

**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 shall allocate to each charter school an amount equal to the per student state and local funds received by the LEA and all appropriate allocations under federal laws or regulations.
- (2) Allocations to charter schools shall be based on one hundred percent (100%) of state and local funds received by the LEA, including current funds allocated for capital outlay purposes (excluding the proceeds of debt obligations and associated debt service).
- (3) Student enrollments used in allocations shall be based on current year enrollment for the charter school and for the authorizing LEA.
- (4) Allocations to the charter school may not be reduced by the LEA for administrative, indirect, or any other category of cost or charge except as specifically provided in a charter agreement. Any educational or operational services the authorizer provides for a fee may also exist in a separate contractual agreement 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.
- (5) 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.
- (6) Each LEA 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 LEA shall distribute the portion of local funds it expects to receive in no fewer than nine (9) equal installments to the 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. An LEA shall adjust payments to its charter schools, at a minimum, in October, February  
April, 2015 (Revised)

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

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 LEA shall use current year enrollment to calculate the adjusted per pupil amount.

- (7) Pursuant to T.C.A. § 49-13-124, the chartering authority may endorse the submission of the qualified zone academy bond application to the local taxing authority. The chartering authority may endorse such a bond application submitted by the charter school governing body, or the chartering authority may include the charter school's project as part of the chartering authority's bond application.
- (8) 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 LEA for the provision of school nutrition programs.
- (9) 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 LEA, 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.