

**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-.05 Annual Authorizer Fee

**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:**