

TENNESSEE PUBLIC CHARTER SCHOOL COMMISSION

School Funding Allocation Procedures

1025

The following procedures will govern the funding of the Tennessee Public Charter School Commission's (TPCSC) authorized charter schools for the Tennessee Investment in Student Achievement (TISA) Act and federal funding allocations in Fiscal Year 2024.

For all funding sources, initial estimates will be provided to the district by the Tennessee Department of Education's Office of Local Finance annual in the spring based on reasonable projected estimates of enrollment and TISA data for the prior school year. A final allocation will be provided by the Tennessee Department of Education (TDOE) to the TPCSC based on actual enrollment which may result in an increase or decrease in a school's allocation beginning in the fall.

Allocation of Funds (New and Expanding Schools)

Enrollment Projections

For new school or schools who are expanding grades, at the conclusion of the application period and lottery process, but no later than March 15th, the charter school will notify the TPCSC of the following information in order for initial funding estimates to be calculated by the Department of Education:

- New schools:
 - Total enrollment projections of new students for the upcoming school year;
 - Number of students with disabilities (best estimate);
 - Number of at-risk students (defined as students who for Direct Certification, students in foster care, and homeless, runaway, and migrant students); and
 - Number of active English Learners (best estimate).
- Expanding schools:
 - Total projected enrollment
 - Projected enrollment for expanding grade level
 - Number of additional students with disabilities in the expanding grade level
 - Number of at-risk students in the expanding grade level
 - Number of active English Learners in the expanding grade level

On the 15th of each month from April through June, the new or expanding charter school shall notify the Commission of revised enrollment figures, including counts for students with disabilities, at risk students, and English Learners.

Estimates in enrollment projections should be reasonable and conservative. Overestimating will result in less or no state/local payments for portions of the school year.

Once the school has grown to full grade or size capacity, initial funding for the school will be based on prior year enrollment as reported in the Department of Education's Education Information System (EIS).

State and Local Funds for New and Expanding Schools

The district will provide final enrollment estimates to the TDOE by June 30th.

In accordance with State Board Rule 0520-14-01-.03, the state and local allocation for new and/or expanding charter schools will be based on the per-student average of all state and local funds received by the geographic LEA.

Federal Funds for New and Expanding Schools

Initial district consolidated funding application will be provided by the TDOE. For new schools, these will be based on the totality of student enrollment projections.

For expanding schools, the TDOE will allocate additional funds based on the projected enrollment for the new grade.

Final school consolidated funding allocations will be trueed up for actual enrollment in the fall.

Allocation of State and Local Funds (Existing Schools)

Initial Allocations

The TPCSC must allocate to each charter school its appropriate share of state and local funds (T.C.A. § 49-13-112) in accordance with State Board Rule 0520-14-01-.03. Under State Board Rule 0520-14-01-.03, funding for the TPCSC and its authorized charter schools is calculated by the TDOE and provided to the TPCSC. The TPCSC then allocates each school's total funding by taking the total state and local funding generated under TISA by each school and dividing it across ten equal payments.

$$\text{MONTHLY PAYMENT} = \text{ANNUAL SCHOOL ALLOCATION} \times 10\%$$

$$\text{YEAR TO DATE PAYMENTS} = \text{ANNUAL SCHOOL ALLOCATION} \times 10\% \times \text{NUMBER OF PAYMENTS}$$

The year-to-date payments will be used to ensure that each school receives the appropriate amount after an adjustment is performed.

Monthly Payments Schedule

In August, September, October, November, December, January, February, March, April, and June, a proportional payment of state/local funds will be made on or shortly after the 15th of each month. However, in June, only 75% of the payment will be made on the 15th, the remainder will be made after the ADMs reconciled in late June or early July.

Adjustments (October, February)

Twice during the year, district and school funding allocation are adjusted based on updated enrollment from EIS. Typically, these are pulled in October and February, the adjustments are

made to the entire district's allocation, as well as each school's allocation. The new allocations true up each charter school's current membership with the resident district per pupil amount. The payment in the month of the change will be adjusted to accommodate the new annual award. The adjusted payment will be calculated by taking the revised year-to-date payments that would have been generated under the revised enrollment and subtracting the amount paid.

$$\text{REVISED PAYMENT} = \text{YEAR TO DATE PAYMENTS (REVISED)} - \text{PAID TO DATE}$$

In the case that the overall annual school allocation increases, the revised payment in the adjustment month will be higher, and in the case that the overall annual school allocation decreased due to a decrease in enrollment, the payment in the adjustment month will be lower. In the event that the amount in the adjustment month is negative, no payment will be made until the revised year to date payments exceeds the amount paid.

Final Allocations (June)

The June payments are made in two portions: payment one representing 75% of the monthly amount and payment two representing 25% of the monthly amount with a final true up for current year ADM.

Final True Up

In the fall, the host district will true up their local tax revenues, and the TDOE will notify the TPCSC and the host district if any money is owed (either to the host district or to the TPCSC). The TPCSC will work directly with any impacted schools to determine the additional disbursement of funds or payment of funds back to the host district.

Authorizer Fee

In Fiscal Year 2024, the TPCSC charges a 3% authorizer fee as permitted under T.C.A. § 49-13-118. Like the overall BEP, the authorizer fee is calculated first on an annual basis:

$$\text{ANNUAL SCHOOL AUTHORIZER FEE} = \text{ANNUAL SCHOOL ALLOCATION} \times 3\%$$

The authorizer fee is then withheld from each monthly payment.

$$\text{MONTHLY AUTHORIZER FEE} = \text{SCHOOL MONTHLY PAYMENT} \times 3\%$$

Finally, the authorizer fee fluctuates with ADM in the same manner as the overall adjustments to the school allocation. As adjustments are made to the base ADM, the amount of the authorizer fee should be adjusted to match.

$$\text{REVISED SCHOOL AUTHORIZER FEE} = \text{REVISED ANNUAL SCHOOL ALLOCATION} \times 3\%$$

REVISED AUTHORIZER FEE TO DATE = REVISED SCHOOL AUTHORIZER FEE × NUMBER OF PAYMENTS MADE

AUTHORIZER FEE CORRECTION = REVISED AUTHORIZER FEE TO DATE – WITHHELD AUTHORIZER FEE TO DATE

The objective is to ensure that the authorizer fee and the state and local allocations are tied to the same ADM, whether it is the estimates leading into August, the counts in October and February, or the weighted ADM in June.

Title I Allocations

Title I Spiral

Title I requires that all schools with a higher poverty percentage receive as much or more per pupil funding than any school with a lower poverty percentage (20 U.S.C. § 6313). Each school's poverty percentage is determined as the proportion that the poverty factor bears to the overall student population.

SCHOOL POVERTY PERCENTAGE = SCHOOL POVERTY FACTOR COUNT ÷ SCHOOL TOTAL STUDENTS

Poverty Factor

The Charter Commission uses direct certification as its measure of low income for Title I purposes, and direct certification multiplied by 1.6 for its poverty factor. The count used for the poverty factor is the lesser of the school's overall student enrollment count or the low income count multiplied by 1.6.

Per Pupil Amount

TITLE I PER PUPIL = TITLE I AMOUNT FOR ALLOCATIONS TO SCHOOLS ÷ DISTRICT COUNT OF LOW INCOME STUDENTS

The per pupil amount must be rounded to two decimal places. The amount must be rounded to be entered into ePlan. After rounding, school level awards should be the Title I per pupil amount multiplied by the count of low income students in the school.

SCHOOL TITLE I AWARD = TITLE I PER PUPIL × SCHOOL COUNT OF LOW INCOME STUDENTS

Parental Involvement

Since the TPCSC will receive at least \$500,000 in Title I funding, the Charter Commission is required to set aside money from the Title I grant award for parent involvement. Therefore, schools will receive additional Title I funds to use for parent involvement. Schools are expected to meet all Title I requirements for parent involvement regardless of the set aside amount.

$$\text{TITLE I PARENTAL INVOLVEMENT SET ASIDE} = \text{DISTRICT TITLE I AWARD} \times 1\%$$

$$\text{SCHOOL TITLE I PARENTAL INVOLVEMENT SET ASIDE} = \frac{\text{DISTRICT SET ASIDE}}{\text{DISTRICT COUNT OF LOW INCOME STUDENTS}} \times \text{SCHOOL COUNT OF LOW INCOME STUDENTS}$$

Homeless Set-Aside

The TPCSC is required to set aside a portion of Title I funds at the district level to support services for students experiencing homelessness. Charter Commission staff will determine the amount to be set aside based on the projected population of students within the district who are experiencing homelessness and will communicate this set-aside amount to all schools. Schools that have students who are experiencing homelessness may request funds from the TPCSC's homeless set-aside to support the needs of the students.

Title II Allocations

Title II allocations are determined by taking the total available Title II funds for allocation to schools and dividing it by the number of appropriately qualified teachers in the district.

$$\text{TITLE II PER TEACHER} = \frac{\text{TITLE II AMOUNT FOR ALLOCATIONS TO SCHOOLS}}{\text{NUMBER OF REPORTED LICENSED TEACHERS IN DISTRICT IN FISCAL YEAR 2022}}$$

$$\text{SCHOOL TITLE II AWARD} = \text{NUMBER OF LICENSED TEACHERS BY SCHOOL} \times \text{TITLE II PER TEACHER}$$

Title III Allocations

Title III allocations are generated by the TDOE based on the number of students qualifying as English Learners within the district.

$$\text{TITLE III PER PUPIL} = \frac{\text{TITLE III AMOUNT FOR ALLOCATION TO SCHOOLS}}{\text{DISTRICT COUNT OF EL STUDENTS}}$$

$$\text{SCHOOL TITLE III AWARD} = \text{NUMBER OF EL STUDENTS PER SCHOOL} \times \text{TITLE III PER PUPIL}$$

Title IV Allocations

The Charter Commission will use the Title I methodology for distributing Title IV allocations to schools.

IDEA Allocations

IDEA allocations are generated by the TDOE based off of the number of students with IEPs on December 1 of the prior year. Any students who are categorized in non-federal disabilities categories are not included in this count.

Beginning in fiscal year 2024, the TPCSC will provide weighted IDEA funding aligned with the TDOE's TISA calculations for unique learning needs. Allocations will be weighted by special

education option code, inclusive of both primary and secondary option codes. School IDEA allocations will not be consolidated into school wide pool, and the allocation will be provided to schools as a separate grant outside of the school wide pool. Funding will be weighted in accordance with the following weights.

Weight	Special Education Option Code(s)
15%	Option 1
20%	Option 2
40%	Option 3
75%	Option 4
80%	Option 5
100%	Option 6
125%	Option 7, Option 8
150%	Option 9, Option 10

An initial allocation will be provided to each school in the spring based on the projected number of students and their needs who will be enrolled in the school for the upcoming school year. A final allocation will be provided to each school in the fall after the TPCSC receives the final grant award from the TDOE. Each school’s initial allocation will then be adjusted based on the school’s September count of weighted student options and the final Charter Commission IDEA allocation.

The district’s weighted total special education count, district weighted per pupil amount, and school IDEA awards will be calculated as follows:

$$\text{WEIGHTED TOTAL SPECIAL EDUCATION COUNT} = \text{SUM (COUNT STUDENTS BY OPTION CODE * ASSIGNED WEIGHT)}$$

$$\text{DISTRICT WEIGHTED PPA} = \text{DISTRICT IDEA AWARD} \div \text{WEIGHTED TOTAL SPECIAL EDUCATION COUNT}$$

$$\text{SCHOOL IDEA AWARD} = \text{DISTRICT WEIGHTED PPA} \times \text{SCHOOL WEIGHTED TOTAL SPECIAL EDUCATION COUNT}$$

Transferring Federal Funds

Based on federal regulations, the TPCSC may decide to transfer certain federal allocations into other allowable Title allocations to increase the reach, impact, and use of the federal funds available for eligible schools. The Charter Commission will consult with eligible schools prior to transferring any funds, and if the agency decides to move forward, the Charter Commission will work with the TDOE to transfer any federal allocations, if applicable. The revised allocations will be communicated to the eligible schools. The allocation procedures for the transferred funds will follow the procedures outlined in this document for the applicable Title allocation.

Example:

$$\text{TITLE II Allocation (\$10,000)} + \text{Title I Allocation (\$100,000)} = \text{New Title I Allocation (\$110,000)}$$

Consolidated Schoolwide Budget

The Charter Commission has elected to use a flexibility provision in the Every Student Succeeds Act that allows schools to pool all of their allocated Title funding into one consolidated schoolwide budget. This provision provides schools with more flexibility to budget their “blended” funds based on the needs of the school as reflected in its school improvement plan. Each school will receive one single schoolwide budget that consolidates funds from their formula allocations under Titles I, II, III, and IV. The school must still meet the intent of the incorporated federal programs but with use the “blended” consolidated pool to better address the needs in their school improvement plan

Consolidated Administration (Con Admin)

From each ESSA grant award (Titles I, II, III, and IV), the Charter Commission may reserve a set-aside to administer the grant programs. The remaining funds will be allocated to eligible schools.

Indirect Costs

Local educational agencies are permitted to budget and charge off indirect costs to reimburse the costs of administering federal grants not charged to direct administrative costs. The TPCSC has elected not to charge indirect costs off of its grant awards for FY24.