
Charter Schools Rule 0520-14-01 -.01, -.03 and -.04

The Background:

Tennessee State Board of Education Charter Schools Rule Chapter 0520-14-01 outlines the operational elements of charter schools including approval of charter schools, allocation of state and local funds, and enrollment processes. Rule Section -.01 details the process for the approval of new charter schools, Section -.03 details the allocation of state and local funds to charter schools, and Section -.04 details enrollment for charter schools.

This item proposes the following revisions to Approval of Charter Schools Rule 0520-14-01-.01:

- Clarifies language throughout the rule to distinguish between the steps that must occur during the initial application process and the amended application process.
- Clarifies the requirement that a local board of education shall include reasons for denial of an initial charter application.
- Further alignment to the application process outlined in the State Board's Quality Charter Authorizing Standards.

This item proposes the following revisions to Allocation of State and Local Funds Rule 0520-14-01-.03:

- Clarifies that initial allocation of funds for public charter schools shall be set forth in the local board of education's budget that is submitted to the Department.
- For the purpose of initial allocations, requires the Department to pull information on the charter school's average daily member (ADM) and student counts from the state approved LEA budget, and include the funds in initial funding estimates shared with authorizing LEAs and public charter schools.
- For the purpose of interim and final allocations to public charter schools, clarifies that the final average per-pupil funding amount is based on the LEA's final expenditure report submitted and approved by the Department.
- Requires the Department to report to each authorizer and public charter school the final amounts to be paid to the charter school within five (5) business days of the state's approval of the LEA's final expenditure reports. Revisions also require LEAs and public charter schools to process final payments within thirty (30) calendar days of the Department's report on final amounts.

This item proposes the following revisions to Enrollment Rule 0520-14-01-.04:

- Aligns the language in the rule with Chapter 206 of the Public Acts of 2023 which authorizes a charter school to give enrollment preference to students who are economically disadvantaged and preference to children of an employee of a charter school.

State Board staff held a rulemaking hearing on December 21, 2023. No comments were submitted at the hearing, however, informal feedback was received from the Tennessee Charter School Center

Between first and final reading, revisions were made to align the Rule with T.C.A. § 49-13-112(a)(3) to specify that authorizers shall include all calculations used in allocating local funds to charter schools in their local budgets submitted to the Department.

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 an LEA.

Connection to the [Master Plan](#):

This item supports the State Board's strategic focus on Engagement and Accountability outlined in the Master Plan by further clarifying specifics for charter schools and authorizing LEAs in implementation of this rule.

The Recommendation:

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