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

The Background:

T.C.A. § 49-13-112 provides that allocations to charter schools from the local board of education “shall be in accordance with the rules and regulations promulgated by the department of education.” The allocation of state and local funds rule was originally promulgated in 2010. Recently, there have been several questions and concerns from schools and districts as well as from the Tennessee Comptroller’s office regarding how charter schools are funded.

This item seeks to provide clarity around charter school funding and is aligned to legislation that has been introduced by the department of education.

Below is a brief summary of the changes that have been made:

- Page 1:** Removes requirement that allocations be made on prior year enrollment and clarifies that allocations shall be made on current year enrollment.
- Page 1:** Removes outdated provisions that are no longer applicable.
- Page 2:** Updates the requirement that LEAs adjust payments to charter schools based on changes in revenue, student enrollment, or student services.

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 could impact the funding allocations for any district that was using prior year enrollment numbers.

The Recommendation:

The Department of Education recommends acceptance of this item on first reading. The SBE staff concurs with this recommendation.