

**RULES
Of
THE STATE BOARD OF EDUCATION**

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

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- (1) Pursuant to T.C.A. § 49-13-128, local boards of education who 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 a chartering authority shall be recorded in 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 NASCA Quality Authorizing Standards;
 2. Stipends for external reviewers;
 3. XXX
 - (b) Interim review process required by T.C.A. § 49-13-121(d), including:
 1. 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;
 2. XXX
 - (c) Charter school renewal process required by T.C.A. § 49-13-121, including:
 1. Review of the renewal application;
 2. Stipends for external reviewers;
 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;
 6. School closure responsibilities outlined in T.C.A.
- (e) Personnel costs for LEA staff supporting charter schools, including:
1. Salaries for devoted charter office personnel, or other personnel with direct charter responsibilities. Any salaries paid with authorizer fees must be pro-rated to reflect the amount of time that those personnel spends on charter support work. Personnel paid with annual authorizer fees must keep appropriate time and effort documentation of time spent on fulfilling authorizing obligations.
 2. External consultants or other consultancy fees associated with providing specialized support services or the implementation of best practices for charter authorizing.
 3. Reasonable costs associated with recruiting and/or hiring charter support and/or authorizing staff.
 4. Costs associated with the activities outlined above may only be paid for with annual authorizer fees if the activities and associated costs exceed the standard duties and responsibilities of an LEA's charter support or authorizing personnel whose salaries are being paid with such fees.
- (f) Annual reporting, including:
1. Review of annual charter school performance report required under T.C.A § 49-13-120;
 2. Authorizer fee report required by T.C.A § 49-13-128(c);
 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. Facilities maintenance or other capital outlay obligations
 3. Costs associated with including charter teachers or leaders in district professional development, orientation, or onboarding
 4. Contract services for specialized or targeted charter supports
- (6) The annual authorizer fee may not be used by the LEA to supplant any federal program funds that can be used for charter school specific activities.
- (7) 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.
- (8) Each authorizer fee report shall be posted on the department's website.

- (9) 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.
- (10) 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.
- (11) Each charter school shall receive a proportionate share of any excess funds collected by the LEA.
- (12) Any excess 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:**