

SB186 Charter School Base Funding Amendments: Sen. Heidi Balderree, Rep. Candice B. Pierucci

- Charter schools are requesting a one-time \$15,995,000 appropriation to help close the funding gap with similarly sized districts to support required reporting. This includes a one-time appropriation of \$1,500,000 to create a charter school service center modeled after existing RESAs to improve efficiency and shared support. We are requesting funding from the Education Stabilization Fund.
- Charter schools request that the SBE, fiscal analysts, and stakeholders conduct a comprehensive study of the funding disparities and develop a proposal to resolve the inequities.

CHARTER SCHOOL FUNDING DISPARITIES

when compared with similarly sized district schools

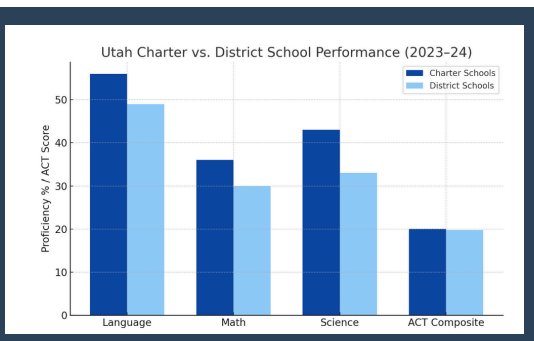
Base Funding Disparity:
at least
-\$25,000,000.00 annually

Charter School Base Funding is intended to support the same statutorily required reporting, State Board of Education compliance, including audits, federal submissions, data collection, and accountability reporting—consistent with the requirements imposed on district schools.

In 2024, State Board of Education calculations showed charter schools receive approximately \$25 million less than similarly sized districts to perform the same required work.

Subsequent adjustments to small-district base funding have further widened this gap, placing charter schools at a growing disadvantage.

Equal expectations require equitable support.



Charter School Weighted WPU Formula Disparity:
-\$8,850,000 annually

Charter School WPU Weightings

Grades FDK-6	0.9	WPU
Grades 7-8	0.99	WPU
Grades 9 -12.	1.2	WPU

Since weighting began, charter schools have received approximately \$109 million less than they would have under a full 1.0 WPU formula.

RESA is unavailable to most charter schools:
-\$5,400,000 annually

Just 7 of Utah's 149 charter schools participate in the state's Regional Education Service Agencies.

A one-time \$1.5 million appropriation from the Public Education Economic Stabilization Restricted Account would establish a shared service center for small charter schools, creating efficiencies and reducing duplicative compliance costs and to provide economies of scale and educational equity.

Ongoing operations funded by charter school dues rather than continued state appropriations.

Local Replacement Formula Disparity:
-\$10,600,000 annually

Charter School Local Replacement Formula lags behind districts by approximately 2 years. This lag causes a \$10.6 million shortfall annually.

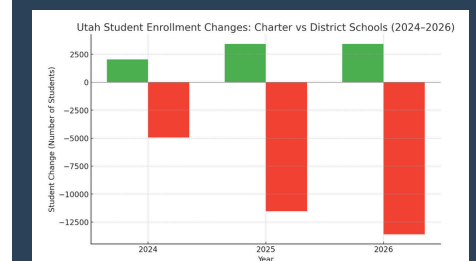
Utah's Local Replacement Formula was established to provide charter schools with funding comparable to that received by district schools from local property taxes.

2026 Enrollment Growth Hold Harmless \$77,000,000

While we support this funding we must ask: **Is it the Legislature's intent to prioritize funding for students who are no longer enrolled over those currently being educated?**

Enrollment Trends

Student growth is down statewide — except in charter schools.



As Utah celebrates 25 years of charter schools, charter schools face an **annual funding deficit of more than \$49.85 million**, even though they serve comparable student populations and are held to the same statutory expectations as districts of similar size.

Utah Charter Resource Center (UCRC)

The Utah Charter Resource Center (UCRC) would provide shared services in Northern Utah, modeled after existing Regional Education Service Agencies created to deliver economies of scale and educational equity. Tailored to the operational realities of charter schools, the UCRC would offer cost-effective, high-quality services that small schools could not efficiently provide on their own or afford through third-party vendors.

A one-time \$1.5 million appropriation would establish the center, with ongoing operations funded through charter school dues. The UCRC would be charter-governed, with representation based on enrollment, geography, and service participation, and participation would be voluntary under a pay-to-play model.

Education Stabilization Funding One-Time Request: \$15,995,000

This one-time stabilization investment directly aligns with the Education Stabilization Fund's purpose — correcting a structural funding imbalance and protecting classrooms while the long-term funding study is completed.

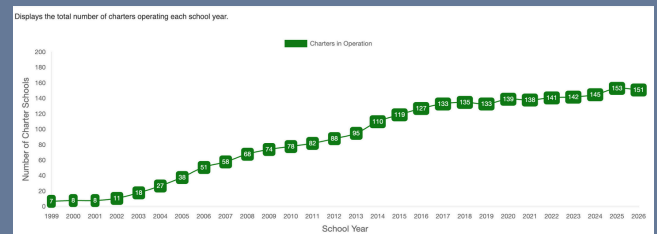
Using these funds to provide a limited charter school base funding adjustment would stabilize charter school administrations during the funding disparity study, allowing schools to meet required reporting and accountability standards without creating an ongoing obligation or changing the funding formula.

Charter schools said they would do more for less!

Charter schools were asked to do more for less with the understanding that they would face fewer reporting burdens, allowing innovation to flourish. After 25 years of delivering results with the same required reporting and no exemptions, charter schools deserve equitable funding.

13%
or 85,204 Utah
Students
Choose
Charter
Schools

Annual Charter School Growth



Facility & construction costs vary significantly.

Alpine School District is planning to construct two new schools — one high school and one elementary at an estimated total cost of **\$250 million**.

In comparison, John Hancock Charter School recently completed a new K-8 school, in Alpine district boundaries, **servicing 980 students** for approximately **\$25 million**

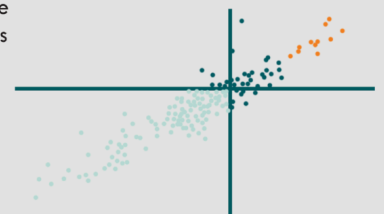
This year, there is a one-time \$50,000,000 appropriations request for the Small School District Capital Projects Fund. **Charter schools do not have this option.**



8 of 10 Outlier Schools are Charter Schools

Outliers in High School Achievement

Some high schools in Utah stand out for their performance on these standardized tests. ULEAD has found 10 Utah high schools that have been among the top 25% in proficiency in Math and Language on the 10th grade UA+, as well as in composite score on the 11th grade ACT, for the past two academic years. Eight of these 10 outlier schools are charter schools. These were the only schools of the 291 schools included in the analysis that showed the highest achievement for both UA+ Math and Language and ACT composite score.



It is important to emphasize that charter school leaders are not advocating for any reduction in district funding. Rather, they are seeking to ensure that charter school funding is elevated to a level of parity with district schools, promoting fairness and equity in public education. Charter Schools are NOT requesting any form of NESS Funding.