

**MINUTES OF HOUSE EDUCATION  
STANDING COMMITTEE**

February 19, 2004

Room 129, State Capitol Building

MEMBERS PRESENT: Rep. Margaret Dayton, Chair  
Rep. Merlynn T. Newbold, Vice Chair  
Rep. LaVar Christensen  
Rep. John Dougall  
Rep. James A. Ferrin  
Rep. James R. Gowans  
Rep. Ann W. Hardy  
Rep. Kory M. Holdaway  
Rep. David L. Hogue  
Rep. Gregory H. Hughes  
Rep. Bradley T. Johnson  
Rep. Brad King  
Rep. Carol Spackman Moss  
Rep. Loraine T. Pace  
Rep. LaWanna Shurtliff

STAFF PRESENT: Constance C. Steffen, Policy Analyst  
Cindy Baker, Committee Secretary

**Note: List of visitors and copy of handouts are filed with committee minutes.**

Chair Dayton called the meeting to order at 8:03 a.m. and welcomed committee members.

**H.B. 152 Charter School Governance (Rep. M. Dillree)**

Rep. Dillree said the bill creates a new entity, the State Charter School Board, which authorizes the establishment of charter schools.

MOTION: Rep. Newbold moved to amend H.B.152 with amendments 2 and 3 as follows:

Amendment 2:

1. Page 1, Line 16:

16 • authorize and promote the establishment of charter schools . subject to approval of the State Board of Education ; and

2. Page 1, Lines 21 through 22:

21 [[→ removes the State Board of Education's power to authorize the establishment of new

22 ~~charter schools;~~]]

3. Page 4, Lines 100 through 102:

100 (1) The State Charter School Board shall:  
101 (a) authorize and promote the establishment of charter schools, subject to the  
102 limitations in ~~[[Section]]~~ Sections 53A-1a-502 and 53A-1a-505 ;

4. Page 8, Lines 227 through 231:

227 ~~(c)~~ (d) The State ~~[Board of Education]~~ Charter School Board shall review and, by  
228 majority vote, either approve or deny the application within 60 days after the application  
is  
229 received by the board.

(e) The State Board of Education shall, by majority vote, within 60 days after  
action by the State Charter School Board under Subsection (1)(d):

(i) approve or deny an application approved by the State Charter School Board; or

(ii) hear an appeal, if any, of an application denied by the State Charter School  
Board.

230 ~~(d)~~ ~~[[c]]~~ (f) The ~~[state board's]~~ State ~~[[Charter School]]~~ Board of  
Education's action under Subsection

231 ~~(2)(c)~~ (1) ~~[[d]]~~ (e) is final action subject to judicial review.

Amendment 3:

1. Page 10, Line 297 through Page 11, Line 307:

297 ~~[[o) a statement indicating whether the school will seek accreditation and, if so,  
the~~

298 ~~standards or accrediting body under which the school will seek accreditation;~~

299 ~~—(p)]~~ (o) the school's intention to create a library;

300 ~~[[q)]~~ (p) a description of school administrative and supervisory  
services;

301 ~~[[r)]~~ (q) fiscal procedures to be used by the school; and

302 ~~[[s)]~~ (r) the school's policies and procedures regarding;

303 (i) employee termination;

304            (ii) employee evaluation; and  
305            (iii) employment of relatives [~~;~~ and  
306            ~~(iv) standards of ethical conduct for school employees and members of the~~  
governing  
307            board]] .

2. *Page 13, Lines 371 through 376:*

371            (3) (a) Except as provided in Subsection (3)(b), State Board of Education rules  
372            governing the following do not apply to a charter school:  
373            [~~(i) accreditation;~~]  
374            [~~(ii)~~]    (i) school libraries;  
375            [~~(iii)~~]    (ii) required school administrative and supervisory services; and  
376            [~~(iv)~~]    (iii) required expenditures for instructional supplies.

3. *Page 14, Lines 410 through 415:*

410            (3) The following statutes governing public employees and officers do not apply  
to  
411            charter schools:  
412            (a) Chapter 8, Utah Orderly School Termination Procedures Act;  
413            (b) Chapter 10, Educator Evaluation; and  
414            (c) Title 52, Chapter 3, Prohibiting Employment of Relatives [~~;~~ and  
415            ~~(d) Title 67, Chapter 16, Public Officers' and Employees' Ethics Act~~]] .

The motion passed unanimously with Rep. Christensen, Rep. Gowans, Rep. Hughes, Rep. Johnson, Rep. King, and Rep. Shurtliff absent for the vote.

Those who spoke against the bill:

Ray Timothy, Associate Superintendent, Utah State Office of Education, also representing Steven O. Laing  
Kim R. Burningham, Chair, State Board of Education  
Sarah Meier, Utah School Boards Association, Granite School Board

Those who spoke in favor of the bill:

Brian Allen, former State Representative  
Susie Ashliman, Thomas Edison Charter School  
Carolyn Sharette, Utah Association of Public Charter Schools

Those who spoke to the bill:

Jeff Leonard, General Counsel, Utah School Employees Association

MOTION: Rep. Dougall moved to amend H.B.152 as follows:

1. Page 2, Line 49: After line 49 insert:  
"**53A-1a-513**, as last amended by Chapter 320, Laws of Utah 2003"
  
2. Page 14, Line 428: After line 428 insert:  
"Section 16. Section **53A-1a-513** is amended to read:  
**53A-1a-513. Funding for charter schools.**  
(1) (a) Charter schools shall receive funding as described in this section, except Subsections (2) through (7) do not apply to charter schools described in Subsection (1)(b).  
(b) Charter schools sponsored by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.  
(2) (a) Except as provided in Subsection (2)(b), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.  
(b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:  
(i) .55 for kindergarten pupils;  
(ii) .9 for pupils in grades 1-6;  
(iii) .99 for pupils in grades 7-8; and  
(iv) 1.2 for pupils in grades 9-12.  
(c) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold harmless provisions to maintain a charter elementary school's funding level for a period of two years after the effective date of the distribution formula.  
(d) Subsection (2)(b) does not apply to funds appropriated to charter schools to replace local property tax revenues.  
(3) The State Board of Education shall adopt rules to provide for the distribution of monies to charter schools under this section.  
(4) The Legislature shall provide an appropriation for charter schools for each of their students to replace some of the local property tax revenues that are not available to charter schools. The amount of money provided for each charter school student shall be

determined by:

(a) calculating the sum of:

- (i) school districts' operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135;
  - (ii) school districts' capital projects revenues derived from local property taxes; and
  - (iii) school districts' expenditures for interest on debt; and
- (b) dividing the sum by the total average daily membership of the districts' schools.

(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.

(6) (a) The State Board of Education shall distribute funds for charter school students enrolled in a charter school authorized by the State Charter School Board directly to the charter school.

(b) Funding for charter school students enrolled in a charter school authorized by a local school board shall be distributed to the charter school by the local school board.

(7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state transportation funding.

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

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

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

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

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

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

(b) The State Board of Education shall coordinate the distribution of federal monies appropriated to help fund costs for establishing

and maintaining charter schools within the state.

(9) (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 this part.

(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.

**Renumber remaining sections accordingly.**

3. Page 16, Line 482:

After line 482 insert:

"(9) (a) If a charter school authorized by a local school board is found to be out of compliance with Section 53A-1a-507 or the school's charter, the local school board shall take action as provided in Section 53A-1a-509.

(b) If the school does not remedy the deficiency within the established timeline, the local school board may:

(i) terminate the school's charter; or

(ii) interrupt disbursements of state aid or withhold specific program funds.

(c) (i) A local school board shall notify the State Board of Education of any interruption of state funds to, or withholding of specific program funds from, a charter school.

(ii) A local school board shall return to the State Board of Education any state funds permanently withheld from a charter school."

**Renumber remaining subsections accordingly.**

MOTION: Rep. Hogue made a substitute motion to pass the bill out favorably.

MOTION: Rep. Dougall moved to cut off debate. The motion failed with Rep. Dougall, Rep. Ferrin, Rep. Hardy, Rep. Hogue, Rep. Hughes, Rep. Johnson and Rep. Newbold voting in favor and Rep. Moss absent for the vote.

A vote was taken on Rep. Hogue's substitute motion. The motion passed with Rep. Gowans, Rep. Holdaway, Rep. King, Rep. Pace and Rep. Shurtliff voting in opposition and Rep. Moss absent for the vote.

MOTION: Rep. Newbold moved that February 20, 2004's meeting be extended from 6:00 p.m. until the agenda is done. The motion passed with Rep. Ferrin voting in opposition and Rep. Moss absent for the vote.

MOTION: Rep. Johnson moved that a one minute time limit be put on each question from committee members for February 20, 2004's meeting. The motion failed with Rep. Johnson, Rep. Shurtliff, Rep. Ferrin and Rep. Hughes voting in favor and Rep. Moss absent for the vote.

MOTION: Rep. Dougall moved that H.C.R.11 pass out favorably.

MOTION: Rep. Holdaway made a substitute motion to adjourn. The motion failed with Rep. Gowans, Rep. Holdaway, Rep. Hughes, Rep. Johnson, Rep. King, Rep. Pace, Rep. Shurtliff voting in favor and Rep. Moss absent for the vote.

A vote was taken on Rep. Dougall's motion to pass H.C.R.11 out favorably. The motion passed with Rep. Gowans, Rep. Holdaway, Rep. King, Rep. Pace and Rep. Shurtliff voting in opposition and Rep. Moss absent for the vote.

MOTION: Rep. Hogue moved to adjourn the meeting. The motion passed with Rep. King voting in opposition and Rep. Moss absent for the vote.

Chair Dayton adjourned the meeting at 9:31 a.m.

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Rep. Margaret Dayton, Chair