

**RULES
OF THE
STATE BOARD OF EDUCATION
CHAPTER 0520-14-01
CHARTER SCHOOLS**

0520-14-01-.03 ALLOCATION OF STATE AND LOCAL FUNDS.

- (1) A local board of education that serves as a charter school authorizer shall allocate to each charter school an amount equal to the per student state and local funds received by the charter authorizer and all appropriate allocations under federal laws or regulations.
- (2) Student enrollments used in per pupil calculations shall be based on current year average daily membership (ADM) for the LEA in which the school resides (inclusive of all charter school enrollment). The charter school's allocation shall be calculated by multiplying the per pupil amount by the charter school's current year ADM.
- (3) Allocations to charter schools shall be based on one hundred percent (100%) of state and local funds received by the charter authorizer, including any current year growth funds received by the authorizer and the required local match for the state funds generated under the BEP for capital outlay (excluding the proceeds of debt obligations and associated debt service).
- (4) The department of education shall calculate the amount of state funding required under the BEP for capital outlay to be received in a fiscal year by the LEA in which the charter school resides and shall distribute directly to each charter school its total per pupil state share.
- (5) Allocations to a charter school may not be reduced by the charter authorizer for any category of cost except for the annual authorizer fee. If the charter agreement includes a provision whereby the charter authorizer will provide for employee benefits or retirement, then the authorizer may withhold funds to cover the costs of those services. Any services the charter school chooses to purchase from the charter authorizer may also exist in a separate services contract between the charter school and the authorizer. However, approval of a separate services contract may not be a condition of approval of the charter agreement. If a services contract is executed with the charter authorizer, then the authorizer may withhold funds to cover the costs of those services.
- (6) Each charter authorizer shall include as part of its budget submitted pursuant to T.C.A. § 49-2-203, the per pupil amount of local money it will pass through to charter schools during the upcoming school year. Allocations to the charter schools during that year shall be based on that figure. The charter authorizer shall distribute the portion of local funds it expects to receive in no fewer than nine (9) equal installments to charter schools in the same manner as state funds are distributed. The initial per pupil amount of funding shall be calculated using the number of BEP funded ADMs for the first payments. A charter authorizer shall adjust payments to its charter schools, at a minimum, in October, February and June, based on changes in revenue, student enrollment, or student services. Beginning with the first such adjustment, and continuing for the remainder of the school year, the charter authorizer shall use current year enrollment to calculate the adjusted per pupil amount.
- (7) New charter schools or charter schools adding a new grade shall be funded based on anticipated enrollment in the charter agreement. Those figures shall be subsequently adjusted to reflect the actual number of students enrolled.
- (8) Pursuant to T.C.A. § 49-13-124, the charter authorizer may endorse the submission of the qualified zone academy bond application to the local taxing authority. The charter authorizer may endorse such a bond application submitted by the charter school governing body, or the charter authorizer may include the charter school's project as part of the authorizer's bond application.
- (9) If charter schools provide school nutrition programs, they may provide their own programs in compliance with United States Department of Agriculture regulations and State law or they may contract with the charter authorizer for the provision of school nutrition programs.

(Rule 0520-14-01-.04, continued)

- (10) Charter schools that provide transportation in accordance with the provisions of T.C.A. § 49-6-2100 *et seq.*, other than through an agreement with the charter authorizer, shall receive the State and local funds generated through the BEP for such transportation.

Authority: T.C.A. §§ 49-13-112 and 49-13-126. **Administrative History:** Original rule filed March 25, 2010; effective August 29, 2010. Repeal and new rule filed March 21, 2012; effective August 29, 2012.