

**RULES
OF THE
STATE BOARD OF EDUCATION**

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

TABLE OF CONTENTS

0520-14-01-.01 Approval of a Charter School
0520-14-01-.02 Appeals

0520-14-01-.03 Allocation of State and Local Funds
0520-14-01-.04 Enrollment

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

- (1) The commissioner of education shall provide an application for sponsors to use in applying for a public school charter as authorized under the Tennessee Public Charter Schools Act of 2002, T.C.A. § 49-13-106(b)(1) and (b)(2).
- (2) The commissioner of education shall provide to the chartering authority (local board of education) sample scoring criteria addressing the elements of the charter school application specified in the Tennessee Public Charter Schools Act of 2002.
- (3) The chartering authority shall forward a copy of each application for a charter school to the commissioner of education and shall notify the commissioner immediately upon official action approving or denying approval of an application for a charter school. The commissioner of education shall notify the executive director of the state board of education of applications approved and denied by the chartering authority.
- (4) In the event that a sponsor submits an amended application, the chartering authority shall notify the commissioner of education immediately upon official action approving or denying approval of an amended application for a charter school. The commissioner of education shall notify the executive director of the state board of education of amended applications denied by the chartering authority.

Authority: T.C.A. §§ 49-1-302, 49-13-106, 49-13-107, 49-13-108, and 49-13-126. **Administrative History:** Original rule filed March 31, 2003; effective July 29, 2003.

0520-14-01-.02 APPEALS.

- (1) Appeals.

The charter applicant may appeal a decision by the chartering authority to deny an amended application for a newly created public school to the State Board of Education within ten (10) days. The charter applicant shall forward the amended application to the Executive Director of the State Board of Education. The State Board of Education may request additional documentation from the charter applicant and the chartering authority.

Any corrections to the application, as permitted by T.C.A. § 49-13-108(a)(3)(C), must be made and submitted upon appeal to the State Board of Education.

- (2) In reviewing the amended application, the State Board of Education shall use the sample scoring criteria provided by the Commissioner of Education to the local boards of education. In reviewing the amended application, the State Board of Education shall review the decision of the local board of education.

(Rule 0520-14-01-.02, continued)

- (3) If the Local Education Agency's (LEA) denial is based on substantial negative fiscal impact, the State Board of Education shall consider the financial impact of the charter on the LEA.
- (4) Within sixty (60) days after receipt of the notice of appeal or the making of a motion to review by the State Board and after reasonable public notice, the State Board of Education shall hold a public hearing, attended by the Board or its designated representative, in the school district in which the proposed charter school has applied for a charter. Subsequently, but within the sixty (60) days, the State Board of Education shall review the decision of the local board and shall forward its findings to the local board of education.
- (5) The State Board of Education shall conduct a de novo on the record review of the proposed charter school's application.
 - (a) If the application is for a charter school in an LEA that does not contain a priority school, and if the State Board finds that the local board's decision was contrary to the best interests of the students, school district, or community, the State Board of Education shall remand such decision to the local board of education with written instructions for approval of the charter.
 - (b) If the application is for a charter school in an LEA that contains at least one (1) priority school on the current or last preceding priority school list, and if the State Board finds that the local board's decision was contrary to the best interests of the students, school district, or community, the State Board of Education may approve the application for the charter school and become the charter school's authorizer.
- (6) The State Board shall maintain annual membership in the National Association of Charter School Authorizers (NACSA) and adopt national authorizing standards.

Authority: T.C.A. §§ 49-1-302, 49-13-106, 49-13-107, 49-13-108, and 49-13-126, and Public Chapter 850 (2014). **Administrative History:** Original rule 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.

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

- (1) State and local funds to charter schools shall be allocated pursuant to T.C.A. § 49-13-112. State and local fund allocations are determined for each LEA on the basis of prior year average daily membership (ADM).
 - (a) Allocations shall be based on one hundred percent (100%) of state and local funds received by the LEA, including current funds allocated for capital outlay purposes (excluding the proceeds of debt obligations and associated debt service).
 - (b) Student enrollments used in allocations shall be for the same period used in allocating state funds to the LEA under the basic education program.
 - (c) Allocations to the charter school may not be reduced by the LEA for administrative, indirect or any other category of cost or charge except as specifically provided in a charter agreement. Any educational or operational services the authorizer provides for a fee may also exist in a separate contractual agreement between the charter school and the authorizer. However, approval of a separate services contract may not be a condition of approval of the charter agreement.
 - (d) If students attended a non-chartered public school in the prior year, and attend a public charter school in the same LEA in the current year, those students are being funded through the BEP formula, and funds for those students must be passed through to the

(Rule 0520-14-01-.03, continued)

public charter school in an amount equal to the per student state and local funds received by the LEA.

- (e) If students are new to the LEA and enroll first in a public charter school, their enrollment would not be reflected in the BEP formula used to determine the initial distributions to the LEA. But their enrollment would be reflected in the growth funds distributed in February and June. Thus, as the LEA receives increased funding in subsequent distributions to reflect the increased ADM, the LEA must allocate the funds for those students to the public charter schools they attend. LEAs can determine the amount to allocate by determining pro-rata shares of growth money based on the current district-wide ADM, and then divide the growth money by that figure to determine the amount to allocate to the public charter schools for each student.
 - (f) If an LEA does not generate increased funding due to growth, the public charter school would receive no additional funding in the current year for the students new to the LEA.
 - (g) New charter schools or charter schools adding a new grade are funded based on anticipated enrollment in the charter agreement. Those figures are then subsequently adjusted to reflect the actual number of students enrolled. Initial payments will be based on enrollment projections for the next school year as of March 1.
- (2) All ten (10) payments distributed by the State Department of Education are based on prior year weighted average daily membership (ADM) figure. However, twice a year, once in February and once in June, funds are adjusted based on actual enrollment in the current year. If payments to an LEA from the Department of Education are increased or reduced based on actual enrollment, and a charter school's actual enrollment is higher or lower than its prior year enrollment, or than its anticipated enrollment in the charter agreement, the payments to the charter schools shall be adjusted by determining pro-rata shares of adjusted distributions based on the current year's ADM for the LEA.
 - (3) Local funds. Each LEA 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 charter schools during the upcoming school year. Allocations to the charter schools during that year shall be based on that figure. The LEA shall distribute the portion of local funds it expects to receive in no fewer than nine (9) equal installments to the charter schools in the same manner as state funds are distributed. If the amount of local funds received increases or decreases from the budgeted figure, the LEA may adjust payments to the charter schools in February or June. Before adjusting payments to the charter schools, the LEA shall receive approval from the commissioner. The per pupil amount of local money budgeted for charter schools is not budgeted in a separate line item in the budget; but rather is part of the entire amount of budgeted local revenue.
 - (4) Pursuant to T.C.A. § 49-13-124, the chartering authority may endorse the submission of the qualified zone academy bond application to the local taxing authority. The chartering authority may endorse such a bond application submitted by the charter school governing body, or the chartering authority may include the charter school's project as part of the chartering authority's bond application.
 - (5) School Nutrition Programs. If 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 LEA for the provision of school nutrition programs.
 - (6) Transportation. Charter schools that provide transportation in accordance with the provisions of T.C.A. § 49-6-2100 *et seq.*, other than through an agreement with the LEA, shall receive the State and local funds generated through the BEP for such transportation.

(Rule 0520-14-01-.03, continued)

Authority: T.C.A. §§ 49-13-112 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.

0520-14-01-.04 ENROLLMENT.

- (1) Enrollment of eligible students, as defined in T.C.A. § 49-13-106, shall comply with T.C.A. § 49-13-113.
- (2) Students currently enrolled in a specific charter school do not need to re-apply if they remain in that specific charter school. Students moving from one charter school to another- even if both schools share a sponsor or governing body- are subject to the priority and preferences outlined in T.C.A. § 49-13-113.
- (3) Charter schools shall apply the enrollment preferences in T.C.A. § 49-13-113(b) and (c).
 - (a) Charter schools shall conduct an initial student application period of at least thirty (30) days. During this period, all eligible students may apply.
 - (b) 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. Any such lottery shall be conducted within seven (7) calendar days of the close of the initial student application period. Charter schools must either have an independent accounting firm or law firm certify that each lottery conducted complied with the statutory requirements or, prior to the lottery, have their lottery process approved by the department of education.
 - (c) 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.

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.