

**Effective 1/24/2018**

**Part 7  
Charter School Funding**

**53F-2-701 Definitions.**

The terms defined in Section 53G-5-102 apply to this part.

Enacted by Chapter 2, 2018 General Session

**53F-2-702 Funding for charter schools.**

- (1) Except as described in Section 53F-2-302, a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.
- (2)
  - (a) As described in Section 53F-2-703, the state board shall distribute charter school levy per pupil revenues to charter schools.
  - (b) As described in Section 53F-2-704, and subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each charter school student enrolled on October 1 to supplement the allocation of charter school levy per pupil revenues described in Subsection (2)(a).
- (3) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.
- (4) The state board shall distribute funds for charter school students directly to the charter school.
- (5)
  - (a) Notwithstanding Subsection (1), a charter school is not eligible to receive state transportation funding.
  - (b) The state board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account Sections 53F-2-403 and 53G-6-405.
  - (c) A charter school governing board may provide transportation through an agreement or contract with the local school board, a private provider, or parents.
- (6)
  - (a)
    - (i) In accordance with Section 53F-2-705, the State Charter School Board may allocate grants for start-up costs to charter schools from money appropriated for charter school start-up costs.
    - (ii) The charter school governing board of a charter school that receives money from a grant under Section 53F-2-705 shall use the grant for expenses for planning and implementation of the charter school.
  - (b) The state board shall coordinate the distribution of federal money appropriated to help fund costs for establishing and maintaining charter schools within the state.
- (7)
  - (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 Title 53G, Chapter 5, Charter Schools, or related provisions.
  - (b) It is unlawful for any person affiliated with a charter school to demand or request 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 attendance at the school.

Amended by Chapter 186, 2019 General Session

**53F-2-703 Charter school levy.**

(1) As used in this section:

- (a) "Charter School Levy Account" means the Charter School Levy Account created in Section 53F-9-301.
- (b) "Charter school levy per district revenues" means the product of:
  - (i) a school district's district per pupil local revenues; and
  - (ii) the number of charter school students in the school district who are resident students.
- (c) "Charter school levy per pupil revenues" means an amount equal to the following:
  - (i) charter school levy total local revenues for a given fiscal year, adjusted if necessary as described in Subsection (4); divided by
  - (ii) the number of students enrolled in a charter school on October 1 of the prior school year.
- (d) "Charter school levy revenues" means the charter school levy revenues generated by a charter school levy rate described in Subsection (2)(b)(i).
- (e) "Charter school levy total local revenues" means the sum of charter school levy per district revenues for every school district in the state for the same given fiscal year.
- (f) "District per pupil local revenues" means the same as that term is defined in Section 53F-2-704.
- (g) "Resident student" means the same as that term is defined in Section 53F-2-704.

(2)

- (a) Beginning with the taxable year beginning on January 1, 2017, the state shall annually impose a charter school levy as described in this Subsection (2).
- (b)
  - (i) For each school district, before June 22, the State Tax Commission shall certify a rate for the charter school levy described in Subsection (2)(a) to generate an amount of revenue within a school district equal to 25% of the charter school levy per district revenues excluding the amount of revenues:
    - (A) described in Subsection 53F-2-704(1)(c)(iv); and
    - (B) expended by the school district for recreational facilities and activities authorized under Title 11, Chapter 2, Playgrounds.
  - (ii) To calculate a charter school levy rate for a school district, the State Tax Commission shall use the calculation method described in Subsection 59-2-924(4).
- (c) The charter school levy shall be separately stated on a tax notice.

(3)

- (a) A county treasurer shall collect the charter school levy revenues for all school districts located within the county treasurer's county and remit the money monthly to the state treasurer.
- (b) The state treasurer shall deposit the charter school levy revenues received from a county treasurer into the Charter School Levy Account.

(4)

- (a) For each charter school student, the state board shall distribute the charter school per pupil levy revenues from the Charter School Levy Account to the student's charter school in accordance with this Subsection (4).
- (b) For a given fiscal year, if the actual charter school levy total local revenues are more than the estimated charter school levy total local revenues the state board shall:
  - (i) deduct the amount of revenue that exceeds the estimated charter school levy total local revenues from the actual charter school levy total local revenues; and

- (ii) use the remaining amount to calculate the charter school per pupil levy revenues.
- (c) For a given fiscal year, if the actual charter school total local revenues are less than the estimated charter school levy total local revenues, the state board shall:
  - (i) if sufficient funds are available in the Charter School Levy Account, add an amount of funds from the Charter School Levy Account to the charter school levy total local revenues to equal the estimated charter school levy total local revenues; and
  - (ii) if sufficient funds are not available in the Charter School Levy Account, calculate the charter school per pupil levy revenues using the actual amount of the charter school levy total local revenues.

Amended by Chapter 186, 2019 General Session

***Effective until 7/1/2024***

**53F-2-704 Charter school levy state guarantee.**

- (1) As used in this section:
  - (a) "Charter school levy per pupil revenues" means the same as that term is defined in Section 53F-2-703.
  - (b) "Charter school students' average local revenues" means the amount determined as follows:
    - (i) for each student enrolled in a charter school on the previous October 1, calculate the district per pupil local revenues of the school district in which the student resides;
    - (ii) sum the district per pupil local revenues for each student enrolled in a charter school on the previous October 1; and
    - (iii) divide the sum calculated under Subsection (1)(b)(ii) by the number of students enrolled in charter schools on the previous October 1.
  - (c) "District local property tax revenues" means the sum of a school district's revenue received from the following:
    - (i) a voted local levy imposed under Section 53F-8-301;
    - (ii) a board local levy imposed under Section 53F-8-302, excluding revenues expended for:
      - (A) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of taxable value of the school district's board local levy; and
      - (B) the Early Literacy Program described in Section 53F-2-503, up to the amount of revenue generated by a .000121 per dollar of taxable value of the school district's board local levy;
    - (iii) a capital local levy imposed under Section 53F-8-303; and
    - (iv) a guarantee described in Section 53F-2-601, 53F-3-202, or 53F-3-203.
  - (d) "District per pupil local revenues" means, using data from the most recently published school district annual financial reports and state superintendent's annual report, an amount equal to district local property tax revenues divided by the sum of:
    - (i) a school district's average daily membership; and
    - (ii) the average daily membership of a school district's resident students who attend charter schools.
  - (e) "Resident student" means a student who is considered a resident of the school district under Title 53G, Chapter 6, Part 3, School District Residency.
  - (f) "Statewide average debt service revenues" means the amount determined as follows, using data from the most recently published state superintendent's annual report:
    - (i) sum the revenues of each school district from the debt service levy imposed under Section 11-14-310; and
    - (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district average daily membership.

- (2)
- (a) Subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each charter school student enrolled on October 1 to supplement the allocation of charter school levy per pupil revenues described in Subsection 53F-2-702(2)(a).
  - (b) Except as provided in Subsection (2)(c), the amount of money provided by the state for a charter school student shall be the sum of:
    - (i) charter school students' average local revenues minus the charter school levy per pupil revenues; and
    - (ii) statewide average debt service revenues.
  - (c) If the total of charter school levy per pupil revenues distributed by the state board and the amount provided by the state under Subsection (2)(b) is less than \$1,427, the state shall provide an additional supplement so that a charter school receives at least \$1,427 per student under Subsection 53F-2-702(2).
  - (d)
    - (i) If the legislative appropriation described in Subsection (2)(a) is insufficient to provide an amount described in Subsection (2)(b) for each charter school student, the state board shall make an adjustment to Minimum School Program allocations as described in Section 53F-2-205.
    - (ii) Following an adjustment described in Subsection (2)(d)(i), if legislative appropriations remain insufficient to provide an amount described in Subsection (2)(b) for each student enrolled in a charter school, the state board shall:
      - (A) distribute to a charter school an amount described in Subsection (2)(b) for each student enrolled in the charter school under or equal to the maximum number of students the charter school serves, as described in the charter school's charter school agreement described in Section 53G-5-303; and
      - (B) distribute money remaining after the distributions described in Subsection (2)(d)(ii)(A) to a charter school based on the charter school's share of all students enrolled in charter schools who exceed the number of maximum students served by charter schools, as described in charter school agreements entered into under Section 53G-5-303.
- (3)
- (a) Except as provided in Subsection (3)(b), of the money provided to a charter school under Subsection 53F-2-702(2), 10% shall be expended for funding school facilities only.
  - (b) Subsection (3)(a) does not apply to an online charter school.

Amended by Chapter 136, 2019 General Session

Amended by Chapter 186, 2019 General Session

***Effective 7/1/2024***

**53F-2-704 Charter school levy state guarantee.**

- (1) As used in this section:
- (a) "Charter school levy per pupil revenues" means the same as that term is defined in Section 53F-2-703.
  - (b) "Charter school students' average local revenues" means the amount determined as follows:
    - (i) for each student enrolled in a charter school on the previous October 1, calculate the district per pupil local revenues of the school district in which the student resides;
    - (ii) sum the district per pupil local revenues for each student enrolled in a charter school on the previous October 1; and

- (iii) divide the sum calculated under Subsection (1)(b)(ii) by the number of students enrolled in charter schools on the previous October 1.
  - (c) "District local property tax revenues" means the sum of a school district's revenue received from the following:
    - (i) a voted local levy imposed under Section 53F-8-301;
    - (ii) a board local levy imposed under Section 53F-8-302, excluding revenues expended for pupil transportation, up to the amount of revenue generated by a .0003 per dollar of taxable value of the school district's board local levy;
    - (iii) a capital local levy imposed under Section 53F-8-303; and
    - (iv) a guarantee described in Section 53F-2-601, 53F-3-202, or 53F-3-203.
  - (d) "District per pupil local revenues" means, using data from the most recently published school district annual financial reports and state superintendent's annual report, an amount equal to district local property tax revenues divided by the sum of:
    - (i) a school district's average daily membership; and
    - (ii) the average daily membership of a school district's resident students who attend charter schools.
  - (e) "Resident student" means a student who is considered a resident of the school district under Title 53G, Chapter 6, Part 3, School District Residency.
  - (f) "Statewide average debt service revenues" means the amount determined as follows, using data from the most recently published state superintendent's annual report:
    - (i) sum the revenues of each school district from the debt service levy imposed under Section 11-14-310; and
    - (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district average daily membership.
- (2)
- (a) Subject to future budget constraints, the Legislature shall provide an appropriation for charter schools for each charter school student enrolled on October 1 to supplement the allocation of charter school levy per pupil revenues described in Subsection 53F-2-702(2)(a).
  - (b) Except as provided in Subsection (2)(c), the amount of money provided by the state for a charter school student shall be the sum of:
    - (i) charter school students' average local revenues minus the charter school levy per pupil revenues; and
    - (ii) statewide average debt service revenues.
  - (c) If the total of charter school levy per pupil revenues distributed by the state board and the amount provided by the state under Subsection (2)(b) is less than \$1,427, the state shall provide an additional supplement so that a charter school receives at least \$1,427 per student under Subsection 53F-2-702(2).
  - (d)
    - (i) If the legislative appropriation described in Subsection (2)(a) is insufficient to provide an amount described in Subsection (2)(b) for each charter school student, the state board shall make an adjustment to Minimum School Program allocations as described in Section 53F-2-205.
    - (ii) Following an adjustment described in Subsection (2)(d)(i), if legislative appropriations remain insufficient to provide an amount described in Subsection (2)(b) for each student enrolled in a charter school, the state board shall:
      - (A) distribute to a charter school an amount described in Subsection (2)(b) for each student enrolled in the charter school under or equal to the maximum number of students the

charter school serves, as described in the charter school's charter school agreement described in Section 53G-5-303; and

(B) distribute money remaining after the distributions described in Subsection (2)(d)(ii)(A) to a charter school based on the charter school's share of all students enrolled in charter schools who exceed the number of maximum students served by charter schools, as described in charter school agreements entered into under Section 53G-5-303.

(3)

(a) Except as provided in Subsection (3)(b), of the money provided to a charter school under Subsection 53F-2-702(2), 10% shall be expended for funding school facilities only.

(b) Subsection (3)(a) does not apply to an online charter school.

Amended by Chapter 460, 2024 General Session

**53F-2-705 Grants for charter school start-up costs.**

(1)

(a) The State Charter School Board shall use money appropriated for charter school start-up costs to provide grants to charter schools to pay for expenses for the planning and implementation of a charter school.

(b) The State Charter School Board:

(i) may use up to 8% of the money appropriated for charter school start-up costs for financial monitoring of new charter schools and to provide professional development or technical assistance for charter school governing board members and staff of new charter schools; and

(ii) in accordance with rules adopted by the state board, may use up to \$200,000 of the money appropriated for charter school start-up costs for a mentoring program for new and existing charter schools.

(2) The amount of a grant for charter school start-up costs shall be based on the authorized enrollment of the charter school.

(3) The state board shall make rules consistent with this section specifying:

(a) procedures for applying for and awarding grants for charter school start-up costs;

(b) permitted uses of grant money; and

(c) requirements for a charter school to submit the following to the State Charter School Board:

(i) a budget for the grant money; and

(ii) a final report on the expenditure of the grant money.

(4) The state board shall make rules establishing a mentoring program for new and existing charter schools.

Amended by Chapter 186, 2019 General Session

**53F-2-706 Small charter school base funding.**

(1) Subject to legislative appropriation, the state board shall distribute small charter school base funding to charter schools with 2,000 or fewer students in the amount of the greater of \$40,000 or \$115 per student.

(2) A charter school's eligibility for small charter school base funding is determined by the charter school's student enrollment on October 1 of a given year.

(3) Notwithstanding this section and subject to legislative appropriations, the state board may distribute to charter schools, regardless of size, one-time funding that the Legislature appropriates to mitigate funding losses as described in legislative appropriations.

Amended by Chapter 467, 2023 General Session