

TENNESSEE PUBLIC CHARTER SCHOOL COMMISSION

CHARTER AGREEMENTS

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Tenn. Code Ann. § 49-13-110 requires that the approval by the chartering authority of a charter school application be in the form of a written charter agreement between the sponsor and the chartering authority. Pursuant to Tenn. Code Ann. § 49-13-104, “charter agreement” shall mean a fixed-term renewable agreement between the sponsor of a public charter school and the chartering authority that outlines the responsibilities and performance expectations of each party. Pursuant to Tenn. Code Ann. § 49-13-110, a charter agreement shall be effective upon approval of the charter application by the chartering authority and shall expire ten (10) years after the first day of instruction.

Purpose: The purpose of this policy is to set guidelines for the Tennessee Public Charter School Commission (“Commission”) as it enters into charter agreements with the charter schools it authorizes and serves as the chartering authority in order to articulate the rights and responsibilities of each party during the term of the charter.

Policy Sections

1. Generally
2. Charter Agreement; Rights and Responsibilities
3. Fee-based Services
4. Performance Standards
5. Parties, Terms, and Amendments
6. Negotiation Process

1. **Generally.** The Commission executes a charter agreement with each charter school in its portfolio that articulates the rights and responsibilities of each party regarding school autonomy, funding, administration and oversight, outcomes, measures for evaluating success or failure, performance consequences, and other material terms. The charter agreement is an essential document, separate from the charter application, that establishes the legally binding agreement and terms under which the school will operate and be renewed. While the charter agreement is separate from the charter application, the agreement must incorporate all material components of the approved application required under Tenn. Code Ann. § 49-13-107(b).

2. **Charter Agreement; Rights and Responsibilities.** The Commission and the sponsor will execute a charter agreement to operate a charter school that clearly articulates the following:

- a. The rights and responsibilities of the charter school and the Commission;
- b. The statutory, regulatory, and procedural terms and conditions for the charter school’s operation, including but not limited to:
 - i. Required reporting as set forth in Tenn. Code Ann. § 49-13-120;
 - ii. A minimum of 180 school days; and
 - iii. The administration of state-mandated assessments according to the state testing calendar.

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- c. The pre-opening requirements and conditions for new charter schools;
 - d. The autonomies to which charter schools are entitled based on statute, waiver and Commission rule and policy, including those related to educational program, governance and management, operations, and finance;
 - e. The collection of an annual authorizer fee as set forth in Tenn. Code Ann. § 49-13-128;
 - f. The Commission's performance standards, criteria and conditions for renewal, intervention, revocation, and non-renewal, while establishing the consequences for meeting or not meeting standards or conditions;
 - g. The responsibility and commitment of the charter school to admit and serve all eligible students so long as space is available, and not expelling or counseling out students except pursuant to a legal discipline policy approved by the authorizer;
 - h. The responsibility and commitment of the charter school to adhere to essential public education obligations, especially concerning admissions and enrollment of students with disabilities and English language learners; and
 - i. The responsibilities of the charter school and the Commission in the event of school closure;
3. **Fee-based Services.** The Commission will ensure that any fee-based services provided by the Commission are set forth in a services agreement that is separate from the charter agreement and ensure that the purchase of such services is not and will never be a condition of charter approval, continuation, modification or renewal.
4. **Performance Standards.** The Commission will execute charter agreements with its charter schools that establish the academic, financial, and organizational performance standards under which charter schools will be evaluated and renewed.
- a. Academic Performance. The academic performance standards shall include at a minimum indicators, measures, and metrics that:
 - i. Set expectations for student academic achievement status or proficiency, including comparative proficiency and proficiency for all groups of students as identified in state-mandated assessments;
 - ii. Set expectations for student academic growth, including adequacy of growth toward state standards;
 - iii. Incorporate state and federal accountability systems, including the Tennessee Value-Added Assessment System;
 - iv. Set expectations for postsecondary readiness, including graduation rates (for high schools); and

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- v. Provide schools an option to incorporate mission-specific performance measures for which the school has presented valid, reliable, and rigorous means of assessment approved by the Commission.
- b. Financial Performance. The financial performance standards shall include at a minimum indicators, measures, and metrics that:
 - i. Enable the Commission to monitor and evaluate the charter school's financial stability and viability based on short-term performance, and
 - ii. Enable the Commission to monitor and evaluate the charter school's long-term financial sustainability.
- c. Organizational Performance. The organizational performance standards shall include at a minimum indicators, measures, and metrics that:
 - i. Define the essential elements of the educational program for which the Commission will hold the school accountable;
 - ii. Define financial management and oversight standards based on generally accepted accounting principles;
 - iii. Hold the charter school governing boards accountable for meeting statutory and board-established operating and reporting requirements;
 - iv. Ensure charter school compliance with student and employee rights and obligations; and
 - v. Establish expectations related to the school environment, including health and safety, transportation, facilities, and appropriate handling of records.
- d. The performance standards will:
 - i. Establish the performance expectations under which charter schools will be evaluated, using objective and verifiable measures of student achievement as the primary measure of school quality;
 - ii. Define clear, measurable, and attainable academic, financial, and organizational performance standards and targets that the charter school must meet as a condition of renewal, including but not limited to state and federal measures;
 - iii. Include expectations for appropriate access, education, support services, and outcomes for students with disabilities;
 - iv. Define the sources of academic, financial, and organizational data that will form the evidence base for ongoing and renewal evaluation.

5. Parties, Terms, and Amendments.

- a. The Commission will execute a charter agreement only with a legally incorporated governing board that is established in compliance with all laws applying to the selection and terms of charter school governing boards¹.

¹ See T.C.A. §49-13-104

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- b. The Commission will grant contracts for a ten-year term with a high-stakes interim review² in year five (5) and a high-stakes review³ at the end of each term to determine whether the charter agreement will be renewed.
 - c. The Commission will define the material terms of the charter agreement as being those relevant to renewal.
 - d. The Commission will make best efforts to ensure mutual understanding and acceptance of the terms of the charter agreement by the charter school's governing body prior to agreement approval.
 - e. The Commission will allow and require charter agreement amendments for occasional material changes to a charter school's plans subject to the approval of both parties, but will not require amending the charter agreement for non-material modifications to a charter school's plans, where a material change is one which would be relevant and significant to a renewal decision.
6. **Negotiation Process.** The Commission will engage in a fair and transparent negotiation process of appropriate length and depth with all approved sponsors and their counsel regarding the terms of the charter agreement between the sponsor and the Commission. In considering items raised in negotiations, the Commission will adhere wherever possible to its contract template, and insist on all terms which are material to renewal being included in the charter agreement between the parties.

² T.C.A. § 49-13-121(k)

³ T.C.A. § 49-13-121; Commission Policy 2.400; Commission Policy 4.111