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Sequence Number: 04-29-18
Notice ID(s): 2825
File Date: 4/26/18

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee State Board of Education
Division:	
Contact Person:	Elizabeth Taylor
Address:	Andrew Johnson Tower, 1 st Floor 710 James Robertson Pkwy Nashville, TN 37243
Phone:	615-253-5707
Email:	Elizabeth.Taylor@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Elizabeth Taylor
Address:	Andrew Johnson Tower, 1 st Floor 710 James Robertson Pkwy Nashville, TN 37243
Phone:	615-253-5707
Email:	Elizabeth.Taylor@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	Multipurpose Room
Address 2:	Andrew Johnson Tower, 1st Floor 710 James Robertson Pkwy
City:	Nashville, TN
Zip:	37243
Hearing Date :	06/26/2018
Hearing Time:	9:30 a.m. <input checked="" type="checkbox"/> CST/CDT <input type="checkbox"/> EST/EDT

Additional Hearing Information:

Please bring a government-issued photo identification for entry into the building.
Those interested in commenting at the hearing may sign up the day of the hearing.
If you are unable to attend in person, but wish to comment, please submit your written comment to:

Elizabeth Taylor
Andrew Johnson Tower
1st Floor
710 James Robertson Pkwy
Nashville, TN 37243
Elizabeth.Taylor@tn.gov

Written feedback will be accepted until 4:30 p.m. CST/CDT on June 22, 2018.

Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0520-14-01	Charter Schools
Rule Number	Rule Title
0520-14-01-.05	Annual Authorizer Fee

**RULES
OF
THE STATE BOARD OF EDUCATION
CHAPTER 0520-14-01 CHARTER SCHOOLS**

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0520-14-01-.05 Annual Authorizer Fee

- (1) Pursuant to T.C.A. § 49-13-128, local boards of education that serve as the chartering authority of a charter school 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.
- (2) 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.
- (3) The authorizer fee shall be withheld by the local education agency (LEA) from the equal installments of state and local funding provided to charter schools in accordance with T.C.A. § 49-13-112.
- (4) 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.
- (5) The LEA shall use the annual authorizer fee exclusively for fulfilling the following authorizing obligations:
 - (a) Charter school application approval process, including:
 1. Implementation of State Board approved quality authorizing standards; and
 2. Stipends or travel for external reviewers.
 - (b) Interim review process required by T.C.A. § 49-13-121(d), 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.
 - (c) Charter school renewal process required by T.C.A. § 49-13-121, including:
 1. Review of the renewal application;
 2. Stipends or travel for external reviewers; and
 3. Development of the renewal evaluation required to be submitted to each charter school.
 - (d) Monitoring and oversight activities, including:
 1. Development of a performance framework;
 2. Annual monitoring visits;
 3. Data meetings;
 4. Any software or data management tools required by the LEA exclusively for charter schools;
 5. Monitoring of all legal requirements; and
 6. School closure responsibilities outlined in T.C.A. § 49-13-130.
 - (e) Personnel costs for LEA staff supporting charter schools, including:
 1. Salaries and benefits for full-time or part-time charter school office personnel with exclusive charter school responsibilities;
 2. Salaries for LEA personnel who spend a portion of their time on direct charter school responsibilities. Any funds spent on salaries must be pro-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;

2. External consultants or other consultancy fees associated with providing specialized support services; or
3. Reasonable costs associated with recruiting or hiring charter support or authorizing staff.

(f) Annual reporting, including:

1. Review of annual charter school performance reports required under T.C.A § 49-13-120;
2. Authorizer fee report required by T.C.A § 49-13-128(c); and
3. Reporting of vacant and underutilized properties owned or operated by the LEA pursuant to T.C.A § 49-13-136.

(g) Charter school support services, including:

1. Interventions or authorizer-led supports;
2. Maintenance of facilities or other capital outlay obligations;
3. Professional development, orientation, or onboarding of charter school employees; or
4. Contract services for specialized or targeted charter supports.

- (6) 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.
- (7) Each authorizer fee report shall be posted on the Department's website.
- (8) 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.
- (9) Any excess funds collected by an LEA shall be distributed to its authorized public charter schools in the fiscal year immediately following the fiscal year in which the excess fees were collected by the LEA.
- (10) If the Department of Education determines funds were used by the LEA for activities other than the authorizing obligations outlined in this Rule, the LEA shall distribute the misallocated funds in the following fiscal year to its authorized public charter schools.
- (11) Each charter school shall receive a proportionate share of any excess or misallocated funds collected by the LEA.
- (12) Any excess or misallocated funds collected by a chartering authority shall be refunded following the process established by the Department.

Authority: T.C.A. §§ 49-1-302, 49-13-106, 49-13-107, 49-13-108, and 49-13-126. **Administrative History:**

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.



Date: April 24, 2018

Signature: _____

Name of Officer: Elizabeth Taylor

Title of Officer: General Counsel

Subscribed and sworn to before me on: _____

Notary Public Signature: _____

My commission expires on: _____

4-24-18
[Signature]
3-8-21

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Filed with the Department of State on: _____

4/26/18
[Signature]

Tre Hargett
Secretary of State

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