

Charter School Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

LONG TITLE**Committee Note:**

The Education Interim Committee recommended this bill.

Legislative Vote: 12 voting for 0 voting against 8 absent

General Description:

This bill allows the State Board of Education (state board) to adjust funding for charter schools with significant enrollment underestimates.

Highlighted Provisions:

This bill:

- provides the state board discretionary authority to allocate funds to adjust charter school enrollment estimates;
- specifies funding sources in priority order;
- requires reporting to the Office of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget; and
- exempts adjustments from certain budgetary requirements.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

63J-1-206, as last amended by Laws of Utah 2024, Chapter 268

ENACTS:

53F-2-707, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53F-2-707** is enacted to read:

53F-2-707 . Allocations for adjustment of initial enrollment estimates for charter schools.

- 32 (1) As used in this section, "enrollment deficiency" means the difference between:
 33 (a) the actual enrollment of a new or expanding charter school; and
 34 (b) in accordance with Section 53F-2-208, the estimated enrollment of a new or
 35 expanding charter school the state board used in developing the state appropriation
 36 for the applicable budget year for the new or expanding charter school.
- 37 (2) The state board may provide an allocation to adjust initial enrollment or weighted pupil
 38 unit estimates for a new or expanding charter school if:
 39 (a) the charter school requests an adjustment from the state board;
 40 (b) the enrollment deficiency is more than 10% of the charter school's marginal
 41 approved enrollment; and
 42 (c) in accordance with Section 53F-2-208, the initial budgetary estimates the state board
 43 used to develop the state appropriation for the new or expanding charter school did
 44 not include or underestimated the enrollment for the applicable budget year.
- 45 (3) If the state board approves an allocation under Subsection (2), the state board may
 46 provide additional preliminary weighted pupil units to cover costs until the completion
 47 of the fall enrollment counts and the mid-year or end of year updates to the estimated
 48 state funding distribution.
- 49 (4) The state board may use unencumbered balances from the following programs, in
 50 priority order, to provide an allocation to a charter school under this section:
 51 (a) without the consent or approval of the State Charter School Board, balances
 52 remaining in the grants for charter school start-up costs under Section 53F-2-705;
 53 (b) from prior year ending balances, balances remaining in the charter school levy state
 54 guarantee under Section 53F-2-704; and
 55 (c) unrestricted balances in the basic school program.
- 56 (5) The state board shall report actions the state board takes under this section to the Office
 57 of the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget.

58 Section 2. Section **63J-1-206** is amended to read:

59 **63J-1-206 . Appropriations governed by chapter -- Restrictions on expenditures**
 60 **-- Transfer of funds -- Exclusion.**

- 61 (1)(a) Except as provided in Subsections (1)(b) and (2)(e), or where expressly exempted
 62 in the appropriating act:
 63 (i) all money appropriated by the Legislature is appropriated upon the terms and
 64 conditions set forth in this chapter; and
 65 (ii) any department, agency, or institution that accepts money appropriated by the

- 66 Legislature does so subject to the requirements of this chapter.
- 67 (b) This section does not apply to:
- 68 (i) the Legislature and its committees; and
- 69 (ii) the Investigation Account of the Water Resources Construction Fund, which is
- 70 governed by Section 73-10-8.
- 71 (2)(a) Each item of appropriation is to be expended subject to any schedule of programs
- 72 and any restriction attached to the item of appropriation, as designated by the
- 73 Legislature.
- 74 (b) Each schedule of programs or restriction attached to an appropriation item:
- 75 (i) is a restriction or limitation upon the expenditure of the respective appropriation
- 76 made;
- 77 (ii) does not itself appropriate any money; and
- 78 (iii) is not itself an item of appropriation.
- 79 (c)(i) An appropriation or any surplus of any appropriation may not be diverted from
- 80 any department, agency, institution, division, or line item to any other department,
- 81 agency, institution, division, or line item.
- 82 (ii) If the money appropriated to an agency to pay lease payments under the program
- 83 established in Section 63A-5b-703 exceeds the amount required for the agency's
- 84 lease payments to the Division of Facilities Construction and Management, the
- 85 agency may:
- 86 (A) transfer money from the lease payments line item to other line items within
- 87 the agency; and
- 88 (B) retain and use the excess money for other purposes.
- 89 (d) The money appropriated subject to a schedule of programs or restriction may be used
- 90 only for the purposes authorized.
- 91 (e) In order for a department, agency, or institution to transfer money appropriated to it
- 92 from one program to another program, the department, agency, or institution shall
- 93 revise its budget execution plan as provided in Section 63J-1-209.
- 94 (f)(i) The procedures for transferring money between programs within a line item as
- 95 provided by Subsection (2)(e) do not apply to money appropriated to the State
- 96 Board of Education for the Minimum School Program or capital outlay programs
- 97 created in Title 53F, Chapter 3, State Funding -- Capital Outlay Programs.
- 98 (ii) The state superintendent may transfer money appropriated for the programs
- 99 specified in Subsection (2)(f)(i) only as provided by Section 53F-2-205.

- 100 (3) Notwithstanding Subsection (2)(c)(i):
- 101 (a) the state superintendent:
- 102 (i) may transfer money appropriated for:
- 103 (A) the Minimum School Program between line items in accordance with Section
- 104 53F-2-205; and
- 105 (B) initial enrollment estimates for charter schools between line items in
- 106 accordance with Section 53F-2-707; and
- 107 (ii) shall provide the state board with information on the transfers described in
- 108 Subsection (3)(a)(i) within 60 days of a transfer; and
- 109 (b) the Department of Government Operations may transfer money appropriated to
- 110 another department, agency, institution, or division for the purpose of paying the
- 111 costs of pay for performance under Section 63A-17-112.
- 112 Section 3. **Effective date.**
- 113 This bill takes effect on July 1, 2025.