

EDUCATION AND LABOR CABINET
Kentucky Board of Education
Department of Education
(New Administrative Regulation)

701 KAR 8:050. Charter school funding.

RELATES TO: KRS 160.1590, 160.1591, 160.15911, 160.1592, 160.1593, 160.1594, 160.1595, 160.1596, 160.1597, 160.1598, 160.1599

STATUTORY AUTHORITY: KRS 156.070, 160.1596

NECESSITY, FUNCTION, AND CONFORMITY: KRS 160.1596 requires the Kentucky Board of Education to promulgate administrative regulations governing the calculation and distribution of funds due to public charter schools from school districts, the schedule of distribution of funds, and the imposition of fines for late distribution of funds. This administrative regulation establishes the requirements for the calculation and distribution of funds to a public charter school, the schedule of distribution of funds, and the fines for failure to timely transfer funds.

Section 1. Definitions.

- (1) "Authorizer" or "public charter school authorizer" is defined by KRS 160.1590(15).
- (2) "Charter contract" or "contract" is defined by KRS 160.1590(4).
- (3) "District of location" is defined by KRS 160.1590(7).
- (4) "Public charter school" is defined by KRS 160.1590(14).

Section 2. Calculation of Charter School Funds.

- (1) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), for the first school year of operation of a charter school, the district of location shall calculate funds due to the charter school as set forth in KRS 160.1596(9) and (13).
- (2) For years subsequent to a charter school's first school year of operation, unless otherwise negotiated under KRS 160.1596(6) or KRS 160.1596(8), the district of location shall calculate funds due to a charter school as set forth in KRS 160.1596(5), (6), and (13).

Section 3. Distribution of Funds for the First School Year of Public Charter School Operation.

- (1)
 - (a) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), during a public charter school's first school year of operation, the district of location shall transfer to the public charter school the funds required pursuant to KRS 160.1596(6) (a), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt of funds distributed pursuant to KRS 157.410.
 - (b) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), during a public charter school's first school year of operation, the district of location shall transfer the funds required pursuant to KRS 160.1596(6)(b) and (c), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt.
 - (c) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), during a public charter school's first school year of operation, the district of location shall transfer to the public charter school the funds required pursuant to KRS 160.1596(13), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt.
- (2) As a condition of receiving funding beginning with the 2024-2025 school year, the charter school shall have an approved contract prior to February 1 preceding the charter school's first instructional school year.

(3) The district of location with the assistance of the Kentucky Department of Education shall provide the public charter school with a written estimate of the projected amounts of funding that will be due to the charter school through December of the first instructional school year on or before February 1 preceding the charter school's first instructional year.

Section 4. Distribution of Funds for Subsequent School Years of Public Charter School Operation.

(1) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), the district of location shall transfer to the public charter school the funds required pursuant to KRS 160.1596(6)(a), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt of funds distributed pursuant to KRS 157.410.

(2) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), the district of location shall transfer to the public charter school the funds required pursuant to KRS 160.1596(6)(b) and (c), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt.

(3) Unless otherwise negotiated under KRS 160.1596(6) or 160.1596(8), the district of location shall transfer to the public charter school the funds required pursuant to KRS 160.1596(13), minus any authorizer's fee pursuant to KRS 160.1596(10), within thirty (30) days of receipt.

Section 5. Authorizer's Fees.

(1) Any authorizer's fee under KRS 160.1596(10) shall be retained by the district of location if it is the authorizer or remitted to the authorizer at the time of the transfer of funds to the public charter school if the district of location is not the authorizer.

(2) Any authorizer fee due to the Kentucky Board of Education resulting from the appeal of an authorization shall be remitted to the Kentucky Board of Education by the district of location at the time of the transfer of funds to the public charter school.

Section 6. Fines.

(1) Failure of the district of location to transfer required funds to the public charter school shall result in the district of location incurring a fine as set forth in KRS 160.1596(11). The fine shall be five (5) percent of the total funds per funding period due to be transferred.

(2) The district of location shall include the fine payment at the time of transfer of outstanding funds to the public charter school.

(49 Ky.R. 1216; eff. 7-5-2023.)

This is to certify that the chief state school officer has reviewed and recommended this administrative regulation prior to its adoption by the Kentucky Board of Education, as required by KRS 156.070(5).

JASON E. GLASS, Ed.D. Commissione

LU S. YOUNG, Ed.D., Board Chairperson

APPROVED BY AGENCY: October 13, 2022

FILED WITH LRC: October 13, 2022 at 3:42 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this proposed administrative regulation shall be held on December 21, 2022, at 11 am in the State Board Room, 5th Floor, Kentucky Department of Education, 300 Sower Boulevard, Frankfort, Kentucky. Individuals interested in being heard at this meeting shall notify this agency in writing five working days prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the

public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted until December 31, 2022. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Todd G. Allen, General Counsel, Kentucky Department of Education, 300 Sower Boulevard, 5th Floor, Frankfort, Kentucky 40601, phone 502-564-4474, fax 502-564-9321, email regcomments@education.ky.gov.