

## House of Representatives State of Utah

UTAH STATE CAPITOL COMPLEX • 350 STATE CAPITOL P.O. BOX 145030 • SALT LAKE CITY, UTAH 84114-5030 • (801) 538-1029

February 28, 2012

## Madam Speaker:

The Education Committee reports a favorable recommendation on **H.B. 392**, CHARTER SCHOOL FUNDING REVISIONS, by Representative S. Sandstrom, with the following amendments:

- Page 1, Lines 12 through 13:
   12 {→ modifies a school district's contribution of school district revenues for charter
   13 school students; and }
   Page 1, Line 26 through Page 6, Line 155:
  - 26 { Section 1. Section 53A-1a-513 is amended to read:
  - 27 <u>53A-1a-513</u>. Funding for charter schools.
  - 28 (1) As used in this section:
  - 29 (a) "Charter school students' average local revenues" means the amount determined as
  - 30 follows:
  - 31 (i) for each student enrolled in a charter school on the previous October 1, calculate the
  - 32 district per pupil local revenues of the school district in which the student resides;
  - 33 (ii) sum the district per pupil local revenues for each student enrolled in a charter
  - 34 school on the previous October 1; and
  - 35 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students
  - 36 enrolled in charter schools on the previous October 1.
  - 37 (b) "District local property tax revenues" means the sum of a school district's revenue
  - 38 received from the following levies:
  - 39 (i) (A) a voted levy imposed under Section 53A-17a-133;
  - 40 (B) a board levy imposed under Section 53A-17a-134;
  - 41 (C) a 10% of basic levy imposed under Section 53A-17a-145;







- 42 (D) a tort liability levy imposed under Section 63G-7-704;
- 43 (E) a capital outlay levy imposed under Section 53A-16-107; and
- 44 (F) a voted capital outlay levy imposed under Section 53A-16-110; or
- 45 (ii) (A) a voted local levy imposed under Section 53A-17a-133;
- 46 (B) a board local levy imposed under Section 53A-17a-164, excluding revenues
- 47 expended for:
- 48 (I) recreational facilities and activities authorized under Title 11, Chapter 2,
- 49 Playgrounds;
- 50 (II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of
- 51 taxable value of the school district's board local levy; and
- 52 (III) the K-3 Reading Improvement Program, up to the amount of revenue generated by
- 53 a .000121 per dollar of taxable value of the school district's board local levy; and
- 54 (C) a capital local levy imposed under Section 53A-16-113.
- (c) "District per pupil local revenues" means an amount equal to the following, using
- 56 data from the most recently published school district annual financial reports and state
- 57 **superintendent's annual report:**
- 58 (i) district local property tax revenues; divided by
- 59 (ii) the sum of:
- 60 (A) a school district's average daily membership; and
- 61 (B) the average daily membership of a school district's resident students who attend
- 62 charter schools.
- 63 (d) "Resident student" means a student who is considered a resident of the school
- 64 district under Title 53A, Chapter 2, Part 2, District of Residency.
- 65 (e) "Statewide average debt service revenues" means the amount determined as
- 66 follows, using data from the most recently published state superintendent's annual report:
- 67 (i) sum the revenues of each school district from the debt service levy imposed under







- 68 Section 11-14-310; and
- 69 (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district
- 70 average daily membership.
- 71 (2) (a) Charter schools shall receive funding as described in this section, except
- 72 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).
- 73 (b) Charter schools authorized by local school boards that are converted from district
- 74 schools or operate in district facilities without paying reasonable rent shall receive funding as
- 75 prescribed in Section 53A-1a-515.
- 76 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state
- 77 funds, as applicable, on the same basis as a school district receives funds.
- 78 (b) In distributing funds under Chapter 17a, Minimum School Program Act, to charter
- 79 schools, charter school pupils shall be weighted, where applicable, as follows:
- 80 (i) .55 for kindergarten pupils;
- 81 (ii) .9 for pupils in grades 1 through 6;
- 82 (iii) .99 for pupils in grades 7 through 8; and
- 83 (iv) 1.2 for pupils in grades 9 through 12.
- 84 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
- 85 resident student of the school district who is enrolled in a charter school on October 1 equal to
- 86 [25%] 20.6% of [the lesser of: (A)] district per pupil local revenues[; or].
- 87 [(B) charter school students' average local revenues.]
- 88 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program
- 89 established under Chapter 28, Utah School Bond Guaranty Act.
- 90 (b) The State Board of Education shall:
- 91 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
- 92 state funds the school district is authorized to receive under Chapter 17a, Minimum







	School
93	Program Act; and
94	[(ii) remit the money to the student's charter school.]
95	(ii) use the money deducted under Subsection (4)(b)(i), together with money
96	appropriated under Subsection (4)(d), to provide funds to charter schools in the
	amount of
<b>97</b>	<u>charter school students' average local revenues for each student enrolled in a charter</u>
	school on
98	October 1.
99	(c) Notwithstanding the method used to transfer school district revenues to
	<del>charter</del>
100	schools as provided in Subsection (4)(b), a school district may deduct the allocations
	to charter
101	schools under this section from:
102	(i) unrestricted revenues available to the school district; or
103	(ii) the revenue sources listed in Subsection (1)(b) based on the portion of the
104	allocations to charter schools attributed to each of the revenue sources listed in
	Subsection
105	<del>(1)(b).</del>
106	(d) (i) Subject to future budget constraints, the Legislature shall provide an
<b>107</b>	appropriation for charter schools for each student enrolled on October 1 to
	supplement the
108	allocation of school district revenues under Subsection (4)(a).
109	(ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided
	by the
110	state for a charter school student shall be the sum of:
111	(A) charter school students' average local revenues minus the allocation of
	school
112	district revenues under Subsection (4)(a); and
113	— (B) statewide average debt service revenues.
114	(iii) If the total of a school district's allocation for a charter school student under
115	Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is
	<del>less than</del>
116	\$1427, the state shall provide an additional supplement so that a charter school







## receives at least

- 117 \$1427 per student under this Subsection (4).
- 118 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the
- amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated
- 120 among charter schools in proportion to each charter school's enrollment as a percentage of the
- 121 total enrollment in charter schools.
- 122 (B) If the State Board of Education makes adjustments to Minimum School Program
- 123 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection
- 124 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.
- 125 (e) Of the money provided to a charter school under this Subsection (4), 10% shall be
- 126 expended for funding school facilities only.
- 127 (5) Charter schools are eligible to receive federal funds if they meet all applicable
- 128 federal requirements and comply with relevant federal regulations.
- 129 (6) The State Board of Education shall distribute funds for charter school students
- 130 directly to the charter school.
- 131 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state
- 132 transportation funding.
- 133 (b) The board shall also adopt rules relating to the transportation of students to and
- 134 from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.
- 135 (c) The governing body of the charter school may provide transportation through an

136 agreement or contract with the local school board, a private provider, or with parents.







- 137 (8) (a) (i) The state superintendent of public instruction may allocate grants for both
- start-up and ongoing costs to eligible charter school applicants from money appropriated for
- 139 the implementation of this part.
- 140 (ii) Applications for the grants shall be filed on a form determined by the state
- superintendent and in conjunction with the application for a charter.
- 142 (iii) The amount of a grant may vary based upon the size, scope, and special
- 143 circumstances of the charter school.
- 144 (iv) The governing board of the charter school shall use the grant to meet the expenses
- of the school as established in the school's charter.
- 146 (b) The State Board of Education shall coordinate the distribution of federal money
- 147 appropriated to help fund costs for establishing and maintaining charter schools within the
- 148 state.
- 149 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
- endowment, gift, or donation of any property made to the school for any of the purposes of this
- 151 part.
- 152 (b) It is unlawful for any person affiliated with a charter school to demand or request
- 153 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
- with the charter school as a condition for employment or enrollment at the school or continued
- 155 attendance at the school.

## 3. Page 7, Lines 199 through 200:

- 199 <u>This bill takes effect on</u> {<u>July 1, 2012, except the amendments in this bill to</u>
  <u>Section</u>
- **200 59-2-1317 take effect on** January 1, 2013.-







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Respectfully,

Francis D. Gibson Committee Chair

Voting: 12-0-3
3 HB0392.HC1.WPD 2/28/12 9:35 am csteffen/CCS AOS/CCS

Bill Number

Action Class

