

Senator Howard A. Stephenson proposes the following substitute bill:

CHARTER SCHOOLS AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: Howard A. Stephenson

This act modifies provisions related to the State System of Public Education by increasing the number of charter schools that may be sponsored by the State Board of Education. This act clarifies the State Board of Education's oversight responsibilities for charter schools.

This act requires the State Board of Education, through the superintendent of public instruction, to provide technical support to charter schools and persons seeking to establish charter schools. This act makes technical changes.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

53A-1a-502, as last amended by Chapter 259, Laws of Utah 2001

53A-1a-505, as last amended by Chapter 259, Laws of Utah 2001

53A-1a-508, as last amended by Chapter 259, Laws of Utah 2001

53A-1a-509, as last amended by Chapter 259, Laws of Utah 2001

53A-1a-510, as enacted by Chapter 231, Laws of Utah 1998

53A-1a-513, as last amended by Chapter 259, Laws of Utah 2001

53A-1a-515, as enacted by Chapter 259, Laws of Utah 2001

ENACTS:

53A-1a-516, Utah Code Annotated 1953

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

Section 1. Section **53A-1a-502** is amended to read:

53A-1a-502. Authorization -- Creation of charter schools.

(1) (a) The Legislature authorizes the [~~creation of up to 12 charter schools for the 2001-02~~



26 school year] State Board of Education to sponsor up to:

27 (i) 16 charter schools; and

28 (ii) six New Century High Schools, magnet charter schools focused on math, science, and
29 technology.

30 (b) (i) ~~The [number of charter schools authorized under this section shall be increased by~~
31 ~~up to four for the 2002-03 school year, with no further increases in the number authorized under~~
32 ~~this Subsection (1) until the program has been thoroughly evaluated by the]~~ State Board of
33 Education [and a] shall evaluate the charter school program and submit an evaluation report to the
34 Education Interim Committee by October 31, 2002.

35 (ii) The report shall include a recommendation [made to the Legislature as to] of whether
36 or not the program should be expanded further.

37 (c) (i) ~~The [additional] charter schools authorized under [Subsections (1)(a) and (b)]~~
38 Subsection (1)(a)(i) may be established only after an applicant:

39 (A) has sought and been denied sponsorship by a local school board under Section
40 53A-1a-515; and

41 (B) subsequently seeks and is granted sponsorship by the State Board of Education under
42 Section 53A-1a-505.

43 (ii) (A) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
44 the State Board of Education shall make a rule providing a timeline that would allow an applicant
45 denied sponsorship by a local school board to apply for and receive sponsorship approval by the
46 State Board of Education and begin planning or operating in the same school year as anticipated
47 in its original application to the local school board.

48 (B) The timeline shall be consistent with the application and approval process set out in
49 Section 53A-1a-515.

50 (2) Charter schools are considered to be part of the state's public education system.

51 (3) A charter school may be established by creating a new school or converting an existing
52 public school to charter status.

53 Section 2. Section **53A-1a-505** is amended to read:

54 **53A-1a-505. Sponsors of charter schools -- Application process.**

55 (1) An applicant for a charter school shall seek sponsorship of its charter from the State
56 Board of Education, except as otherwise provided in Section 53A-1a-515.

57 (2) (a) (i) The applicant shall also provide a copy of the application to the local school
58 board of the school district in which the proposed charter school shall be located either before or
59 at the same time it files its application with the state board.

60 (ii) The local board shall review the application and may offer suggestions or
61 recommendations to the applicant or the state board prior to its acting on the application.

62 (iii) The state board shall give due consideration to suggestions or recommendations made
63 by the local school board under Subsection (2)(a)(ii).

64 (b) The State Board of Education shall review and, by majority vote, either approve or
65 deny the application within 60 days after the application is received by the board.

66 (c) The state board's action under Subsection (2)(b) is final action subject to judicial
67 review.

68 (3) (a) The applicant and the state board shall set forth the terms and conditions for the
69 operation of the charter school in a written contractual agreement.

70 (b) The contract is the school's charter.

71 ~~[(4) The State Office of Education and the school district in which the school is to be
72 located may provide technical assistance to an applicant upon written request.]~~

73 Section 3. Section **53A-1a-508** is amended to read:

74 **53A-1a-508. Content of a charter -- Term -- Renewal.**

75 (1) The major issues involving the operation of a charter school shall be considered in
76 advance by the applicant for a charter school and written into the school's charter.

77 (2) The governing body of the charter school and the State Board of Education shall sign
78 the charter, except as otherwise provided under Section 53A-1a-515.

79 (3) The charter shall include:

80 (a) the age or grade levels to be served by the school;

81 (b) the governance structure of the school;

82 (c) the financial plan for the school and the provisions which will be made for auditing the
83 school under Subsection 53A-1a-507(4)(a);

84 (d) the mission and education goals of the school, the curriculum offered, and the methods
85 of assessing whether students are meeting educational goals, to include at a minimum participation
86 in the Utah Performance Assessment System for Students under Chapter 1, Part 6, Achievement
87 Tests;

- 88 (e) admission and dismissal procedures, including suspension procedures;
- 89 (f) procedures to review complaints of parents regarding the operation of the school;
- 90 (g) the opportunity for parental involvement at the school;
- 91 (h) how the school will provide adequate liability and other appropriate insurance for the
- 92 school, its governing body, and its employees, including its ability to participate in the state's risk
- 93 management insurance program;

94 (i) the proposed school calendar, including the length of the school day and school year;

95 (j) whether any agreements have been entered into or plans developed with school districts

96 regarding participation of charter school students in extracurricular activities within the school

97 districts;

98 (k) the physical facility in which the school will be located, if known at the time of

99 application, and its address;

100 (l) the qualifications to be required of the teachers; and

101 (m) in the case of an existing public school converting to charter status, alternative

102 arrangements for current students who choose not to attend the charter school and for current

103 teachers who choose not to teach at the school after its conversion to charter status.

104 (4) A charter [~~is for three years and~~] may be modified [~~during the three-year term~~] by

105 mutual agreement of the board and the governing body of the school.

106 Section 4. Section **53A-1a-509** is amended to read:

107 **53A-1a-509. Accountability report -- Noncompliance -- Rulemaking.**

108 (1) The governing body of a charter school shall make annual progress reports to the State

109 Board of Education, the local school board of the district in which the school is located, and the

110 Legislature through its Education Interim Committee.

111 (2) The report shall contain at least the following information:

112 (a) the school's progress toward achieving its goals as set out in the charter; and

113 (b) financial records of the school, including revenues, expenditures, and employee salary

114 and benefit levels.

115 (3) (a) If a charter school is found to be out of compliance with the requirements of Section

116 53A-1a-507 or Subsections 53A-1a-509(1) and (2), then the State Board of Education shall notify

117 the school's governing board in writing that the school has a reasonable time to remedy the

118 deficiency, except as otherwise provided in Subsection 53A-1a-510(3)(a).

119 ~~[(b) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the~~
120 ~~State Board of Education shall make a rule regarding the timeline for remedying deficiencies under~~
121 ~~Subsection (3)(a).]~~

122 ~~[(c)]~~ (b) (i) If the school does not remedy the deficiency within the established timeline,
123 then the State Board of Education may terminate the school's charter.

124 (ii) Subsections 53A-1a-510(2)(a) and (b) do not apply to an action taken under this
125 Subsection (3).

126 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
127 State Board of Education shall make rules:

128 (a) specifying the timeline for remedying deficiencies under Subsection (3)(a); and

129 (b) ensuring the compliance of a charter school with its approved charter.

130 Section 5. Section **53A-1a-510** is amended to read:

131 **53A-1a-510. Termination or nonrenewal of a charter.**

132 (1) The State Board of Education may terminate a school's charter during the term of the
133 charter for any of the following reasons:

134 (a) failure of the school to meet the requirements ~~[for student performance stated in the~~
135 ~~charter, which performance should be at least equal to that of similar public schools within the~~
136 ~~district in which the charter school is located, unless the uniqueness of the school prevents making~~
137 ~~such comparisons]~~ stated in the charter;

138 (b) failure to meet generally accepted standards of fiscal management;

139 (c) violation of law; or

140 (d) other good cause shown.

141 (2) (a) The board shall notify the governing body of the school of the proposed action in
142 writing, state the grounds for the action, and stipulate that the governing body may request an
143 informal hearing before the board.

144 (b) The board shall conduct the hearing within 30 days after receiving a written request
145 under Subsection (2)(a).

146 (3) (a) The board may terminate a charter immediately if good cause has been shown or
147 if the health, safety, or welfare of the students at the school is threatened.

148 (b) If a charter is terminated under Subsection (3)(a), the school district in which the
149 school is located may assume operation of the school.

150 (4) (a) If a charter is terminated, a student who attended the school may apply to and shall
151 be enrolled in another public school under the enrollment provisions of Title 53A, Chapter 2, Part
152 2, subject to space availability.

153 (b) Normal application deadlines shall be disregarded under Subsection (4)(a).

154 Section 6. Section **53A-1a-513** is amended to read:

155 **53A-1a-513. Funding for charter schools.**

156 (1) (a) A student enrolled in a charter school is considered a resident student of the school
157 district in which the school is located for purposes of state funding, including, but not limited to,
158 monies the student would generate as a result of qualifying for such programs as special education,
159 students at risk, and gifted and talented.

160 (b) (i) The State Board of Education shall adopt rules to provide:

161 (A) that the school district in which a charter school student resides shall pay to the school
162 district in which the charter school is located ½ of the amount by which the resident district's per
163 student expenditure exceeds the value of the state funding under Subsection (1)(a); and

164 (B) for the distribution of monies to charter schools under this section.

165 (ii) The rules adopted pursuant to Subsection (1)(b)(i)(A) that require ½ rather than all of
166 the amount take into account state school funding laws that require certain local moneys to remain
167 within the resident district.

168 (c) The Legislature shall provide an appropriation for charter schools for each of their
169 students equal to the lesser of ½ of the statewide school district average per student expenditure
170 in excess of state funding under Subsection (1)(a) or ½ of the amount by which the resident
171 district's per student expenditure exceeds the value of the state funding under Subsection (1)(a) to
172 supplement the local monies received by a charter school under Subsection (1)(b)(i)(A).

173 (d) If a charter school is providing eligible programs or services to eligible students funded
174 by federal monies, any eligible student enrolled in a charter school in the school district shall
175 receive federal monies for the same level of service provided students in the schools operated by
176 the local school board.

177 (2) (a) The board shall also adopt rules relating to the transportation of students to and
178 from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

179 (b) The governing body of the charter school may provide transportation through an
180 agreement or contract with the local school board, a private provider, or with parents.

181 (3) (a) (i) The state superintendent of public instruction may allocate grants for both
182 start-up and ongoing costs to eligible charter school applicants from monies appropriated for the
183 implementation of this part.

184 (ii) Applications for the grants shall be filed on a form determined by the state
185 superintendent and in conjunction with the application for a charter.

186 (iii) The amount of a grant may vary based upon the size, scope, and special circumstances
187 of the charter school.

188 (iv) The governing board of the charter school shall use the grant to meet the expenses of
189 the school as established in the school's charter.

190 (b) The State Board of Education shall coordinate the distribution of federal monies
191 appropriated to help fund costs for establishing and maintaining charter schools within the state.

192 (4) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
193 endowment, gift, or donation of any property made to the school for any of the purposes of this
194 part.

195 (b) It is unlawful for any person affiliated with a charter school to demand or request any
196 gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the
197 charter school as a condition for employment or enrollment at the school or continued attendance
198 at the school.

199 ~~[(5) (a) The State Office of Education shall publish and make available to charter school
200 applicants a list of vacant and unused portions of buildings that are owned by the state or by school
201 districts in the state and that may be suitable for the operation of a charter school.]~~

202 ~~[(b) The locally elected school board of the district in which a district owned building is
203 located must give its approval before the building can be placed on the list under Subsection
204 (5)(a).]~~

205 ~~[(c) The list shall include the address and owner of each building and a short description
206 of the building.]~~

207 ~~[(d) Nothing in this Subsection (5) requires the owner of a building on the list to sell or
208 lease the building or a portion of the building to a charter school.]~~

209 Section 7. Section **53A-1a-515** is amended to read:

210 **53A-1a-515. Charters sponsored by local school boards.**

211 (1) Individuals and entities identified in Section ~~[53A-1a-505]~~ 53A-1a-504 may enter into

212 an agreement with a local school board to establish and operate a charter school within the
213 geographical boundaries of the school district administered by the board, subject to the same
214 requirements established in Sections 53A-1a-504 through 53A-1a-514, except as otherwise
215 provided in this section.

216 (2) These schools are in addition to the limited number of charter schools authorized under
217 the sponsorship of the State Board of Education in Section 53a-1a-502.

218 (3) (a) An existing public school that converts to charter status may:

219 (i) continue to receive the same services from the school district that it received prior to
220 its conversion; or

221 (ii) contract out for some or all of those services with other public or private providers.

222 (b) Any other charter school sponsored by a local school board may contract with the
223 board to receive some or all of the services referred to in Subsection (3)(a).

224 (4) (a) (i) A public school that converts to a charter school under Subsection (3)(a) shall
225 receive funding on the same basis as it did prior to its conversion to a charter school.

226 (ii) The school may also receive federal monies designated for charter schools under any
227 federal program.

228 (b) (i) Any other charter school sponsored by a local school board shall receive funding
229 as provided under Subsection (4)(a), except as otherwise provided in Subsection (4)(b)(ii).

230 (ii) If the charter school is not operating out of a facility owned by the school district, then
231 the funding provisions of Section 53A-1a-513 apply.

232 (5) (a) A local school board that receives an application for a charter school under this
233 section shall, within 45 days, either accept or reject the application.

234 (b) If the board rejects the application, it shall notify the applicant in writing of the reason
235 for the rejection.

236 (c) The applicant may submit a revised application for reconsideration by the board.

237 (d) If the local school board refuses to sponsor the applicant, [~~then~~] the applicant may seek
238 a charter from the State Board of Education under Section 53A-1a-505.

239 (e) The local board's action under Subsection (5)(d) is final action subject to judicial
240 review.

241 (6) A local school board is limited in the number of charter schools it may sponsor under
242 this section as follows:

243 (a) there is no limitation on the number of existing public schools within a school district
244 that may convert to charter status under this section; and

245 (b) the number of charter schools not converted from existing public schools is limited to
246 an enrollment equal to 4% of the school district's student population as reported in the most recent
247 annual statistical report required under Section 53A-3-403.

248 (7) A local school board may terminate a charter school it sponsors under this section for
249 the same reasons and under the same procedures followed by the State Board of Education under
250 Subsection 53A-1a-509(3).

251 Section 8. Section **53A-1a-516** is enacted to read:

252 **53A-1a-516. Technical support for charter schools.**

253 The State Board of Education through the superintendent of public instruction shall provide
254 technical support to charter schools and persons seeking to establish charter schools by:

255 (1) identifying and promoting successful charter school models;

256 (2) facilitating the application and approval process for charter school sponsorship;

257 (3) directing charter schools and persons seeking to establish charter schools to sources
258 of private funding and support;

259 (4) reviewing and evaluating proposals to establish charter schools for the purpose of
260 supporting and strengthening proposals before an application for charter school sponsorship is
261 submitted to the State Board of Education or a local school board; and

262 (5) assisting charter schools in preparing and submitting the reports required by this title
263 to the State Board of Education.