- 1 R277. Education, Administration.
- 2 R277-552. Charter School Timelines and Approval Processes.
- 3 **R277-552-1.** Authority and Purpose.
- 4 (1) This rule is authorized by:
- 5 (a) Utah Constitution Article X, Section 3, which vests general control and supervision over public education in the Board;
- 7 (b) Subsection 53E-3-401(4), which allows the Board to adopt rules in accordance 8 with its responsibilities;
- 9 (c) Subsection 53G-6-504(5), which requires the Board to make rules regarding a charter school expansion or satellite campus;
- 11 (d) Sections 53G-5-304 through 53G-5-306, which require the Board to make a rule providing a timeline for the opening of a charter school;
- (e) Section 53F-2-702, which directs the Board to distribute funds for charter school
  students directly to the charter school;
  - (f) the Charter School Expansion Act of 1998, 20 U.S.C. Sec. 8063, which directs the Board to submit specific information [prior to]before a charter school's receipt of federal funds; and
  - (g) Subsection 53G-5-205(5), which requires the Board to make rules establishing minimum standards that an authorizer is required to apply in authorizing and monitoring charter schools.
    - (2) The purpose of this rule is to:
- 22 (a) establish procedures for timelines and approval processes for new charter 23 schools; and
- 24 (b) provide criteria and standards for consideration of high performing charter 25 schools to expand and request new schools that are satellite schools.

## R277-552-2. Definitions.

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28 (1) "Large expansion" means a charter school's request for expansion if the expansion request:

30	(a) is for more than 50 students;
31	(b) would necessitate significant renovation; or
32	(c) is for more than one additional grade level.
33	(2) "Market analysis" means a qualitative and quantitative analysis of the
34	educational market near a proposed charter school, including:
35	[ <del>(1)</del> ](a) the school's target demographics;
36	[ <del>(2)</del> ](b) population and development trends in the area;
37	[ <del>(3)</del> ](c) nearby competing public schools;
38	[(4)](d) the proposed school's own forecasts, along with supporting data; and
39	[ <del>(5)</del> ](e) any risks, barriers, or regulations that may impact a proposed school's
40	success.
41	[(2)](3) "Significant [renevation]school remodel" means new construction or a
42	renovation that requires:
43	(i) a building permit from a local municipality or county; or
44	(ii) a project number from the Board as described in R277-471.
45	(4) "Small expansion request" means a charter school's request for expansion if
46	the expansion request:
47	(a) is for 50 or fewer students;
48	(b) would not necessitate a significant renovation; and
49	(c) is for no more than one additional grade.
50	R277-552-3. Charter School Authorization Process.
51	(1) An individual or non-profit organization as described in Subsection 53G-5-
52	302(2)(b) may apply to open a charter school from any statutorily approved authorizer.
53	(2) An authorizer shall submit a process to the Board for approval of:
54	(a) a new charter school;
55	(b) a request from a school to change authorizers;
56	(c) a charter school expansion; or
57	(d) a satellite school.

- (3) A new authorizer shall submit a new charter school application process to the Board for approval at least six months [prior to]before accepting applications for a new charter school.
- (4) An existing authorizer may not authorize a new charter school for the 2021-22 school year and beyond until the Board approves the authorizer's application process.
- (5)(a) The Board shall approve or deny an authorizer's proposed application process, including expansion and satellite approval processes, within 90 days of receipt of the proposed process from an authorizer.
- (b) If the Board denies an application process, the Superintendent shall provide a written explanation of the reasons for the denial to the applicant within 45 days.
- (c) If an authorizer's application process is denied, the authorizer may submit a revised application process for approval at any time.
- (6) An authorizer shall have an application and charter agreement, which shall include all elements required by Title 53G, Chapter 5, Part 3, Charter School Authorization.
- (7) An authorizer shall maintain the official signed charter agreement, which shall presumptively be the final, and complete agreement between a school and the school's authorizer.
  - (8) An authorizer's review process for a new charter school shall include:
  - (a) a plan for mandatory pre-operational and other trainings;
  - (b) an evaluation of the school's governing board, including:
- (i) a review of the resumes of and background information of proposed governing board members; and
  - (ii) a capacity interview of the proposed governing board;
  - (c) an evaluation of the school's financial viability, including:
  - (i) a market analysis;

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- (ii) anticipated enrollment; and
- (iii) anticipated and break even budgets;
- 85 (d) an evaluation of the school's academic program and academic standards by 86 which the authorizer will hold the school accountable; and

- 87 (e) an evaluation of the school's proposed pre-operational plan, including 88 implementation of:
  - (i) applicable legal requirements for public schools;
- 90 (ii) required policies;

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- (iii) student data systems, including student data privacy requirements;
- 92 (iv) reporting; and
- 93 (v) financial management.
  - (9) An authorizer's review process shall include contacting the school district in which a proposed charter school will be located and consideration of any feedback provided by the district.
  - (10) An authorizer shall design its approval process so that the authorizer notifies the Superintendent of an authorizer approval of a request identified in Subsection (2) no later than October 1, one fiscal year [prior to]before the state fiscal year the charter school intends to serve students.

## R277-552-4. Timelines - Charter School Starting Date and Facilities.

- (1) A charter school may receive state start-up funds if the charter school is approved as a new charter school by October 1, one fiscal year [prior to]before the state fiscal year the charter school intends to serve students.
- (2) [Prior to]Before receiving state start-up funds an authorizer, other than the State Charter School Board, shall certify in writing to the State Charter School Board that a charter school has:
  - (a) completed all required financial documents;
  - (b) completed background checks for each governing board member; and
- (c) executed a signed charter agreement, which includes academic goals.
- (3) [Prior to]Before an LEA [receiving]receives state start-up funds, the State Charter School Board shall require the LEA to submit documentation supporting the information required in Subsections (2)(a) and (c) to the Superintendent.

- (4) A charter school may receive state funds, including minimum school program funds, if the charter school authorizer certifies in writing to the Superintendent by June 30 [prior to]before the school's first operational year that:
  - (a) the charter school meets the requirements of Subsection (2);

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- (b) the charter school's governing board has adopted all policies required by statute or Board rule, including a draft special education policies and procedures manual;
- (c) the charter school's governing board has adopted an annual calendar in an open meeting and has submitted the calendar to the Superintendent;
- (d) the authorizer has received the charter school's facility contract as required by Subsection 53G-5-404(9);
- (e) the charter school has met the requirements of Subsections (5) and (6) and that the school's building is scheduled for completion, including all required inspections, [prior to]before occupancy;
  - (f)(i) the charter school has hired an executive director and a business administrator;
- (ii)(A) the charter school governing board has designated an executive director or business administrator employed by a third party; and
- (B) the charter school governing board has established policies regarding the charter school's supervision of the charter school's third-party contractors;
- (g) the charter school's enrollment is on track to be sufficient to meet the school's financial obligations and implement the charter school agreement;
- (h) the charter school has an approved student data system that has successfully communicated with UTREx, including meeting the compatibility requirements of Subsection R277-484-5(3);
  - (i) the charter school has a functional accounting system; and
- (j) the charter school has a budgeted net lease adjusted debt burden ratio of under 30% based on the school's executed facility agreement; and
- 142 (k) the charter school has complied with all legal requirements for new charter 143 schools in a school's pre-operational year.

144 (	(5)	An authorizer	shall:

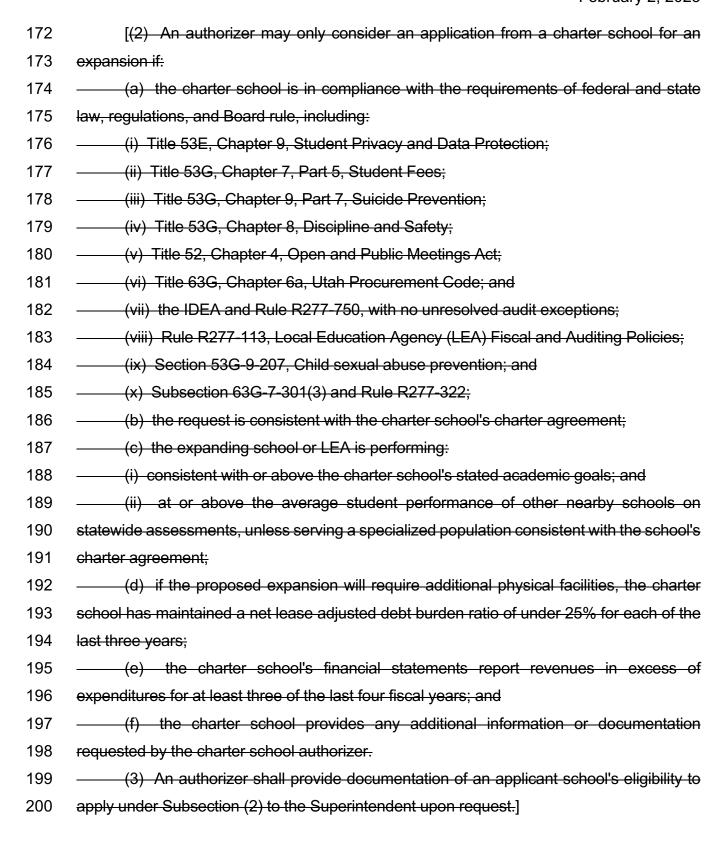
- (a) create a process to verify the requirements in Subsection (4);
  - (b) maintain documentation of Subsection (5)(a); and
- 147 (c) provide the documentation described in Subsection (5)(b) to the Superintendent 148 upon request; and
  - (d) submit a copy of the process required in Subsection (5)(a) to the Board for approval along with the authorizer's process for approving new charters under Subsection R277-552-3(2).
  - (6) A charter school shall begin construction on a new or existing facility requiring [major]significant renovation[, such as requiring a project number consistent with Rule R277-471,] no later than January 1 of the year the charter school is scheduled to open.
  - (7) A charter school that intends to occupy a facility requiring only minimal renovation, such as renovation not requiring a project number according to Rule R277-471, shall enter into a written agreement no later than May 1 of the calendar year the charter school is scheduled to open.
  - (8) If a charter school fails to meet the requirements of this section within 36 months of approval, the approval of the charter school shall expire.

## R277-552-5. Charter Amendment Requests.

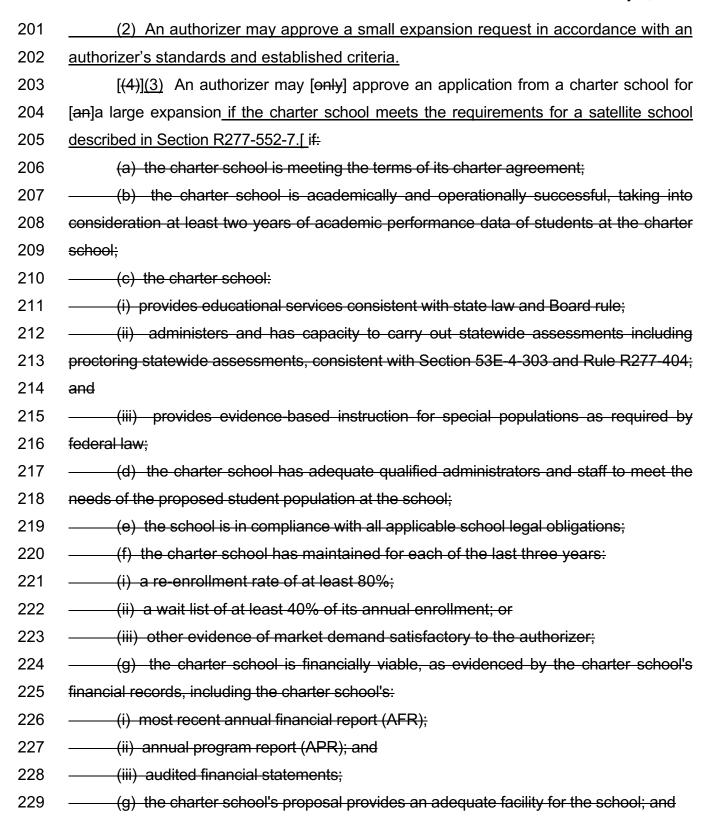
- (1) An authorizer shall have a policy establishing a process for consideration of proposed amendments to a school's charter agreement.
- (2) An authorizer's timeline for consideration of an amendment to a charter agreement may not conflict with any funding deadline established in Board rule.

## R277-552-6. Charter School Small Expansion Requests.

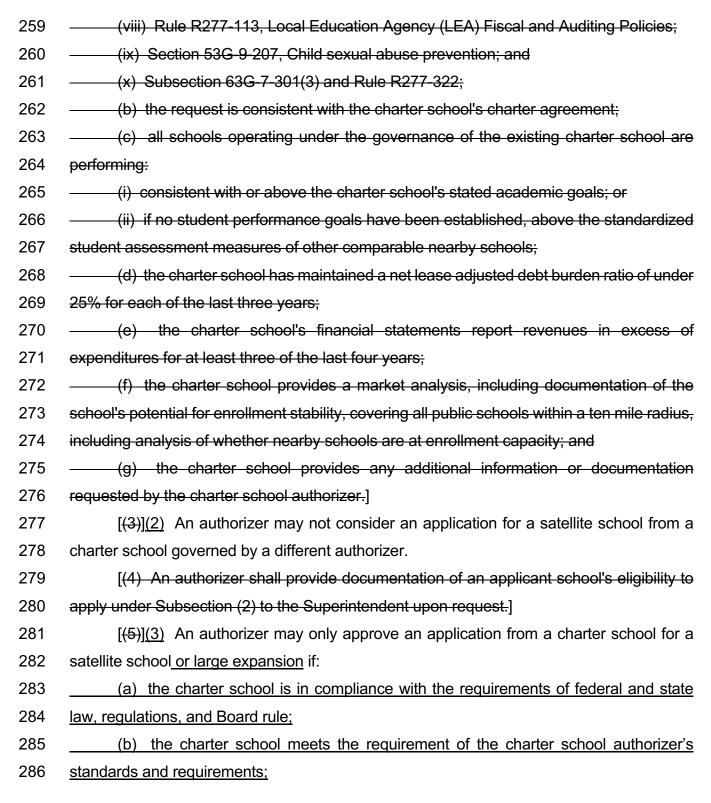
(1) An authorization process developed by an authorizer in accordance with Subsection R277-552-[2]3(2) shall comply with [this] Sections R277-552-[5]6 and 7 for a charter school expansion.



February 2, 2023



230	(h) the charter school has appropriately dealt with student safety issues, if any.]
231	(4) An authorizer may provide additional requirements in addition to the requirements
232	described in Sections R277-552-6 and 7.
233	(5) An authorizer shall provide documentation of an applicant school's eligibility for
234	an expansion under Subsection (2) or Section R277-552-7 to the Superintendent upon
235	<u>request.</u>
236	[ <del>(5)</del> ] <u>(6)</u> An authorizer shall:
237	(a) approve a proposed expansion before October 1 of the state fiscal year [prior
238	te]before the school year that the charter school intends to expand; and
239	(b) provide the total number of students by grade that the charter school expansion
240	is authorized to enroll to the Superintendent on or before October 1 of the state fiscal year
241	[prior to]before the school year that the school intends to expand.
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243	R277-552-7. Requests for a New Satellite School or Large Expansion[for an Approved
244	Charter School].
245	(1) An authorization process developed by an authorizer in accordance with
246	Subsection R277-552-3(2) shall comply with this Section R277-552-7 for a satellite school
247	or large expansion request.
248	[(2) An authorizer may only consider an application from a charter school for a
249	satellite school if:
250	(a) the charter school is in compliance with the requirements of federal and state
251	law, regulations, and Board rule, including:
252	(i) Title 53E, Chapter 9, Student Privacy and Data Protection;
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254	(iii) Title 53G, Chapter 9, Part 7, Suicide Prevention;
255	——————————————————————————————————————
256	(v) Title 52, Chapter 4, Open and Public Meetings Act;
257	(vi) Title 63G, Chapter 6a, Utah Procurement Code; and
258	(vii) the IDEA and Rule R277-750, with no unresolved audit exceptions;



287	(c) the charter school is academically high performing and in good standing
288	according to the standards established by the charter school's authorizer in the authorizer's
289	process for charter school expansion or satellite school described in Subsection R277-552-
290	3(2), including whether the charter LEA, as a whole, qualifies as high performing under the
291	charter school's authorizer's approved definition of high performing;
292	[(a) the charter school is meeting the terms of its charter agreement;
293	(b) the charter school has maintained for each of the last three years:
294	(i) a re-enrollment rate of at least 80%;
295	(ii) a wait list of at least 40% of its annual enrollment; or
296	(iii) there is a demonstrated demand for the proposed satellite, taking into
297	consideration the market analysis required under Subsection (2)(f);]
298	[ <del>(c)</del> ](d) subject to Subsection (4), the charter school is[ <del>-academically and</del> ]
299	operationally successful, taking into consideration at least two years of [academic
300	performance data of students at ]data for every school under the charter agreement[the
301	charter school, including whether the charter school is performing at or above:
302	(i) the academic goals established in the charter school's agreement; and
303	(ii) the average academic performance of other district and charter schools in the
304	area or schools targeting similar populations or demographics;]
305	[ <del>(d)</del> ](e) the charter school has plans for the new satellite school or large expansion
306	to:
307	(i) provide educational services consistent with state law and Board rule;
308	(ii) administer and have capacity to carry out statewide assessments including
309	proctoring statewide assessments, consistent with Section 53E-4-303 and Rule R277-404;
310	and
311	(iii) provide evidence-based instruction for special populations as required by federal
312	law;
313	[ <del>(e)</del> ](f) the charter school has adequate qualified administrators and staff to meet the
314	needs of the proposed student population at the new school;
315	[ <del>(f)</del> ](g) the school is in compliance with all public school legal obligations;

316	[ <del>(g)</del> ](h) the charter school is in good standing with its authorizer; [and]
317	(i) the charter school has no outstanding corrective action that has not yet been
318	resolved by the completion of a corrective action plan;
319	[(h) the charter school is financially viable, as evidenced by the charter school's
320	financial records, including the charter school's:
321	(i) most recent annual financial report (AFR);
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324	(j) the charter school provides a market analysis, including documentation of the
325	school's potential for enrollment stability; and
326	(k) the charter school provides any additional information or documentation
327	requested by the authorizer.
328	(4)(a) For purposes of this Subsection (4), "debt coverage ratio" means:
329	(i) a debt coverage ratio calculated using (revenue - expenditures + interest cost +
330	depreciation) divided by annual debt service; or
331	(ii) if the charter school's facilities are leased and not owned, a debt coverage ratio
332	calculated using (revenue - expenditures + facility lease payment + real property taxes +
333	depreciation) divided by annual debt service.
334	(b) A charter school is considered to be operationally successful if:
335	(i) for each of the schools under the charter agreement, the charter school meets
336	the following criteria:
337	(A) for a school with 350 or less students enrolled in the school, at least 120% debt
338	coverage ratio for each of the three years before the request for a satellite;
339	(B) for a school with between 351 and 499 students enrolled in the school, at least
340	115% debt coverage ratio for each of the three years before the request for a satellite;
341	(C) for a school with between 500 and 750 students enrolled in the school, at least
342	110% debt coverage ratio for each of the three years before the request for a satellite; or
343	(D) for a school with more than 750 students enrolled in the school, at least 105%
344	debt coverage ratio for each of the three years before the request for a satellite;

345	(ii) the charter school is financially viable, as evidenced by the charter school's
346	financial records, including the charter school's:
347	(A) most recent annual financial report (AFR);
348	(B) annual program report (APR); and
349	(C) audited financial statements[-];
350	(iii) the charter school has maintained a net lease adjusted debt burden ratio of under
351	25% for each of the last three years; and
352	(iv) the charter school's financial statements report revenues in excess of
353	expenditures for at least three of the last four years;
354	<ul><li>(v) the charter school is meeting the terms of its charter agreement;</li></ul>
355	(vi) the charter school has maintained for each of the last three years:
356	(A) a re-enrollment rate of at least 80%;
357	(B) a wait list of at least 40% of its annual enrollment; or
358	(C) there is a demonstrated demand for the proposed satellite or large expansion,
359	taking into consideration the market analysis required under Subsection (3)(j).
360	(5) An authorizer may provide additional requirements for a charter school in addition
361	to the minimum requirements described in this Section R277-552-7.
362	(6) An authorizer shall provide documentation of an applicant school's eligibility for
363	a satellite school or large expansion under Subsection (3) to the Superintendent upon
364	request.
365	[ <del>(6)</del> ] <u>(7)</u> An authorizer shall:
366	(a) approve a proposed large expansion request or satellite school before October
367	1 of the state fiscal year [prior to]before the school year that the proposed school intends to
368	first serve students;
369	(b) provide the total number of students by grade that the expanded or satellite
370	school is authorized to enroll to the Superintendent on or before October 1 of the state fiscal
371	year [prior to]before the school year that the proposed school intends to first serve students;
372	and

373	(c) ensure that a proposed school that will receive School LAND Trust funds has a
374	charter trust land council and satisfies all requirements of Rule R277-477, including
375	transparency of information for parents.
376	[ <del>(7)</del> ](8) A charter school and all of the charter school's satellite schools are a single
377	LEA for purposes of public school funding and reporting.
378	[ <del>(8)</del> ](9) If a satellite charter school does not open within 36 months of approval, the
379	approval shall expire.
380	[ <del>(9)</del> ](10) If an authorizer denies an application for a satellite school, the school may
381	immediately apply for a new charter in accordance with an authorizer's approved processes.
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383	R277-552-8. Procedures and Timelines to Change Charter School Authorizers.
384	(1) A charter school may transfer to another charter school authorizer.
385	(2) A charter school shall submit an application to the new charter school authorizer
386	at least 90 days [ <del>prior to</del> ] <u>before</u> the proposed transfer.
387	(3) The charter school authorizer transfer application shall include:
388	(a) the name and contact information of all current governing board members;
389	(b) financial records that demonstrate the charter school's financial position,
390	including the following:
391	(i) most recent annual financial report (AFR);
392	(ii) annual program report (APR); and
393	(iii) audited financial statements;
394	(c) test scores, including all state required assessments;
395	(d) current employees and assignments;
396	(e) board minutes for the most recent 12 months; and
397	(f) affidavits, signed by all board members certifying:
398	(i) the charter school's compliance with all state and federal laws and regulations,
399	including documentation if requested;
400	(ii) all information on the transfer application is complete and accurate;

401	(iii) the charter school is current with all required charter school governing board
402	policies;
403	(iv) the charter school is operating consistent with the charter school's charter
404	agreement; and
405	(v) there are no outstanding lawsuits, judgments, or liens against the charter school.
406	(4) The current authorizer of a charter school seeking to transfer charter school
407	authorizers shall submit a position statement to the new charter school authorizer about:
408	(a) the charter school's status;
409	(b) compliance with the charter school authorizer requirements; and
410	(c) unresolved concerns.
411	(5) If a school applies to change authorizer's, the existing authorizer shall advise the
412	proposed authorizer if there is any outstanding debt to the existing authorizer or the state.
413	(6) If a school applies to change authorizers, the request shall extend to all satellite
414	schools.
415	(7) A new charter school authorizer shall review an application for transferring to
416	another charter school authorizer within 60 days of submission of a complete application,
417	including all required documentation.
418	(8) [Prior to]Before accepting a charter school's transfer from another authorizer, the
419	new authorizer shall request and consider information from the Board and current authorizer
420	concerning the charter school's financial and academic performance.
421	(9) The Superintendent and current authorizer shall provide the information
422	described in Subsection (7) to a new charter authorizer within 30 days of request described
423	in Subsection (7).
424	(10) If an authorizer accepts the transfer of a charter school, the new authorizer shall
425	notify the Superintendent within 30 days.
426	
427	R277-552-9. Requirements for Board Approval of Process Updates Due to
128	Changes in Board Rule

429	(1) An authorizer with a previously Board approved process shall re-submit the
430	authorizer's updated processes described in Subsection R277-552-3(2) within six months
431	of the new effective date of this Rule if the updates to this Rule include new or amended
432	requirements.
433	(2) An authorizer may submit only those portions of the processes that were
434	impacted by the updates to this Rule.
435	
436	KEY: training, timelines, expansion, satellite
437	Date of Enactment or Last Substantive Amendment: February 9, 2021
438	Authorizing, and Implemented or Interpreted Law: Art X Sec 3; 53E-3-401; 53G-5-205;
439	53F-2-702; 53G-6-503