
Charter Schools - Allocation of State and Local Funds Rule 0520-14-01-.03

The Background:

Charter School Allocation of State and Local Funds Rule 0520-01-14-01-.03 addresses the allocation of state and local funds to public charter schools. In the 2022 legislative session, Governor Lee and the Tennessee General Assembly passed the Tennessee Investment in Student Achievement (TISA) Act that will transition the state to a student-based funding approach starting in the 2023-24 school year. Due to passage of TISA and in order to ensure alignment with the proposed Department of Education rules necessary to implement TISA, changes must be made to the Charter School Allocation of State and Local Funds Rule 0520-14-01-.03. This item revises the rule to describe how public charter schools will be allocated state and local funds under TISA.

State Board staff held a rulemaking hearing on September 29, 2022. Several public comments were submitted.

Between first and final reading, revisions were made in response to public comments and board member feedback to add clarity to the rule regarding the calculation, allocation, and disbursement of funds to public charter schools. Revisions include the following:

- Adding contextual language to delineate the responsibilities of each entity in the calculation, allocation, and disbursement of public charter school funding, including the responsibility of the Department, the authorizer, and the public charter school.
- Re-organizing the rule and adding statutory references and language from the TISA Act (Chapter 966 of the Public Acts of 2022), the Tennessee Public Charter School Act (Title 49, Chapter 13), and other state laws.
- Adding a requirement that the Department to publish or make available to each authorizer and each public charter school, upon their request, the outputs and underlying data for the purposes of calculating TISA allocations.
- Various clerical revisions throughout the rule.

The Fiscal Analysis Impact:

T.C.A. § 49-1-212 requires that the Department prepare a fiscal analysis of any policy, rule, or regulation proposed to the State Board of Education. This item has no financial impact on the Department, the State Board, or any LEA or public charter school beyond the authorizing legislation.

The Recommendation:

The Department of Education recommends approval of this item on final reading. The SBE staff concurs with this recommendation.