staff supporting charter schools.
 - 7. Annual reporting, including:
 - (i) Review of annual charter school performance reports required under T.C.A. § 49-13-120;
 - (ii) Creation of the authorizer fee report required by T.C.A. § 49-13-128(f);
 - (iii) Reporting of vacant and underutilized properties owned or operated by the LEA pursuant to T.C.A. § 49-13-136; and
 - (iv) Reporting of student directory information required by T.C.A. § 49-13-132.
 - 8. Ongoing charter school support services, including:
 - (i) Interventions or authorizer-led supports;
 - (ii) Maintenance of facilities or other capital outlay obligations that are not otherwise outlined in a lease agreement between the authorizer and charter school;
 - (iii) Professional development, orientation, or onboarding of charter school employees or LEA staff supporting charter schools; and
 - (iv) Contract services for specialized or targeted charter school supports.
 - (c) The local board of education shall annually provide a projected charter school office budget for the upcoming school year to the Department of Education by August 1. The Department of Education shall annually post each projected budget to its website by August 15.
- (3) Requirements applicable only to state-level authorizers:
- (a) In accordance with T.C.A. § 49-13-128:
 - 1. If the achievement school district (ASD) authorizes a public charter school, then the ASD shall receive an annual authorizer fee of up to three percent (3%) of the public charter school's per pupil state and local funding as allocated under § 49-13-112(a). By May 1 of each year, the Commissioner shall set the percentage of a public charter school's per pupil state and local funding that the ASD shall receive as the annual authorizer fee for the next school year.
 - (i) The ASD shall use the annual authorizer fee exclusively for fulfilling authorizing obligations set forth in paragraph (2)(b) of this rule.

(Rule 0520-14-01-.05, continued)

2. If the Tennessee public charter school commission (Commission) authorizes a public charter school, then the Commission shall receive an annual authorizer fee of up to three percent (3%) of the public charter school's per pupil state and local funding as allocated under § 49-13-112(a). By May 1 of each year, the Commission or the Commission's designee shall set the percentage of a public charter school's per student state and local funding that the Commission shall receive as the annual authorizer fee for the next school year.
 - (i) The Commission shall use the annual authorizer fee for fulfilling authorizing obligations set forth in paragraph (2)(b) of this rule. Additionally, the Commission may use the annual authorizer fee to fulfill obligations consistent with the authority of the Commission as set forth in Tennessee Code Annotated Title 49, Chapter 13.
- (4) Requirements applicable to all authorizers:
- (a) The authorizer fee shall be paid by a charter school to its authorizing LEA in accordance with the payment process issued by the Department of Education.
 - (b) The annual authorizer fee collected by an LEA shall be recorded in the general ledger using the appropriate revenue code as determined by the Tennessee Comptroller and shall be subject to all audit and reporting requirements.
 - (c) By December 1 of each year, each LEA that collects an annual authorizer fee shall report to the Department of Education the total amount of authorizer fees collected in the previous school year and the authorizing obligations fulfilled using the fee. Reports shall be submitted on a reporting form developed by the Department of Education.
 - (d) Each authorizer fee report shall be posted on the Department of Education's website and provided to the State Board of Education.
 - (e) If, for any school year, the total amount of authorizer fees collected by the LEA exceeds the amount used by the LEA to perform its authorizing obligations and responsibilities, the LEA shall distribute the amount remaining to its authorized public charter schools.
 - (f) Any excess funds collected by an LEA shall be distributed to its authorized charter schools in the school year immediately following the school year in which the excess fees were collected by the LEA and in accordance with the process established by the Department of Education.
 - (g) If the Department of Education determines funds were used by the LEA for activities other than the authorizing obligations outlined in this rule, the Department of Education shall withhold an amount equal to the misallocated funds in the following school year from the LEA and shall distribute the misallocated funds directly to the LEA's charter schools.
 - (h) If an LEA does not receive timely payment from an authorized charter school in accordance with this rule, the LEA shall be entitled to any past due amount from the authorized charter school in accordance with the payment process issued by the Department of Education.
 - (i) Each charter school shall receive a proportionate share of any excess or misallocated funds collected by the LEA based on the actual amount of authorizer fee funds paid to the LEA by each charter school.

(Rule 0520-14-01-.05, continued)

Authority: T.C.A. §§ 49-1-302, 49-13-112, 49-13-126, and 49-13-128. **Administrative History:** Original rule filed January 11, 2019; effective April 11, 2019. Amendments filed May 27, 2021; effective August 25, 2021.

0520-14-01-.06 REPEALED.

Authority: T.C.A. § 49-13-110(b) and Public Chapter 219 (2019). **Administrative History:** Emergency rule filed June 27, 2019; effective through December 24, 2019. Emergency rule expired effective December 25, 2019. Original rule filed January 31, 2020; effective April 30, 2020. Amendments filed April 13, 2021; effective July 12, 2021. Repeal filed December 2, 2021; effective March 2, 2022.

0520-14-01-.07 GOVERNING BODY TRAINING APPROVAL.

(1) Approval of Training Courses.

- (a) Charter school governing body training courses ("Training Courses") shall be approved by the State Board of Education ("State Board").
- (b) Training Course hours will be recognized only for Training Courses approved by the State Board in accordance with this rule.
- (c) Prospective course providers shall submit an application for Training Course approval to the School Board Training Advisory Committee ("Advisory Committee") created in State Board Rule 0520-01-02-.11, by February 15 prior to the fiscal year in which the Training Course will be offered. The application for Training Course approval shall include, but is not limited to, the following information:
 - 1. Name of the individual(s) or entity wishing to provide training;
 - 2. Experience of the individual(s) or entity in providing governing body training;
 - 3. Instructor qualifications;
 - 4. Title, proposed agenda, and length of Training Courses;
 - 5. Intended audience for the courses (New and/or Experienced Governing Body Members);
 - 6. Description of content to be delivered and learning objectives;
 - 7. Description of instructional strategies, activities, and presentation materials;
 - 8. Method of delivery of Training Course content (webinar, in-person, etc.);
 - 9. Fees, if any, to be charged;
 - 10. Methods used to evaluate the achievement of stated learning objectives and provider effectiveness; and
 - 11. If a charter school or charter management organization ("CMO") proposes Training Courses for approval, the proposal shall state whether the Training Courses are restricted to members of the charter school or CMO's governing body or if the Training Courses will be open to any governing body member who wishes to participate.

(Rule 0520-14-01-.07, continued)

- (d) Training Course applications shall be evaluated following the same process outlined in State Board Rule 0520-01-02-.11 paragraphs (1)(e) and (1)(f)1. Training Courses that meet the requirements of this Rule and are recommended by the Advisory Committee for approval shall be submitted by the Advisory Committee to the State Board for approval. When submitting recommended Training Courses for approval to the State Board, the Advisory Committee shall include a summary of the reasons for the approval recommendation.
 - 1. Training Courses recommended by the Advisory Committee and approved by the State Board shall be included in State Board Policy 6.112.
 - 2. Training Course approvals are valid for three (3) years, unless the provider or the State Board indicates the Training Course is proposed or approved for a shorter period of time. Training Courses may be submitted for renewal at the end of the approval period.
 - 3. Approved Training Course providers shall notify State Board staff if any changes to information outlined in paragraph (c) are made to approved Training Courses during the approval period. The State Board staff shall determine if re-approval is required as a result of the changes.
- (2) Training Course Requirements.
 - (a) Training Course requirements for new governing body members with less than one (1) year of continuous service as part of the current governing body and members of newly approved charter school governing bodies ("New Board Members").
 - 1. Training Course Hour Requirements. New Board Members shall, at a minimum, complete six (6) hours of training within twelve (12) months of joining the governing body.
 - (i) Governing body members with a break in service of more than one (1) year within the same governing body or new members of a governing body shall be considered New Board Members for training purposes.
 - 2. Training Course Content Requirements. New Board Members shall, at a minimum, receive training on the following topics:
 - (i) Overview of responsibilities of non-profit governance, including but not limited to financial oversight and evaluation of school leadership.
 - (ii) State laws and rules governing charter school operations, including but not limited to student discipline and student discipline due process requirements, and requirements to comply with federal laws including, but not limited to the Individuals with Disabilities Education Act ("IDEA"), the Federal Educational Rights and Privacy Act ("FERPA"), and Section 504 of the Rehabilitation Act of 1973.
 - (iii) Tennessee open meetings and open records requirements.
 - (iv) Conflict of interest and ethics.
 - (v) Education's governance structure, including an overview of the roles and responsibilities of the State Board of Education, Department of Education, and the Public Charter School Commission.

(Rule 0520-14-01-.07, continued)

3. New Board Members may establish compliance through the completion of one (1) six (6) hour Training Course, or through the completion of multiple Training Courses combined to reach the six (6) hour minimum.
 4. New Board Members shall complete all required Training Course hours within twelve (12) months of joining the governing body.
- (b) Training Course requirements for experienced governing body members with one (1) or more years of continuous governing body service as part of a specific school's governing body ("Experienced Board Members"):
1. Training Course Hour Requirements. Experienced Board Members shall, at a minimum, complete four (4) hours of training each year.
 2. Training Course Content. Experienced Board Members may select any Training Course(s) approved by the State Board.
 3. Experienced Board Members may establish compliance through the completion of one (1) four (4) hour Training Course, or through the completion of multiple Training Courses combined to reach the four (4) hour minimum.
 4. Experienced Board Members shall complete all required Training Course hours by June 30 annually.
- (c) If a governing body member is unable to complete all required training hours due to an unanticipated hardship, the Charter School may request a waiver from the authorizer or Commissioner of Education to reduce or waive the annual training requirement for that governing body member, pursuant to T.C.A. § 49-13-111. If a New Board Member is granted a waiver of required Training Course hours for a particular year, any Training Courses not completed by the New Board Member shall be made up in the following year. Waivers shall only be valid for one (1) year.
- (d) Charter school authorizers shall monitor charter governing body compliance with these rules. Approved Training Course providers shall annually provide a list to authorizers of all governing body members who have completed approved Training Courses during the fiscal year by August 1. Governing body members shall provide documentation of the completion of required Training Courses to the authorizer, if requested.

Authority: T.C.A. §§ 49-13-111 and 49-13-126. **Administrative History:** Original rule filed March 26, 2020; effective June 24, 2020. Amendments filed December 2, 2021; effective March 2, 2022. Amendments filed September 20, 2023; effective December 19, 2023.

0520-14-01-.08 AUTHORIZER EVALUATION.

- (1) Evaluation Process.
 - (a) Pursuant to T.C.A. § 49-13-145, the State Board shall conduct periodic authorizer evaluations of all authorizers that oversee at least one (1) charter school. New authorizers that have authorized a charter school that has not yet opened shall be considered authorizers for purposes of participating in the evaluation and shall receive their first evaluation when at least one (1) of the authorizer's charter schools begins its second year of operation.
 - (b) Authorizers shall be evaluated by the State Board at least every other year. However, an authorizer that achieves an Exemplary rating for two (2) consecutive evaluations may be exempted from undergoing an evaluation during the authorizer's next

(Rule 0520-14-01-.08, continued)

evaluation year. Authorizers that achieve an Unsatisfactory/Incomplete rating during an evaluation shall be required to participate in another authorizer evaluation in the year immediately following the rating of Unsatisfactory/Incomplete.

- (c) State Board staff shall assemble an authorizer evaluation team (the "Evaluation Team") comprised of evaluators with experience in charter school authorization and/or authorizer evaluation.
- (d) The State Board shall develop and approve an authorizer evaluation rubric (the "Rubric") to evaluate authorizer compliance with the requirements of state law, the rules and regulations of the State Board, and to ensure alignment with the State Board Quality Charter School Authorizing Standards Policy 6.111. The Rubric shall be an attachment to State Board Policy 6.113 Charter School Authorizer Evaluations. The Rubric shall, at a minimum, require the Evaluation Team to:
 - 1. Assign authorizers a score on a scale of zero (0) to four (4), or not applicable, indicating the degree to which an authorizer has met each standard on the Rubric; and
 - 2. Assign authorizers an overall rating in compliance with thresholds defined in State Board Policy 6.113 Charter School Authorizer Evaluations.
- (e) The evaluation year is the school year during which an authorizer undergoes an authorizer evaluation by the State Board (the "Evaluation Year"). The Evaluation Year shall, at a minimum, consist of the following:
 - 1. Submission of documentation by the authorizer to the State Board;
 - 2. Evaluation Team review of submitted documentation;
 - 3. Evaluation Team review of authorizer appeal history, if applicable;
 - 4. Evaluation Team interview with school leaders from the authorizer's charter schools;
 - 5. Evaluation Team meeting with the authorizer to receive additional context about the submitted documentation;
 - 6. An Evaluation Team member meeting with the authorizer to review preliminary evaluation ratings;
 - 7. Draft authorizer evaluation report shared with the authorizer. The authorizer shall have an opportunity to provide any factual corrections to the report prior to the report being finalized;
 - 8. Final authorizer evaluation report (the "Evaluation Report"), including scores for each standard of the Rubric, an overall evaluation rating, and any required follow-up actions shared with the authorizer. The Evaluation Report shall be presented to the State Board for approval at the next quarterly or special called meeting following release of the Evaluation Report to the authorizer;
 - 9. Upon approval of the Evaluation Report, State Board staff shall send written notification of approval to the authorizer. If an authorizer receives a rating of Approaching Satisfactory or Unsatisfactory/Incomplete, the authorizer shall acknowledge receipt of the Evaluation Report to the State Board no later than ten (10) business days after the written notification is sent to the authorizer and

(Rule 0520-14-01-.08, continued)

shall comply with any required follow-up actions including, but not limited to, development of a corrective action plan; and

10. Posting the Evaluation Report on the State Board's website.

(f) The non-evaluation year is the school year during which an authorizer does not undergo an authorizer evaluation by the State Board (the "Non-Evaluation Year"). The Non-Evaluation Year shall, at a minimum, consist of the following:

1. Authorizer completion of a self-assessment that shall be submitted to the State Board in addition to the annual authorizer report required by T.C.A. § 49-13-128. The self-assessment shall include, if applicable, information and evidence demonstrating completion of a corrective action plan required by the State Board as a result of the authorizer's most recent Evaluation Report; and

2. If the authorizer's corrective action plan requires interim reports, the authorizer shall provide information and evidence demonstrating completion of any corrective action plan tasks by the deadline required by the corrective action plan.

(g) Authorizer progress toward completion of a corrective action plan shall be reported by State Board staff to the State Board at least annually.

(2) Authorizer Ratings and Follow-up Actions.

(a) The Evaluation Report shall assign an overall rating to each authorizer as further defined in State Board Policy 6.113 Charter School Authorizer Evaluations. Rating categories and corresponding follow-up actions are as follows:

1. Exemplary.

(i) An Exemplary rating includes, but is not limited to, the following:

(I) Public recognition and highlighting authorizer best practices by the State Board;

(II) Exemption from an upcoming evaluation if the authorizer has achieved an Exemplary rating for two (2) consecutive Evaluation Years; and

(III) Submission of a self-assessment during the Non-Evaluation Year.

(ii) An authorizer shall not be rated as Exemplary if the authorizer receives a zero (0) or one (1) rating for any Rubric standard.

2. Commendable.

(i) A Commendable rating includes, but is not limited to, the following:

(I) Public recognition and highlighting authorizer best practices by the State Board; and,

(II) Submission of a self-assessment during the Non-Evaluation Year.

3. Satisfactory.

(Rule 0520-14-01-.08, continued)

(i) A Satisfactory rating includes, but is not limited to, the following:

(I) Submission of a self-assessment during the Non-Evaluation Year.

4. Approaching Satisfactory.

(i) An Approaching Satisfactory rating includes, but is not limited to, the following:

(I) Submission of a corrective action plan, which shall include any specific follow-up actions identified in the Evaluation Report. The corrective action plan shall be approved by the Executive Director of the State Board or his/her designee prior to implementation;

(II) Submission of a self-assessment during the Non-Evaluation Year; and

(III) Submission of documentation demonstrating completion of requirements by the deadlines set forth in the approved corrective action plan. Failure to complete the requirements outlined in the corrective action plan and/or receiving a rating of Approaching Satisfactory or Unsatisfactory/Incomplete in the next authorizer evaluation may result in the reduction of the authorizer's authorizer fee in an amount and length of time determined by the State Board in compliance with paragraph three (3) of this rule.

5. Unsatisfactory/Incomplete.

(i) An Unsatisfactory/Incomplete rating includes, but is not limited to, the following:

(I) Requirement to participate in another authorizer evaluation the school year immediately following a rating of Unsatisfactory/Incomplete;

(II) Submission of a corrective action plan, which shall include any specific follow-up actions identified in the Evaluation Report. The corrective action plan shall be approved by the Executive Director of the State Board or his/her designee prior to implementation; and

(III) Submission of documentation demonstrating completion of requirements by the deadlines set forth in the approved corrective action plan. Failure to complete the requirements outlined in the corrective action plan and/or receiving a rating of Unsatisfactory/Incomplete in the authorizer's next evaluation may result in the reduction of the authorizer's authorizer fee in an amount and length of time determined by the State Board in compliance with paragraph three (3) of this rule.

(3) Authorizer Fee Reduction.

(a) The State Board may reduce the authorizer fee of an authorizer that receives:

1. An Approaching Satisfactory rating during the Evaluation Year and fails to complete the requirements outlined in the authorizer's corrective action plan;

(Rule 0520-14-01-.08, continued)

2. An Unsatisfactory/Incomplete rating during the Evaluation Year and fails to complete the requirements outlined in the authorizer's corrective action plan; or
 3. An Unsatisfactory/Incomplete or Approaching Satisfactory rating during two (2) consecutive Evaluation Years.
- (b) The State Board shall not reduce an authorizer's authorizer fee by more than fifty percent (50%) in any school year.
- (c) If the Executive Director determines that an authorizer fee reduction should be recommended to the State Board, the Executive Director of the State Board shall make a recommendation to the State Board regarding the reduction of an authorizer's authorizer fee and the length of time; however, the State Board is not bound by that recommendation. Absent an Executive Director's recommendation, the State Board may still consider reduction of an authorizer's authorizer fee if the authorizer meets any of the requirements of paragraph (3)(a) of this rule. The amount of any reduction of an authorizer's authorizer fee and the length of time of any reduction shall be determined and approved by the State Board on a case-by-case basis. In making its determination, the State Board shall consider, but is not limited to, the following:
1. An authorizer's failure to remedy any noncompliance identified in the authorizer's Evaluation Reports and corresponding corrective action plans, if applicable; and
 2. Ratings received by the authorizer in prior Evaluation Reports, if applicable.
- (d) If the State Board approves the reduction of an authorizer's authorizer fee by a certain percentage, the Department of Education shall determine the exact amount of the reduction based on the total authorizer fee received by the authorizer in the Evaluation Year or the first year that the authorizer receives an authorizer fee, if no fee has been collected by the authorizer during the Evaluation Year.
- (e) Any reduction shall be equally prorated among all of the authorizer's open and operating charter schools.

Authority: T.C.A. §§ 49-13-120, 49-13-126, and 49-13-145. **Administrative History:** New rule filed April 13, 2021; effective July 12, 2021. Amendments filed August 28, 2023; effective November 26, 2023.