



State of Tennessee

PUBLIC CHAPTER NO. 219

HOUSE BILL NO. 940

By Representatives Lamberth, Gant, White

Substituted for: Senate Bill No. 796

By Senators Johnson, Kelsey, Gresham

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 13, relative to charter schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 49-13-104(3), is amended by deleting the language "chartering authority that outlines the responsibilities" and substituting instead the language "authorizer that outlines the rights, responsibilities,".

SECTION 2. Tennessee Code Annotated, Section 49-13-104(4), is amended by deleting the subdivision in its entirety and substituting instead the following:

(4) "Charter management organization" or "CMO" means a nonprofit entity that manages or operates two (2) or more public charter schools;

SECTION 3. Tennessee Code Annotated, Section 49-13-104(5), is amended by deleting the subdivision in its entirety.

SECTION 4. Tennessee Code Annotated, Section 49-13-104(9), is amended by deleting the language "has received a license to teach in the public school system" and substituting instead the language "holds a valid Tennessee educator license".

SECTION 5. Tennessee Code Annotated, Section 49-13-104(12), is amended by deleting the subdivision in its entirety and substituting instead the following:

(12) "Sponsor" means a proposed governing body filing an application for the establishment of a public charter school, that:

(A) Is not a for-profit entity; nonpublic school as defined in § 49-6-3001; other private, religious, or church school; or postsecondary institution not regionally accredited; and

(B) Does not promote the agenda of any religious denomination or religiously affiliated entity;

SECTION 6. Tennessee Code Annotated, Section 49-13-104, is amended by adding the following language as new, appropriately designated subdivisions and redesignating the existing subdivisions accordingly:

() "Authorizer" means:

(A) A local board of education, the Tennessee public charter school commission, or the achievement school district as defined in § 49-1-614, that makes decisions regarding approval, renewal, and revocation of a public charter school application or agreement; and

(B) Includes the state board of education until 11:59 p.m. on June 30, 2021;

() "Commission" means the Tennessee public charter school commission;

SECTION 7. Tennessee Code Annotated, Section 49-13-105, is amended by deleting the section in its entirety and substituting instead the following:

(a) There is established the Tennessee public charter school commission as an independent state entity for the purpose of serving as an appellate public charter school authorizer and the LEA for any public charter school it authorizes. Beginning in the 2020-2021 school year, the commission has the authority to authorize public charter schools on appeal of a local board of education's decision to deny a public charter school application. A public charter school that is authorized by the commission must operate within the geographic boundaries of the local board of education that denied approval of the initial public charter school application. The commission may adopt policies and procedures for the commission and the commission's authorized public charter schools.

(b)

(1)

(A) The commission must be composed of nine (9) members appointed by the governor. Except as otherwise provided in this subsection (b), the nine (9) members of the commission must be confirmed by joint resolution of the senate and the house of representatives prior to beginning a term of office.

(B) If either house fails to confirm the appointment of a board member by the governor within ninety (90) calendar days after the general assembly next convenes in regular session following the appointment, then the appointment terminates on the day following the ninetieth calendar day.

(2) If the general assembly is not in session when initial appointments are made, then all initial appointees shall serve the terms prescribed pursuant to this section, unless the initial appointments are not confirmed during the next regular session of the general assembly in accordance with subdivision (b)(1).

(3) If the general assembly is not in session at the time a member is appointed to fill a vacancy, then the new appointee serves for the term appointed unless the appointment is not confirmed during the next regular session of the general assembly in accordance with subdivision (b)(1).

(4) All members shall be subject to removal from the commission by a two-thirds (2/3) majority vote of each house of the general assembly for misconduct, incapacity, or neglect of duty. Removal must be by passage of a joint resolution by the senate and the house of representatives.

(c)

(1) In making appointments, the governor shall strive to ensure that the commission members collectively possess experience and expertise in charter schools or charter school authorizing, public and nonprofit governance, finance, law, and school or school district leadership.

(2) A majority of the commission members must reside within the geographic boundary of an LEA in which at least one (1) public charter school operates.

(3) There must be at least three (3) members from each grand division of this state serving on the commission.

(d) The terms for all initial members begin on July 1, 2019. The terms of the initial nine (9) appointments shall be three (3) years for three (3) members, four (4) years for three (3) members, and five (5) years for three (3) members, as designated by the governor in the governor's initial appointments. As the terms for the initial members expire, successors shall be appointed for five-year terms.

(e) Each member of the commission shall:

(1) Review public charter school applications, hear appeals, and carry out the member's duties in a fair and impartial manner; and

(2) Before beginning a term of office, sign a conflict of interest agreement in which the member agrees to carry out the member's duties in compliance with subdivision (e)(1).

(f)

(1) The commission has the power to declare a commission member's position vacant if a commission member fails, without cause, to attend more than fifty percent (50%) of the commission's regular meetings in a calendar year. The commission shall determine cause for purposes of this subdivision (f)(1).

(2)

(A) Whenever a vacancy on the commission exists, the governor shall appoint a member for the remainder of the unexpired term. A member appointed by the governor to fill a vacancy on the commission is subject to confirmation by the general assembly pursuant to subsection (b).

(B) A member of the commission shall not vote on any matter that involves an LEA or public charter school of which the member is an employee of the local board of education or the governing body.

(g) The commission shall meet at least quarterly. The chair may call special meetings whenever necessary for the transaction of urgent business. The chair shall notify each member of the commission of any special meeting at least five (5) days before the time fixed for the special meeting. A majority of the commission may petition the chair to call a special meeting, in which case the chair shall call a special meeting.

(h) A majority of the commission members entitled to vote is required to transact business coming before the commission. The commission shall pass a resolution memorializing the commission's approval or denial of each application that the commission considers. The commission shall comply with the open meetings law, compiled in title 8, chapter 44, and open records law, compiled in title 10, chapter 7.

(i) The chair and vice chair are officers of the commission and must be elected by the members of the commission for a term of three (3) years or for the remainder of the respective chair's or vice chair's term on the commission, whichever is earlier. Officers may be reelected.

(j) A commission member shall not receive compensation but shall be reimbursed for expenses incurred in the performance of official duties in accordance with the state comprehensive travel regulations as promulgated by the commissioner of finance and administration and approved by the attorney general and reporter.

(k)

(1) The commission shall employ a director of schools who has the same duties and powers granted to directors of schools in § 49-2-301, consistent with this chapter. An employee or official of any department, agency, or board of this state shall not serve as a director of schools. The director of schools shall be responsible solely to the commission.

(2) Additional personnel hired by the director of schools shall be subject to personnel regulations and policies that apply to state employees, such as leave, compensation, classification, and travel regulations. The director of schools has the sole authority to appoint, terminate, and control personnel as provided in this section. The personnel of the commission shall not have state service status.

(l) Notwithstanding any law to the contrary, the commission shall, at a minimum, have the same authority and autonomy afforded to LEAs under state law regarding the procurement of goods and services, including, but not limited to, personal, professional, consulting, and social services. The commission shall develop written procedures for the procurement of all goods and services in compliance with the expenditure thresholds for competitive bidding outlined or permitted in § 49-2-203.

(m) The commission may promulgate rules and regulations that are solely necessary for the administrative operation and functions of the commission. The commission's rulemaking authority shall not supersede the state board of education's rulemaking authority and may only be exercised in performance of the commission's administrative responsibilities. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(n) Commission meetings shall be made available for public viewing over the internet by streaming video accessible on the commission's website. Archived videos of the commission's meetings shall also be available to the public through the commission's website.

(o) The following individuals are prohibited from serving as a member of the commission for so long as they hold the office or position:

- (1) Elected officials; and
- (2) State employees.

SECTION 8. Tennessee Code Annotated, Section 49-13-106(a)(1), is amended by deleting the subdivision in its entirety and substituting instead the following:

(1) Public charter schools may be formed to provide quality educational options for all students residing within the jurisdiction of the authorizer.

SECTION 9. Tennessee Code Annotated, Section 49-13-106(a)(2)(B), is amended by deleting the subdivision in its entirety.

SECTION 10. Tennessee Code Annotated, Section 49-13-106(a)(3), is amended by deleting the subdivision in its entirety.

SECTION 11. Tennessee Code Annotated, Section 49-13-106(b), is amended by deleting subdivisions (1)-(3) in their entireties.

SECTION 12. Tennessee Code Annotated, Section 49-13-106(c), is amended by deleting the subsection in its entirety.

SECTION 13. Tennessee Code Annotated, Section 49-13-106, is amended by adding the following language as new subsections (a)-(e) and redesignating the existing subsections accordingly:

- (a) Public charter schools are part of the state program of public education.
- (b) A charter shall not be granted to a for-profit corporation.
- (c) A nonpublic school, as defined in § 49-6-3001, or other private, religious, or church school, shall not establish a public charter school pursuant to this chapter.
- (d) A cyber-based public charter school shall not be authorized.
- (e) A public charter school shall not charge registration fees, enrollment fees, or tuition; provided, however, that tuition may be charged if, in accordance with § 49-13-113(b), the governing body of the public charter school approves a student's transfer from another LEA to the public charter school pursuant to § 49-6-3003.

SECTION 14. Tennessee Code Annotated, Section 49-13-106, is amended by adding the following language as new, appropriately designated subsections:

() If a sponsor seeks to establish a new public charter school, then the sponsor must apply to the local board of education.

()

(1) If a sponsor seeks to convert an existing public school to a public charter school, then the sponsor must apply to the local board of education. This subdivision () (1) does not apply if the existing public school has entered the achievement school district pursuant to § 49-1-614.

(2)

(A) Local boards of education may request that a sponsor apply to convert an existing public school to a public charter school.

(B) Upon a local board of education's review of a sponsor's application for a new public charter school, the local board of education may request that the sponsor amend the public charter school application to provide for the conversion of an existing public school.

(C) This subdivision () (2) does not require a local board of education to approve a sponsor's application to convert an existing public school to a public charter school.

(3) An existing public school may convert to a public charter school pursuant to this chapter if the parents of at least sixty percent (60%) of the children enrolled in the school, or at least sixty percent (60%) of the teachers assigned to the school, support the conversion and demonstrate such support by signing a petition seeking conversion, and if the LEA approves the application for conversion. The percentage of parents signing a petition must be calculated on the basis of one (1) vote for each child enrolled in the school.

(4) A public charter school sponsor shall submit the sponsor's application for conversion to the local board of education. The local board of education shall act on the application no later than ninety (90) days after the date on which the application was submitted.

(5) If the application for conversion of an existing public school to a public charter school is approved, then:

(A) The conversion must occur at the beginning of an academic school year. The conversion public charter school shall be subject to compliance with this chapter;

(B) Any teacher or administrator in the conversion public charter school shall be allowed to transfer into vacant positions in other schools in the LEA for which they are certified before the LEA hires new personnel to fill the vacant positions. Personnel who transfer into vacant positions in other schools in the LEA shall not suffer any impairment, interruption, or diminution of the rights and privileges of a then existing teacher or administrator, and the rights and privileges shall continue without impairment, interruption, or diminution with the local board of education. "Rights and privileges," as used in this subdivision () (4)(B), include, but are not limited to, salary, pension, retirement benefits, sick leave accumulation, tenure, seniority, and contract rights with the local board of education. The director of schools has the option to specifically assign teachers or administrators in a conversion public charter school to vacant positions in other schools in the LEA;

(C) Enrollment preference shall be given to students who reside within the former school zone of the converted public school. The enrollment preference for students who reside within the former attendance area excludes such students from entering into a lottery;

(D) The conversion public charter school may enroll students living in other school zones after students residing within the school zone have had the opportunity to enroll, but only if there is program, class, grade level, and building capacity to serve the out-of-zone students. If applications by out-of-zone students exceed the conversion public charter school's capacity, then enrollment of out-of-zone students must be determined on the basis of a lottery. Out-of-zone students who attended the school during the previous school year and the siblings of students who attended the school may be given preference in enrollment;

(E) A parent of a child who is enrolled at the conversion public school may enroll the parent's child in another public school without penalty; and

(F) The conversion public charter school shall occupy the converted public school's existing facility.

(6) If the local board of education denies the application for conversion, then the decision is final and is not subject to appeal.

(7) A charter agreement shall not be granted under this chapter that authorizes the conversion of any private, parochial, cyber-based, or home-based school to charter status.

SECTION 15. Tennessee Code Annotated, Section 49-13-107(a), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 16. Tennessee Code Annotated, Section 49-13-107(b), is amended by deleting the language:

On or before April 1 of the year preceding the year in which the proposed public charter school plans to begin operation, the sponsor seeking to establish a public charter school shall prepare and file with the chartering authority an application providing the following information and documents:

and substituting instead the following:

On or before February 1 of the year preceding the year in which the proposed public charter school plans to begin operation, the sponsor seeking to establish a public charter school shall prepare and file with the authorizer and the department of education an application using the application template developed by the department and that provides the following information and documents:

SECTION 17. Tennessee Code Annotated, Section 49-13-107(b)(12), is amended by deleting the word "qualifications" and substituting instead the word "experience".

SECTION 18. Tennessee Code Annotated, Section 49-13-107(b)(13), is amended by deleting the language "and entities".

SECTION 19. Tennessee Code Annotated, Section 49-13-107(b)(15), is amended by deleting the word "school" and substituting instead the language "public charter school".

SECTION 20. Tennessee Code Annotated, Section 49-13-107(b)(19), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 21. Tennessee Code Annotated, Section 49-13-107(d), is amended by deleting the language "LEAs" and substituting instead the word "Authorizers".

SECTION 22. Tennessee Code Annotated, Section 49-13-107(e), is amended by deleting the language "a chartering authority" and substituting instead the language "an authorizer".

SECTION 23. Tennessee Code Annotated, Section 49-13-107, is amended by adding the following language as a new, appropriately designated subsection:

() An authorizer may require a public charter school sponsor to pay to the authorizer an application fee of up to two thousand five hundred dollars (\$2,500) with each charter school application the sponsor files.

SECTION 24. Tennessee Code Annotated, Section 49-13-108, is amended by deleting the section in its entirety and substituting instead the following:

(a) Public charter school authorizers have the authority to approve applications to establish public charter schools and to make decisions regarding the renewal and revocation of a charter agreement.

(b)

(1) This section only applies to applications for the creation of new public charter schools that are submitted to a local board of education.

(2) The local board of education shall rule by resolution, at a regular or specially called meeting, to approve or deny a public charter school application no later than ninety (90) days after the local board of education's receipt of the completed application. If the local board of education fails to approve or deny a public charter school application within the ninety-day time period prescribed in this subdivision (b)(2), then the public charter school application shall be deemed approved.

(3) The grounds upon which the local board of education based a decision to deny a public charter school application must be stated in writing and must specify objective reasons for the denial. Upon receipt of the grounds for denial, the sponsor has thirty (30) days from receipt to submit an amended application to correct the deficiencies. The local board of education has sixty (60) days from receipt of an amended application to deny or to approve the amended application. If the local board of education fails to approve or deny the amended application within sixty (60) days, then the amended application shall be deemed approved.

(4)

(A) Until 11:59 p.m. on December 31, 2020:

(i) A denial by the local board of education of an application to establish a public charter school may be appealed by the sponsor to the state board of education no later than ten (10) days after the date of the final decision to deny. The appeal and review process must be conducted in accordance with this subdivision (b)(4);

(ii) No later than sixty (60) days after the state board of education receives a notice of appeal, or after the state board of education makes a motion to review and provides reasonable public notice, the state board of education, at a public hearing attended by the local board of education or the local board of education's designated representative and held in the LEA in which the proposed public charter school submitted the public charter school application, shall conduct a de novo on the record review of the proposed public charter school's application and make its findings;

(iii) The state board of education or the state board of education's executive director, acting for the state board of education, may allow a sponsor to make corrections to the sponsor's application on appeal, except for the elements of the application required under § 49-13-107(b)(1), (2), (4), (6), (9), (12), (13), (18), and (20);

(iv) If the application is for a public charter school in an LEA that does not contain a priority school on the current or last preceding priority school list, and if the state board of education finds that the local board of education's decision was contrary to the best interests of the students, LEA, or community, then the state board of education shall remand the decision to the local board of education with written instructions for approval of the public charter school application. The grounds upon which the state board of education based its decision to remand the application must be stated in writing and must specify objective reasons for the state board of education's decision. The state board of education's decision is final and is not subject to appeal. The local board of education shall be the authorizer; and

(v) If the application is for a public charter school in an LEA that contains at least one (1) priority school on the current or last preceding priority school list, and if the state board of education finds that the local board of education's decision was contrary to the best interests of the students, LEA, or community, then the state board of education may approve the application for the public charter school. The state board of education's decision is final and is not subject to appeal. The state board shall be the authorizer.

(B) This subdivision (b)(4) is repealed at 11:59 p.m. on December 31, 2020.

(5) Beginning immediately upon the repeal of subdivision (b)(4):

(A) A sponsor may appeal a local board of education's decision to deny a public charter school application to the commission no later than ten (10) days after the date of the local board of education's decision. The appeal and review process must be conducted in accordance with this subdivision (b)(5);

(B) After receiving a notice of appeal, the commission or the commission's designee shall:

(i) Hold an open meeting in the LEA in which the proposed public charter school submitted the public charter school application. The meeting must be open to representatives from the local board of education and the sponsor. Notice of the meeting must be provided to the local board of education, the sponsor, and the general public. At least one (1) week before the meeting, notice of the meeting must be:

(a) Published in a newspaper of general circulation in the county where the LEA is located; and

(b) Posted on the commission's website; and

(ii) Conduct a de novo on the record review of the proposed public charter school's application;

(C) The commission shall either approve or deny a public charter school application no later than seventy-five (75) days from the commission's receipt of the notice of appeal;

(D) The commission shall review applications on appeal in accordance with the state board of education's quality public charter school authorizing standards. Except as provided in subsection (c), if the commission finds that the application meets or exceeds the metrics outlined in the department of education's application-scoring rubric and that approval of the application is in the best interests of the students,

LEA, or community, then the commission may approve the public charter school's application. The commission's decision is final and is not subject to appeal. If the commission approves an application, then the commission is the authorizer and the LEA for that public charter school;

(E) Notwithstanding subdivision (b)(5)(D), a public charter school authorized by the commission, and the local board of education of the LEA in which the public charter school is located, may, within thirty (30) calendar days of the public charter school's authorization, mutually agree in writing that the local board of education will be the authorizer and the LEA for the public charter school, and the local board of education shall assume the rights and responsibilities of the charter agreement. The charter agreement must be filed with the commission in a manner prescribed by the commission. This subdivision (b)(5)(E) also applies to a public charter school that has had its charter agreement renewed on appeal by the commission; and

(F)

(i) For accountability purposes under § 49-1-602, the performance of a public charter school authorized by the commission is not attributable to the LEA in which the public charter school is geographically located; and

(ii) Notwithstanding subdivision (b)(5)(F)(i), if a public charter school authorized by the commission, and the LEA in which the public charter school is geographically located, mutually agree that the local board of education will be the authorizer and the LEA for the public charter school pursuant to subdivision (b)(5)(E), then for accountability purposes under § 49-1-602, the public charter school's performance shall be attributable to the LEA.

(c) The local board of education may consider whether the establishment of the proposed public charter school will have a substantial negative fiscal impact on the LEA such that authorization of the public charter school would be contrary to the best interest of the students, LEA, or community. If a local board of education's decision to deny a public charter school application is based on substantial negative fiscal impact, then the commission shall consider the fiscal impact of the public charter school on the LEA before approving a public charter school on appeal. The commission may request additional information from the public charter school sponsor and the LEA regarding such consideration. The commission shall not approve for operation any public charter school that the commission determines will have a substantial negative fiscal impact on an LEA, such that authorization of the public charter school would be contrary to the best interests of the students, LEA, or community.

(d)

(1) An authorizer may deny a public charter school application if the proposed public charter school plans to staff positions for teachers, administrators, ancillary support personnel, or other employees by utilizing, or otherwise relying on, nonimmigrant foreign worker H1B or J1 visa programs in excess of three and one half percent (3.5%) of the total number of positions at any single public charter school location for any school year.

(2) Notwithstanding subdivision (d)(1), an authorizer shall not deny a public charter school application solely because the proposed public charter school plans to exceed the limitation in subdivision (d)(1) by employing foreign language instructors who, prior to employment, meet and, during the period for which the instructors' H1B or J1 visas have been granted, will meet all Tennessee educator licensure requirements. If an authorizer denies a public charter school application under this subsection (d), then the sponsor may appeal the authorizer's decision to deny the application as provided in subsection (b).

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(e) An authorizer shall not base the authorizer's approval of a public charter school application on conditions or contingencies.

(f) The state board of education shall adopt quality public charter school authorizing standards based on national best practices. Authorizers shall adopt the authorizing standards approved by the state board of education.

(g) No later than ten (10) days after the approval or denial of a public charter school application, the authorizer shall report to the department of education whether the authorizer approved or denied the application. The authorizer shall provide the department with a copy of the authorizer's resolution that provides the authorizer's decision and the reasons for the authorizer's decision.

SECTION 25. Tennessee Code Annotated, Section 49-13-109(b), is amended by deleting the language "A local board of education" and substituting instead the language "An authorizer".

SECTION 26. Tennessee Code Annotated, Section 49-13-110(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) An authorizer's approval of a public charter school application must be in the form of a written charter agreement signed by the sponsor and the authorizer, which shall be binding upon the governing body of the public charter school. The charter agreement for a public charter school must be in writing and must contain all material components of the approved application required under § 49-13-107(b).

SECTION 27. Tennessee Code Annotated, Section 49-13-110(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b) The governing body of the public charter school may petition the authorizer to amend the original charter agreement. Timelines for approval and the appeal process will be determined by the state board of education. If the authorizer is the state board of education or the commission, then no appeal may be made of the state board of education's or the commission's decision to deny a petition to amend the charter agreement. The governing body of a public charter school may also petition the authorizer for voluntary termination of the charter agreement before the charter agreement expires.

SECTION 28. Tennessee Code Annotated, Section 49-13-110(c), is amended by deleting the subsection in its entirety and substituting instead the following:

(c)

(1) Upon the termination of a charter agreement and upon the closure of a public charter school for any reason, any unencumbered public funds from the public charter school automatically revert back to the authorizer. If a charter agreement is terminated and the public charter school is closed, all property and improvements, furnishings, and equipment purchased with public funds automatically revert back to the LEA, subject to complete satisfaction of any lawful liens or encumbrances.

(2) If a public charter school is closed for any reason, then the public charter school is responsible for all debts of the public charter school. The authorizer shall not assume the debt from any contract for goods or services made between the governing body of the public charter school and a third party, except for a debt that is previously detailed and agreed upon in writing by the authorizer and the governing body of the public charter school, and that may not reasonably be assumed to have been satisfied by the authorizer.

SECTION 29. Tennessee Code Annotated, Section 49-13-110, is amended by adding the following language as new subsections (b) and (c) and redesignating the existing subsections accordingly:

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(b) A charter agreement expires ten (10) academic years after the first day of instruction. A public charter school may delay, for a period not to exceed one (1) academic year, the school's initial opening. If the public charter school requires a delay in the school's initial opening of more than one (1) academic year, then the school must obtain approval of the delay from the school's authorizer.

(c) A renewal of a charter agreement shall be for a period of ten (10) academic years.

SECTION 30. Tennessee Code Annotated, Section 49-13-111(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) A public charter school shall, at a minimum:

(1) Be operated by a not-for-profit organization that is exempt from federal taxation under § 501(c)(3) of the Internal Revenue Code (26 U.S.C. § 501(c)(3));

(2) Operate as a public, nonsectarian, nonreligious public school, with control of instruction vested in the governing body of the public charter school under the general supervision of the authorizer and in compliance with the charter agreement and this chapter;

(3) Meet the performance standards and requirements adopted by the state board of education for public schools;

(4) Except as provided in § 49-13-142(d), receive state, federal, and local funds from the local board of education;

(5) Provide education services for students with disabilities, English language learners, and other students with diverse needs, in accordance with state and federal law;

(6) Administer state assessments as provided in chapter 1, part 6 of this title; and

(7) Open and operate within the geographic boundaries of the authorizing local board of education or, if the public charter school is authorized by the achievement school district or the commission, within the geographic boundaries of the LEA in which the charter sponsor has been approved to locate.

SECTION 31. Tennessee Code Annotated, Section 49-13-111(c)(2), is amended by deleting the subdivision in its entirety.

SECTION 32. Tennessee Code Annotated, Section 49-13-111(d), is amended by deleting the subsection in its entirety and substituting instead the following:

(d) A public charter school shall be accountable to the authorizer for the purpose of ensuring compliance with the charter agreement and the requirements of this chapter. Authorizers shall enforce compliance with the requirements of this chapter.

SECTION 33. Tennessee Code Annotated, Section 49-13-111(f), is amended by deleting the subsection in its entirety.

SECTION 34. Tennessee Code Annotated, Section 49-13-111(h), is amended by adding the following language at the end of the subsection:

All information providing notice of public meetings as required under § 8-44-103 must be kept current by a public charter school on the public charter school's website. The board of directors of a CMO may conduct a board meeting concerning a public charter school located in this state by teleconference, videoconference, or other electronic means in compliance with § 8-44-108, except that § 8-44-108(b)(2) and (3) shall not apply to such a meeting if a physical quorum is not present at the location stated in the notice of the meeting.

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SECTION 35. Tennessee Code Annotated, Section 49-13-111(i), is amended by deleting the subsection in its entirety and substituting instead the following:

(i) All teachers in a public charter school must hold a valid Tennessee educator license.

SECTION 36. Tennessee Code Annotated, Section 49-13-111(k), is amended by deleting the subsection in its entirety.

SECTION 37. Tennessee Code Annotated, Section 49-13-111(m), is amended by deleting the subsection in its entirety and substituting instead the following:

(m) A public charter school shall maintain the school's accounts and records in accordance with accounting principles generally accepted in the United States and in conformity with the uniform chart of accounts and accounting requirements prescribed by the comptroller of the treasury. The public charter school shall prepare and publish an annual financial report that encompasses all funds. The annual financial report must include the audited financial statements of the public charter school.

SECTION 38. Tennessee Code Annotated, Section 49-13-111(o), is amended by deleting the subsection in its entirety and substituting instead the following:

(o) The governing body shall conduct at least one (1) annual board training course and shall provide documentation of such training to the authorizer. The training course shall be certified by the Tennessee Charter School Center and approved by the state board of education.

SECTION 39. Tennessee Code Annotated, Section 49-13-111, is amended by adding the following language as a new subsection (h) and redesignating the existing subsections accordingly:

(h) All records of a public charter school are open for personal inspection and duplication by any citizen of this state to the same extent that records of public schools operated by an LEA are open.

SECTION 40. Tennessee Code Annotated, Section 49-13-111, is amended by adding the following language as a new subsection (j) and redesignating the existing subsections accordingly:

(j) A public charter school shall follow the state board of education's rules and regulations for licensure and endorsement of employees.

SECTION 41. Tennessee Code Annotated, Section 49-13-111, is amended by adding the following language as a new, appropriately designated subsection:

() Except where waivers are otherwise prohibited in this chapter, a public charter school may apply to either the authorizer or to the commissioner of education for a waiver of any state board rule or statute that inhibits or hinders the proposed public charter school's ability to meet the school's goals or comply with the school's mission statement. Neither the authorizer nor the commissioner shall waive regulatory or statutory requirements related to:

- (1) Federal and state civil rights;
- (2) Federal, state, and local health and safety;
- (3) Federal and state public records;
- (4) Immunizations;
- (5) Possession of weapons on school grounds;
- (6) Background checks and fingerprinting of personnel;
- (7) Federal and state special education services;

- (8) Student due process;
- (9) Parental rights;
- (10) Federal and state student assessment and accountability;
- (11) Open meetings; and
- (12) At least the same equivalent time of instruction as required in regular public schools.

SECTION 42. Tennessee Code Annotated, Section 49-13-112(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b) The state board of education shall promulgate rules and regulations that provide for the determination of the allocation of state and local funds as provided in subsection (a) and this subsection (b). Notwithstanding § 4-5-208, any rules promulgated under this subsection (b) may be promulgated as emergency rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. At a minimum, the rules must provide that:

(1) Allocations are 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; and

(2)

(A) With the exception of the annual authorizer fees provided under this chapter, a public charter school shall not be required to pay a fee or purchase any services from the authorizer. Public charter schools shall not be required to pay any fee as a condition for approval of a public charter school application by the authorizer or for recommendation for approval by authorizer staff or a committee established by the authorizer for the purposes of making recommendations for public charter school application decisions;

(B) A public charter school may choose to purchase services from an LEA, such as transportation or food services. In such event, the public charter school and the LEA shall execute a service contract, separate from the charter agreement, setting forth the mutual agreement of the parties concerning any service fees to be charged to the public charter school;

(C) A public charter school shall not pay any administrative fee to the authorizer for charter authorizing functions, except as provided through the annual authorizer fees mandated or permitted by this chapter; and

(D) If the charter agreement includes a provision whereby the authorizer will provide services for employee benefits or retirement, then the authorizer may withhold funds to cover the costs of the employee benefits or retirement services. If a services contract is executed with the authorizer, then the authorizer may withhold funds to cover the costs of the services.

SECTION 43. Tennessee Code Annotated, Section 49-13-112(c), is amended by deleting the subsection in its entirety and substituting instead the following:

(c) The department of education shall calculate and report the amount of state and local funding required under the BEP for capital outlay that each public charter school should receive in a fiscal year. The LEA shall include, in the per pupil funding amount required under subsection (a), all state and local funds generated under the BEP for capital outlay that are due to public charter schools operating in the LEA.

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SECTION 44. Tennessee Code Annotated, Section 49-13-112(d), is amended by deleting the subsection in its entirety and substituting instead the following:

(d) Each authorizer is responsible for reporting and submitting funds to the appropriate retirement system, as required under § 8-35-242.

SECTION 45. Tennessee Code Annotated, Section 49-13-112(e)(2), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 46. Tennessee Code Annotated, Section 49-13-112, is amended by adding the following language as a new subsection (b) and redesignating the existing subsections accordingly:

(b) The commission shall receive from the department or from the LEA in which the public charter school is located, as appropriate, an amount equal to the per pupil state and local funds received by the department or LEA for the students enrolled in a public charter school authorized by the commission. The commission shall receive, for the public charter schools the commission authorizes, all appropriate allocations of federal funds as received by other LEAs under federal law or regulation, including, but not limited to, Title I, IDEA, and ESEA funds. All funding allocations and disbursements must be made in accordance with procedures developed by the department.

SECTION 47. Tennessee Code Annotated, Section 49-13-113(b)(4)(B), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 48. Tennessee Code Annotated, Section 49-13-113(b)(4)(E), is amended by deleting the language "residing within the LEA" and substituting instead the language "residing within the geographic boundaries of the LEA".

SECTION 49. Tennessee Code Annotated, Section 49-13-113(b)(4)(F), is amended by deleting the language "residing outside the LEA" and substituting instead the language "residing outside the geographic boundaries of the LEA".

SECTION 50. Tennessee Code Annotated, Section 49-13-113(b)(4)(D), is amended by deleting the subdivision in its entirety.

SECTION 51. Tennessee Code Annotated, Section 49-13-113(b)(5), is amended by deleting the language "teacher, sponsor, or member" and substituting instead the language "teacher or member".

SECTION 52. Tennessee Code Annotated, Section 49-13-113(b)(6), is amended by deleting the subdivision in its entirety.

SECTION 53. Tennessee Code Annotated, Section 49-13-113(b)(7), is amended by deleting the subdivision in its entirety.

SECTION 54. Tennessee Code Annotated, Section 49-13-113, is amended by adding the following language as new subsections (b) and (c) and redesignating the existing subsections accordingly:

(b) A public charter school authorized by the commission is open to any student residing within the geographic boundaries of the LEA in which the public charter school is located. A public charter school authorized by the commission may enroll students residing outside the geographic boundaries of the LEA in which the public charter school is located pursuant to the out-of-district enrollment policy of the LEA in which the public charter school is located and in compliance with §§ 49-6-3003 and 49-6-403(f), unless the LEA in which the public charter school is located has a policy prohibiting out-of-district enrollment.

(c) A public charter school authorized by a local board of education may enroll students residing outside the geographic boundaries of the LEA in which the public charter school is located pursuant to the LEA's out-of-district enrollment policy and in compliance with §§ 49-6-3003 and 49-6-403(f).

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SECTION 55. Tennessee Code Annotated, Section 49-13-113, is amended by adding the following as a new, appropriately designated subsection:

() Public charter schools authorized by the achievement school district (ASD) shall conduct an initial student application period of at least thirty (30) days. During this period, all students zoned to attend or currently enrolled in a school that is eligible to be placed in the ASD may enroll. If, at the end of the initial student enrollment period, the number of eligible students seeking to enroll does not exceed the public charter school's capacity or the capacity of a program, class, grade level, or building, then the public charter school may enroll additional students residing within the geographic boundaries of the LEA in which the public charter school is located; provided, however, that a public charter school's total enrollment of such students shall not exceed twenty-five percent (25%) of the public charter school's total enrollment.

SECTION 56. Tennessee Code Annotated, Section 49-13-114, is amended by deleting the section in its entirety and substituting instead the following:

(a) If a public charter school elects to provide transportation for the public charter school's students, then the transportation must be provided by the public charter school or by agreement with an LEA in accordance with chapter 6, part 21 of this title. If a public charter school elects to provide transportation other than through an agreement with an LEA, then the public charter school shall receive all funds that would have been spent by the LEA in which the public charter school is located to provide such transportation. If a public charter school elects not to provide transportation for the public charter school's students, then the public charter school shall not receive the funds that would have otherwise been spent to do so.

(b) For students who reside outside the geographic boundaries of the LEA in which the public charter school is located and who have been approved by the public charter school's governing body to attend the public charter school, the public charter school is not required to provide or pay for transportation.

(c) At the time a student enrolls in a public charter school, the public charter school shall provide the child's parent or guardian with information regarding transportation.

SECTION 57. Tennessee Code Annotated, Section 49-13-116(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) The department of education shall provide information to the public on how to form and operate a public charter school. This information must include a standard application format, which must include the information specified in § 49-13-107.

SECTION 58. Tennessee Code Annotated, Section 49-13-116(b), is amended by deleting the word "state".

SECTION 59. Tennessee Code Annotated, Section 49-13-116(b), is amended by deleting the language "granted by type of school" and substituting instead the word "approved".

SECTION 60. Tennessee Code Annotated, Section 49-13-117(d), is amended by deleting the subsection in its entirety and substituting instead the following:

(d) This section applies to public charter schools authorized pursuant to this chapter.

SECTION 61. Tennessee Code Annotated, Section 49-13-118(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) This section applies to public charter schools for which the state board of education is the authorizer.

SECTION 62. Tennessee Code Annotated, Section 49-13-118(b), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

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SECTION 63. Tennessee Code Annotated, Section 49-13-118(c), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 64. Tennessee Code Annotated, Section 49-13-118, is amended by adding the following as a new, appropriately designated subsection:

() This section is repealed on July 1, 2021.

SECTION 65. Tennessee Code Annotated, Section 49-13-119, is amended by adding the following language at the end of the section:

Public charter schools authorized by the achievement school district or the commission are entitled to participate in the state group insurance plans selected by the governing body of the public charter school in accordance with § 8-27-303.

SECTION 66. Tennessee Code Annotated, Section 49-13-120(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a) The governing body of the public charter school shall make an annual progress report to the authorizer and to the commissioner of education. The report must contain the following information:

(1) The progress of the public charter school towards achieving the goals outlined in the school's charter agreement;

(2) Financial records of the public charter school, including revenues and expenditures; and

(3) A detailed accounting, including the amounts and sources, of all funds received by the public charter school, other than the funds received under § 49-13-112(a).

SECTION 67. Tennessee Code Annotated, Section 49-13-120(b), is amended by deleting the language "education committee of the senate and the education administration and planning committee of the house of representatives" and substituting instead the language "education committees of the senate and the house of representatives".

SECTION 68. Tennessee Code Annotated, Section 49-13-120(c), is amended by deleting the subsection in its entirety.

SECTION 69. Tennessee Code Annotated, Section 49-13-120(d), is amended by deleting the language "each chartering authority shall submit to the department of education an annual authorizing report" and substituting instead the language "each authorizer shall submit an annual authorizing report to the department of education and state board of education".

SECTION 70. Tennessee Code Annotated, Section 49-13-120(d)(2), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 71. Tennessee Code Annotated, Section 49-13-121, is amended by deleting the section in its entirety and substituting instead the following:

(a) No later than April 1 of the year prior to the year in which the charter expires, the governing body of a public charter school seeking renewal shall submit a renewal application to the local board of education, if the local board of education is the authorizer, or to the commission or the local board of education, if the commission is the authorizer, on the standardized application form developed by the department of education.

(b) A public charter school renewal application must contain a report of the public charter school's operations, including students' standardized test scores, financial statements, and audits for the eight (8) years immediately preceding the date of the renewal application.

(c) Three (3) months prior to the date on which a public charter school is required to submit a renewal application, the authorizer shall submit to the public charter school a performance report that reflects the renewal evaluation.

(d) On or before the February 1 of the year in which the charter expires, the authorizer to which the renewal application was submitted shall rule by resolution to approve or deny the public charter school's renewal application. The authorizer shall consider the renewal application, the annual progress reports required under § 49-13-120, and the renewal performance report required under subsection (b) when deciding whether to approve or deny the public charter school's renewal application.

(e)

(1) Until 11:59 p.m. on December 31, 2020:

(A) A local board of education's decision to deny a renewal application may be appealed by the governing body to the state board of education no later than ten (10) days after the date of the local board of education's decision;

(B) If the state board of education finds that the local board of education's decision to deny renewal of a charter agreement is contrary to the best interest of the students, LEA, or community, and the renewal application is for a public charter school in an LEA that does not contain a school on the current or last preceding priority school list, then the state board of education shall remand the decision to the local board of education with written instructions for approval of the renewal application. The local board of education shall remain the authorizer;

(C) If the state board of education finds that the local board of education's decision not to renew a charter agreement was contrary to the best interests of the students, LEA, or community, and the renewal application is for a public charter school in an LEA that contains at least one (1) school on the current or last preceding priority school list, then the state board of education shall approve the renewal application and the state board of education shall be the authorizer; and

(D) A decision by the state board of education to deny the renewal of a charter agreement is final and is not subject to appeal.

(2) This subsection (e) is repealed at 11:59 p.m. on December 31, 2020.

(f) Beginning immediately upon the repeal of subsection (e):

(1) A local board of education's decision to deny a renewal application may be appealed by the governing body to the commission no later than ten (10) days after the date of the local board of education's decision;

(2) If the commission finds that the local board of education's decision to deny renewal of a charter agreement is contrary to the best interest of the students, LEA, or community, then the commission shall approve the renewal application and the commission shall become the authorizer. A decision by the commission to deny the renewal charter agreement is final and is not subject to appeal; and

(3) If the commission approves the renewal of a charter agreement on appeal from a local board of education, then the public charter school and the commission shall enter into a renewed charter agreement in accordance with § 49-13-110(a).

(g) If a public charter school renewal application is approved, then the term of the renewed charter agreement shall be for ten (10) academic years.

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(h) A decision to deny renewal of a charter agreement becomes effective at the close of the school year.

(i) No later than ten (10) days after an authorizer adopts a resolution to renew or deny renewal of a charter agreement, the authorizer shall report the authorizer's decision to the department of education and shall provide a copy of the resolution that sets forth the authorizer's decision and the reasons for the decision.

(j) If a public charter school voluntarily closes, then the public charter school's agreement with the authorizer ceases to be effective as of the public charter school's closing date.

(k) The authorizer shall conduct an interim review of a public charter school in the fifth year of a public charter school's initial period of operation and in the fifth year following any renewal of a charter agreement under guidelines developed by the department of education. The guidelines must require a public charter school to submit a report to the authorizer on the progress of the public charter school in achieving its goals and objectives, including student performance and other terms of the approved charter agreement.

SECTION 72. Tennessee Code Annotated, Section 49-13-122(a), is amended by deleting the subsection in its entirety and substituting instead the following:

(a)

(1) An authorizer may revoke a public charter school agreement if the public charter school receives identification as a priority school, as defined by the state's accountability system pursuant to § 49-1-602, for 2017 or any year thereafter. The revocation takes effect immediately following the close of the school year in which the public charter school is identified as a priority school.

(2) If the authorizer does not revoke a public charter school agreement after a public charter school is identified as a priority school, then the public charter school must develop and implement a comprehensive support and improvement plan pursuant to § 49-1-602(b)(6).

(3) An authorizer shall revoke a public charter school agreement if the public charter school receives identification as a priority school for two (2) consecutive cycles beginning in 2017. The revocation takes effect immediately following the close of the school year in which the public charter school is identified as a priority school for the second consecutive cycle.

(4) The revocation of a public charter school agreement under subdivisions (a)(1) or (a)(3) is final and is not subject to appeal. A public charter school that is scheduled to close under this subsection (a) is entitled to a review by the department of education to verify the accuracy of the data used to identify the public charter school as a priority school.

(5) This subsection (a) does not prohibit an authorizer from revoking a charter agreement of a public charter school that fails to meet the minimum performance requirements set forth in the charter agreement.

SECTION 73. Tennessee Code Annotated, Section 49-13-122(b), is amended by deleting the language "revoked at any time or not renewed by the final chartering authority if the chartering authority" and substituting instead the language "revoked at any time by the authorizer if the authorizer".

SECTION 74. Tennessee Code Annotated, Section 49-13-122(c), is amended by deleting the language "LEA" wherever it appears and substituting instead the word "authorizer".

SECTION 75. Tennessee Code Annotated, Section 49-13-122, is amended by deleting subsections (d)-(h) in their entireties and substituting instead the following:

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(d) If the authorizer revokes a charter agreement, then the authorizer shall clearly state in writing the reasons for the revocation.

(e) No later than ten (10) days after an authorizer adopts a resolution to revoke a charter agreement, the authorizer shall report the authorizer's decision to the department of education and shall provide a copy of the resolution that sets forth the authorizer's decision and the reasons for the decision.

(f)

(1) Until 11:59 p.m. on December 31, 2020, a local board of education's decision to revoke a charter agreement may be appealed to the state board of education no later than ten (10) days after the date of the local board of education's decision, except for revocations based on the violations specified in subsection (a). No later than sixty (60) days after the state board of education receives a notice of appeal and after the state board of education provides reasonable public notice, the state board of education, at a public hearing attended by the local board of education or the local board of education's designated representative and held in the LEA in which the public charter school has been operating, shall conduct a de novo on the record review of the authorizer's decision. In order to overturn a local board of education's decision to revoke a charter agreement, the state board of education must find that the local board of education's decision was contrary to § 49-13-122. If the state board of education overturns the local board of education's decision to revoke a charter agreement, then the state board of education shall remand the decision to the local board of education and the local board of education shall remain the authorizer. The decision of the state board of education is final and is not subject to appeal. This subsection (f) only applies to decisions to revoke a charter agreement for which the local board of education is the authorizer.

(2) This subsection (f) is repealed at 11:59 p.m. on December 31, 2020.

(g)

(1) Beginning immediately upon the repeal of subsection (f), a decision to revoke a charter agreement may be appealed to the commission no later than ten (10) days after the date of the decision, except for revocations based on the violations specified in subsection (a). No later than sixty (60) days after the commission receives a notice of appeal and after the commission provides reasonable public notice, the commission shall hold an open meeting in the LEA in which the public charter school has been operating to conduct a de novo on the record review of the local board of education's decision. In order to overturn a local board of education's decision to revoke a charter agreement, the commission must find that the decision was contrary to § 49-13-122. If the commission overturns the local board of education's decision to revoke a charter agreement, then the commission shall remand the decision to the local board of education and the local board of education shall remain the authorizer. The commission's decision is final and is not subject to appeal.

(2) This subsection (g) only applies to decisions to revoke a charter agreement for which the local board of education is the authorizer.

(h) Except in the case of fraud, misappropriation of funds, flagrant disregard of the charter agreement, or similar misconduct, a decision to revoke a charter agreement becomes effective at the close of the school year.

SECTION 76. Tennessee Code Annotated, Section 49-13-123, is amended by deleting the section in its entirety.

SECTION 77. Tennessee Code Annotated, Section 49-13-124(b), is amended by deleting the language "chartering authority" and substituting instead the language "authorizer".

SECTION 78. Tennessee Code Annotated, Section 49-13-126, is amended by deleting the section in its entirety and substituting instead the following:

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(a) The state board of education is authorized to promulgate rules for the administration of this chapter. Rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) Notwithstanding any other provision of this chapter to the contrary, the commissioner of education shall promulgate rules and procedures for the authorization of charter schools by the achievement school district pursuant to this chapter. Rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 79. Tennessee Code Annotated, Section 49-13-128(a), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer".

SECTION 80. Tennessee Code Annotated, Section 49-13-128(c), is amended by deleting the first and second sentences.

SECTION 81. Tennessee Code Annotated, Section 49-13-128, is amended by adding the following as new subsections:

(d) If the achievement school district (ASD) authorizes a public charter school under § 49-1-614, then the ASD must receive an annual authorizer fee of up to three percent (3%) of the public charter school's per pupil state and local funding as allocated under § 49-13-112(a). By May 1 of each year, the commissioner shall set the percentage of a public charter school's per pupil state and local funding that the ASD must receive as the annual authorizer fee for the next school year.

(e) If the commission authorizes a public charter school under this chapter, then the commission must receive an annual authorizer fee of up to three percent (3%) of the public charter school's per pupil state and local funding as allocated under § 49-13-112(a). By May 1 of each year, the commission or the commission's designee shall set the percentage of a public charter school's per student state and local funding that the commission shall receive as the annual authorizer fee for the next school year. Notwithstanding subsection (b), the commission may use the commission's annual authorizer fee to fulfill obligations consistent with the authority of the commission as set forth in this chapter.

(f) By December 1 of each year, each LEA that collects an annual authorizer fee shall report the total amount of authorizer fees collected in the previous school year and the authorizing obligations fulfilled using the fee to the department of education. The department shall create a standard document for the purposes of this report and shall post the information on the department's website.

SECTION 82. Tennessee Code Annotated, Section 49-13-130, is amended by deleting the language "The chartering authority" wherever it appears and substituting instead the language "Each authorizer".

SECTION 83. Tennessee Code Annotated, Section 49-13-130(2), is amended by deleting the language "a chartering authority's" and substituting instead the language "an authorizer's".

SECTION 84. Tennessee Code Annotated, Section 49-13-130, is amended by deleting the language "chartering authority" wherever it appears and substituting instead the word "authorizer".

SECTION 85. Tennessee Code Annotated, Section 49-13-130(4), is amended by deleting the subdivision in its entirety and substituting instead the following:

(4) When a public charter school agreement has been denied renewal or revoked, the public charter school shall not enroll any new students. If the denial of renewal or revocation is overturned on appeal pursuant to § 49-13-122, then the public charter school may continue to enroll students;

SECTION 86. Tennessee Code Annotated, Section 49-13-130(6), is amended by deleting the language "§ 49-13-122(g)" and substituting instead the language "§ 49-13-122(h)".

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SECTION 87. Tennessee Code Annotated, Section 49-13-131, is amended by deleting the section in its entirety.

SECTION 88. Tennessee Code Annotated, Section 49-13-132, is amended by deleting the language "a chartering authority" and substituting instead the language "an authorizer".

SECTION 89. Tennessee Code Annotated, Section 49-13-132, is amended by deleting the language "in the district, an LEA" and substituting instead the language "within the geographic boundaries of the LEA, the LEA".

SECTION 90. Tennessee Code Annotated, Section 49-13-133, is amended by deleting the section in its entirety.

SECTION 91. Tennessee Code Annotated, Section 49-13-136, is amended by deleting the language "underutilized and vacant" wherever it appears in subsections (c) and (d) and substituting instead the language "underutilized or vacant".

SECTION 92. Tennessee Code Annotated, Section 49-13-136(f), is amended by deleting the subsection in its entirety and substituting instead the following:

(f) At least sixty (60) days prior to the opening of the public charter school, the charter sponsor shall submit the physical address of the public charter school to the authorizer and the department of education. If a public charter school has not secured a physical location for its school at least sixty (60) days prior to opening, then the public charter school must seek a delay in opening pursuant to § 49-13-110(b).

SECTION 93. Tennessee Code Annotated, Section 49-13-138, is amended by deleting the section in its entirety.

SECTION 94. Tennessee Code Annotated, Section 49-13-139, is amended by deleting the section in its entirety.

SECTION 95. Tennessee Code Annotated, Section 49-13-140, is amended by deleting the section in its entirety.

SECTION 96. Tennessee Code Annotated, Section 49-13-141, is amended by deleting the section in its entirety and substituting instead the following:

Notwithstanding any law to the contrary, an LEA may be the sponsor of a public charter school. If an LEA sponsors a public charter school, then the commission serves as the authorizer.

SECTION 97. Tennessee Code Annotated, Section 49-13-142(b)(2), is amended by deleting the language "chartering authority" and substituting instead the word "authorizer" and by deleting the language "§ 49-13-121(b)" and substituting instead the language "§ 49-13-121".

SECTION 98. Tennessee Code Annotated, Section 49-13-142, is amended by adding the following as new subsections:

(h)

(1) On July 1, 2021, all charter agreements for which the state board of education is the authorizer shall be transferred, for the remainder of the unexpired term of the charter agreement, to the commission if documentation of mutual agreement to the transfer has been executed by the public charter school's governing body and the commission.

(2) Documentation of mutual agreement must be in the form of a written agreement between the public charter school's governing body and the commission. The agreement must include any modification or amendment of the charter agreement as may be mutually agreed upon by the public charter school's governing body and the commission.

(3) On July 1, 2021, subject to documentation of mutual agreement, the commission shall assume all authorizer rights under charter agreements executed by the state board of education.

(4) The state board of education shall transfer to the commission all student records and public charter school performance data collected and maintained in the performance of the state board of education's duties as an authorizer.

(5) The commission, in consultation with the governing body of a public charter school that is operating under a charter agreement that is to be transferred under this subsection (h), shall provide for timely notification of the transfer of the charter agreement, and any modifications or amendments to the charter agreement that are included in the written agreement executed under subdivision (h)(2), to parents or guardians of students enrolled in a public charter school affected by the transfer.

(6) If a public charter school's governing body and the commission cannot reach a mutual agreement before July 1, 2021, then the charter agreement authorized by the state board of education terminates on July 1, 2021.

(i) Subsections (a)-(g) are repealed on July 1, 2021.

SECTION 99. Tennessee Code Annotated, Section 49-13-143(b), is amended by deleting the subsection in its entirety and substituting instead the following:

(b) Authorizers may develop and adopt a performance framework for all schools authorized for operation, including both charter and non-charter public schools. If an authorizer has not adopted a performance framework for all of the authorizer's schools, then it must adopt a performance framework aligned to the model performance framework developed by the department of education for the department's charter schools.

SECTION 100. Tennessee Code Annotated, Title 49, Chapter 13, is amended by adding the following as a new, appropriately designated section:

(a) The state board of education shall ensure the effective operation of authorizers in this state and shall evaluate authorizer quality.

(b) In order to evaluate authorizer quality, the state board of education is authorized to conduct periodic evaluations of authorizers to determine authorizer compliance with the requirements of this chapter and with the rules and regulations of the state board of education, and to ensure alignment with the state board of education's quality authorizing standards.

(c)

(1) If the state board of education finds that an authorizer is not in compliance with the requirements of this chapter, the rules and regulations of the state board of education, or the state board of education's quality authorizing standards, then the state board of education shall provide the authorizer with written notification of the authorizer's noncompliance.

(2) The authorizer shall respond to the written notification no later than ten (10) business days after the date of the written notification and shall remedy the authorizer's noncompliance within the timeframe determined by the state board of education. An authorizer's failure to remedy the authorizer's noncompliance may result in a reduction of the authorizer fee provided in § 49-13-128, as determined by the state board of education.

(d) The state board of education is authorized to promulgate rules to effectuate this section. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, part 2.

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SECTION 101. Tennessee Code Annotated, Section 49-13-107(c), is amended by deleting the language "§ 49-13-122" and substituting instead the language "§ 49-13-121".

SECTION 102. The Tennessee public charter school commission is subject to the governmental entity review law, compiled in title 4, chapter 29, and terminates on June 30, 2021, unless continued or extended by the general assembly.

SECTION 103. If any provision of this act or its application to any person or circumstance is held invalid, then the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end the provisions of this act shall be severable.

SECTION 104. This act shall take effect upon becoming a law, the public welfare requiring it.

HOUSE BILL NO. 940

PASSED: April 18, 2019



GLEN CASADA, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 20th day of April 2019



BILL LEE, GOVERNOR