

28 This bill takes effect on July 1, 2007.

29 **Utah Code Sections Affected:**

30 AMENDS:

- 31 **53A-1a-501.3**, as enacted by Chapter 251, Laws of Utah 2004
- 32 **53A-1a-501.6**, as last amended by Chapter 291, Laws of Utah 2005
- 33 **53A-1a-504**, as last amended by Chapter 291, Laws of Utah 2005
- 34 **53A-1a-505**, as last amended by Chapter 291, Laws of Utah 2005
- 35 **53A-1a-506**, as last amended by Chapters 291 and 301, Laws of Utah 2005
- 36 **53A-1a-507**, as last amended by Chapter 251, Laws of Utah 2004
- 37 **53A-1a-508**, as last amended by Chapter 291, Laws of Utah 2005
- 38 **53A-1a-510**, as last amended by Chapter 291, Laws of Utah 2005
- 39 **53A-1a-514**, as enacted by Chapter 231, Laws of Utah 1998
- 40 **53A-1a-515**, as last amended by Chapter 354, Laws of Utah 2006
- 41 **53A-17a-104**, as last amended by Chapters 4 and 354, Laws of Utah 2006
- 42 **53A-17a-108**, as last amended by Chapter 221, Laws of Utah 2003

43 ENACTS:

- 44 **53A-1a-505.5**, Utah Code Annotated 1953
- 45 **53A-1a-505.7**, Utah Code Annotated 1953
- 46 **53A-1a-506.5**, Utah Code Annotated 1953
- 47 **53A-1a-510.5**, Utah Code Annotated 1953
- 48 **53A-1a-517**, Utah Code Annotated 1953
- 49 **53A-1a-518**, Utah Code Annotated 1953

50 REPEALS:

- 51 **53A-1a-501.8**, as enacted by Chapter 251, Laws of Utah 2004
- 52 **53A-1a-502.5**, as enacted by Chapter 354, Laws of Utah 2006



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

55 Section 1. Section **53A-1a-501.3** is amended to read:

56 **53A-1a-501.3. Definitions.**

57 As used in this part[, "~~chartering~~]:

58 (1) "Asset" means property of all kinds, real and personal, tangible and intangible, and

59 includes:

60 (a) cash;

61 (b) stock or other investments;

62 (c) real property;

63 (d) equipment and supplies;

64 (e) an ownership interest;

65 (f) a license;

66 (g) a cause of action; and

67 (h) any similar property.

68 (2) "Chartering entity" means the entity that authorizes the establishment of a charter
69 school.

70 (3) "State charter school" means a charter school that is granted a charter by the State
71 Charter School Board and the State Board of Education.

72 Section 2. Section **53A-1a-501.6** is amended to read:

73 **53A-1a-501.6. Power and duties of State Charter School Board.**

74 (1) The State Charter School Board shall:

75 (a) authorize and promote the establishment of charter schools, subject to the
76 procedures in [~~Section~~] Sections 53A-1a-505 and 53A-1a-505.5;

77 (b) annually review and evaluate the performance of charter schools authorized by the
78 State Charter School Board and hold the schools accountable for their performance;

79 (c) monitor charter schools authorized by the State Charter School Board for
80 compliance with federal and state laws, rules, and regulations;

81 (d) provide technical support to charter schools and persons seeking to establish charter
82 schools by:

83 (i) identifying and promoting successful charter school models;

84 (ii) facilitating the application and approval process for charter school authorization;

85 (iii) directing charter schools and persons seeking to establish charter schools to
86 sources of private funding and support;

87 (iv) reviewing and evaluating proposals to establish charter schools for the purpose of
88 supporting and strengthening proposals before an application for charter school authorization is
89 submitted to the State Charter School Board or a local school board; and

- 90 (v) assisting charter schools to understand and carry out their charter obligations;
- 91 (e) provide technical support, as requested, to a local school board relating to charter
- 92 schools;
- 93 (f) make recommendations on legislation and rules pertaining to charter schools to the
- 94 Legislature and State Board of Education, respectively; and
- 95 (g) make recommendations to the State Board of Education on the funding of charter
- 96 schools.

97 (2) The State Charter School Board may:

- 98 (a) contract;
- 99 (b) sue and be sued; and

100 (c) (i) at the discretion of the charter school, provide administrative services to, or

101 perform other school functions for, charter schools authorized by the State Charter School

102 Board; and

103 (ii) charge fees for the provision of services or functions.

104 Section 3. Section **53A-1a-504** is amended to read:

105 **53A-1a-504. Proposal.**

106 (1) (a) A proposal to establish a charter school may be made by an individual or groups

107 of individuals, including teachers and parents or guardians of students who will attend the

108 school, or a not-for-profit legal entity organized under the laws of this state.

109 (b) Except as provided in Section 53A-1a-515, a proposal to establish a charter school

110 shall include provisions that the charter school will be organized and managed under Title 16,

111 Chapter 6a, Utah Revised Nonprofit Corporation Act, after its authorization.

112 (2) (a) The principal, teachers, or parents of students at an existing public school may

113 submit a proposal to convert the school or a portion of the school to charter status.

114 (b) (i) At least 2/3 of the licensed educators employed at the school and at least

115 two-thirds of the parents or guardians of students enrolled at the school must have signed a

116 petition approving the proposal prior to its submission to the chartering entity if the entire

117 school is applying for charter status.

118 (ii) The percentage is reduced to a simple majority if the conversion is for only a

119 portion of the school.

120 (c) A proposal submitted under Subsection (2)(a) must first be approved by the local

121 school board based on its determination that:

122 (i) students opting not to attend the proposed converted school would have access to a
123 comparable public education alternative; and

124 (ii) current teachers who choose not to teach at the converted charter school or who are
125 not retained by the school at the time of its conversion would receive a first preference for
126 transfer to open teaching positions for which they qualify within the school district. If no
127 positions are open, contract provisions or board policy regarding reduction in staff would
128 apply.

129 (3) A parochial school or home school is not eligible for charter school status.

130 (4) Beginning on July 1, 2007, a charter school application shall include a statement
131 that indicates the charter school's intent relating to the establishment of its charter school
132 facilities, including:

133 (a) whether the charter school intends to lease or purchase its facilities; and

134 (b) intended financing arrangements.

135 Section 4. Section **53A-1a-505** is amended to read:

136 **53A-1a-505. Application process -- Contract.**

137 (1) (a) An applicant seeking authorization of a charter school from the State Charter
138 School Board shall provide a copy of the application to the local school board of the school
139 district in which the proposed charter school shall be located either before or at the same time it
140 files its application with the State Charter School Board.

141 (b) The local board may review the application and may offer suggestions or
142 recommendations to the applicant or the State Charter School Board prior to its acting on the
143 application.

144 (c) The State Charter School Board shall give due consideration to suggestions or
145 recommendations made by the local school board under Subsection (1)(b).

146 (d) The State Charter School Board shall:

147 (i) review and, by majority vote, either approve or deny the application[-]; and

148 (ii) submit a prioritized list of approved charter school applicants to the State School
149 Board.

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

152 (i) approve or deny an application approved by the State Charter School Board; [or]
153 and

154 (ii) submit a prioritized list of approved charter school applicants to the Legislature by
155 December 1st of each year.

156 (2) The prioritized lists described in Subsection (1) shall include a statement about the
157 innovative mission offered by each applicant, including how the proposed charter school
158 uniquely fulfills the purposes of charter schools described in Section 53A-1a-503.

159 ~~[(i)]~~ (3) (a) The State Board of Education shall hear an appeal, if any, of an application
160 denied by the State Charter School Board.

161 ~~[(f)]~~ (b) The State Board of Education's action under Subsection ~~[(1)(d)]~~(3)(a) is final
162 action subject to judicial review.

163 ~~[(g)]~~ (4) A charter school application may not be denied on the basis that the
164 establishment of the charter school will have any or all of the following impacts on a public
165 school, including another charter school:

- 166 ~~[(i)]~~ (a) an enrollment decline;
- 167 ~~[(ii)]~~ (b) a decrease in funding; or
- 168 ~~[(iii)]~~ (c) a modification of programs or services.

169 ~~[(2) The State Board of Education shall make a rule providing a timeline for the~~
170 ~~opening of a charter school following the approval of a charter school application by the State~~
171 ~~Charter School Board.]~~

172 ~~[(3)]~~ (5) (a) After approval of a charter school application, including approval by the
173 Legislature under Section 53A-1a-505.5, the applicant and the State Charter School Board shall
174 set forth the terms and conditions for the operation of the charter school in a written contractual
175 agreement.

176 (b) The agreement is the school's charter.

177 ~~[(4)(a)]~~ (6) A school holding a charter granted by a local school board may request a
178 charter from the State Charter School Board in accordance with the provisions in this section
179 and Section 53A-1a-505.5.

180 ~~[(b) This section shall govern the application and approval of a charter requested under~~
181 ~~Subsection (4)(a).]~~

182 (7) The State Board of Education shall make rules establishing charter school

183 application procedures and deadlines for the board and the State Charter School Board to
 184 implement the provisions of this section.

185 Section 5. Section **53A-1a-505.5** is enacted to read:

186 **53A-1a-505.5. State charters schools -- Legislative authorizations.**

187 The Legislature authorizes only the following state charter schools as described by the
 188 opening school year, school name, school district in which the charter school is located, grades
 189 offered, and maximum student capacity:

190 (1) opened for the 1999-2000 school year:

<u>SCHOOL NAME</u>	<u>DISTRICT</u>	<u>GRADES</u>	<u>STUDENTS</u>
<u>Pinnacle Canyon Academy</u>	<u>Carbon</u>	<u>K-8</u>	<u>340</u>
<u>Soldier Hollow</u>	<u>Wasatch</u>	<u>1-6</u>	<u>90</u>
<u>Tuacahn High School for</u> <u>the Performing Arts</u>	<u>Washington</u>	<u>9-12</u>	<u>210</u>
<u>Uintah River High School</u>	<u>Uintah</u>	<u>9-12</u>	<u>80</u>

197 (2) opened for the 2000-01 school year:

<u>City Academy</u>	<u>Salt Lake</u>	<u>7-12</u>	<u>200</u>
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199 (3) opened for the 2001-02 school year:

200 None

201 (4) opened for the 2002-03 school year:

<u>John Hancock</u>	<u>Alpine</u>	<u>K-9</u>	<u>185</u>
<u>Thomas Edison Charter</u> <u>School-North</u>	<u>Cache</u>	<u>K-8</u>	<u>417</u>
<u>Timpanogos Academy</u>	<u>Alpine</u>	<u>K-8</u>	<u>505</u>

206 (5) opened for the 2003-04 school year:

<u>Academy for Math Engineering</u> <u>and Science (AMES)</u>	<u>Granite/Salt Lake</u>	<u>9-12</u>	<u>425</u>
<u>American Preparatory Academy</u>	<u>Jordan</u>	<u>K-9</u>	<u>530</u>
<u>Freedom Academy</u>	<u>Provo</u>	<u>K-8</u>	<u>350</u>
<u>Ogden Preparatory Academy</u>	<u>Ogden</u>	<u>K-8</u>	<u>550</u>
<u>Salt Lake Arts Academy</u>	<u>Salt Lake</u>	<u>5-8</u>	<u>243</u>

213 (6) opened for the 2004-05 school year:

214	<u>DaVinci Academy</u>	<u>Ogden/Weber</u>	<u>9-11</u>	<u>375</u>
215	<u>East Hollywood High</u>	<u>Granite</u>	<u>9-12</u>	<u>600</u>
216	<u>Moab Charter School</u>	<u>Grand</u>	<u>K-8</u>	<u>84</u>
217	<u>Ranches Academy</u>	<u>Alpine</u>	<u>K-6</u>	<u>360</u>
218	<u>Summit Academy</u>	<u>Jordan</u>	<u>K-6</u>	<u>525</u>
219	<u>Walden School of Liberal Arts</u>	<u>Provo</u>	<u>7-10</u>	<u>90</u>
220	<u>(7) opened for the 2005-06 school year:</u>			
221	<u>American Leadership Academy</u>	<u>Nebo</u>	<u>K-12</u>	<u>1,275</u>
222	<u>Beehive Science & Technology</u>			
223	<u>Academy (BSTA)</u>	<u>Granite</u>	<u>7-8</u>	<u>150</u>
224	<u>Lincoln Academy</u>	<u>Alpine</u>	<u>K-9</u>	<u>540</u>
225	<u>Navigator Pointe Academy</u>	<u>Jordan</u>	<u>K-8</u>	<u>515</u>
226	<u>North Star Academy</u>	<u>Jordan</u>	<u>K-9</u>	<u>500</u>
227	<u>Odyssey Charter School</u>	<u>Alpine</u>	<u>K-6</u>	<u>375</u>
228	<u>Reagan Academy</u>	<u>Nebo</u>	<u>K-8</u>	<u>675</u>
229	<u>Thomas Edison Charter</u>			
230	<u>School-South</u>	<u>Cache</u>	<u>K-7</u>	<u>324</u>
231	<u>Utah County Academy</u>			
232	<u>of Sciences (UCAS)</u>	<u>Alpine</u>	<u>10-12</u>	<u>300</u>
233	<u>Wasatch Peak Academy</u>	<u>Davis</u>	<u>K-6</u>	<u>350</u>
234	<u>(8) opened for the 2006-07 school year:</u>			
235	<u>Channing Hall</u>	<u>Jordan</u>	<u>K-9</u>	<u>675</u>
236	<u>Entheos Academy</u>	<u>Granite</u>	<u>K-8</u>	<u>450</u>
237	<u>George Washington Academy</u>	<u>Washington</u>	<u>K-8</u>	<u>450</u>
238	<u>Lakeview Academy</u>	<u>Alpine</u>	<u>K-8</u>	<u>675</u>
239	<u>Legacy Preparatory Academy</u>	<u>Davis</u>	<u>K-9</u>	<u>500</u>
240	<u>Liberty Academy</u>	<u>Nebo</u>	<u>K-8</u>	<u>450</u>
241	<u>Monticello Academy</u>	<u>Granite</u>	<u>K-8</u>	<u>675</u>
242	<u>Mountainville Academy</u>	<u>Alpine</u>	<u>K-8</u>	<u>675</u>
243	<u>Noah Webster Academy</u>	<u>Alpine</u>	<u>K-6</u>	<u>525</u>
244	<u>Paradigm High School</u>	<u>Jordan</u>	<u>9-12</u>	<u>250</u>

245	<u>Renaissance Academy</u>	<u>Alpine</u>	<u>K-8</u>	<u>600</u>
246	<u>Spectrum Academy</u>	<u>Davis</u>	<u>K-8</u>	<u>150</u>
247	<u>Syracuse Arts Academy</u>	<u>Davis</u>	<u>K-8</u>	<u>575</u>

248 (9) opened for the 2007-08 school year:

249	<u>Canyon Rim Academy</u>	<u>Granite</u>	<u>K-6</u>	<u>450</u>
250	<u>CS Lewis</u>	<u>Nebo</u>	<u>K-6</u>	<u>350</u>
251	<u>Dual Immersion Academy (DIA)</u>	<u>Salt Lake</u>	<u>K-6</u>	<u>350</u>
252	<u>Guadalupe Schools</u>	<u>Salt Lake</u>	<u>K-3</u>	<u>100</u>
253	<u>Karl G. Maeser Prep Academy</u>	<u>Alpine</u>	<u>9-12</u>	<u>400</u>

254 Section 6. Section **53A-1a-505.7** is enacted to read:

255 **53A-1a-505.7. Charters schools -- Authorized by local school boards -- Legislative**
 256 **authorizations.**

257 Only the following charter schools that are authorized by local school boards are
 258 authorized by the Legislature to receive additional state funding, in accordance with Sections
 259 53A-1a-513 and 53A-1a-515, as described by the opening school year, school name, school
 260 district that authorized the charter school, grades offered, and maximum student capacity:

261 (1) opened for the 1999-2000 school year:

	<u>SCHOOL NAME</u>	<u>DISTRICT</u>	<u>GRADES</u>	<u>STUDENTS</u>
262	<u>CBA Center</u>	<u>Millard</u>	<u>9-12</u>	<u>40</u>
263	<u>Success School</u>	<u>Granite</u>	<u>7-12</u>	<u>200</u>

265 (2) opened for the 2003-04 school year:

266	<u>Fast Forward</u>	<u>Logan</u>	<u>9-12</u>	<u>200</u>
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267 (3) opened for the 2004-05 school year:

268	<u>Itineris Early College</u>			
269	<u>High School</u>	<u>Jordan</u>	<u>11-12</u>	<u>300</u>
270	<u>North Davis Preparatory</u>			
271	<u>Academy</u>	<u>Davis</u>	<u>K-6</u>	<u>525</u>
272	<u>Northern Utah Academy</u>			
273	<u>for Math, Engineering and</u>			
274	<u>Science (NUAMES)</u>	<u>Davis/Ogden/Weber</u>	<u>9-12</u>	<u>500</u>

275 (4) opened for the 2005-06 school year:

276 SUCCESS Academy Iron 9-11 200

277 (5) opened for the 2006-07 school year:

278 InTech Collegiate High School Cache 9-10 150

279 Open Classroom Salt Lake K-8 500

280 Salt Lake High School for

281 the Performing Arts Salt Lake 9-12 200

282 SUCCESS Academy Washington 10 50

283 (6) opened for the 2007-08 school year:

284 Edith Bowen Laboratory School Logan K-5 304

285 Section 7. Section **53A-1a-506** is amended to read:

286 **53A-1a-506. Eligible students.**

287 (1) All resident students of the state qualify for admission to a charter school, subject
288 to the limitations set forth in this section and Section 53A-1a-506.5.

289 (2) (a) A charter school shall enroll an eligible student who submits a timely
290 application, unless the number of applications exceeds the capacity of a program, class, grade
291 level, or the school.

292 (b) (i) If the number of applications exceeds the capacity of a program, class, grade
293 level, or the school, then students shall be selected on a random basis, except that the school
294 may give preference to:

295 (A) a student of a parent who has actively participated in the development of the
296 school;

297 (B) siblings of students presently enrolled in the school;

298 (C) a student of a parent who is employed by the school;

299 (D) students articulating between charter schools offering similar programs that are
300 governed by the same governing body; and

301 (E) students articulating from one charter school to another pursuant to an articulation
302 agreement between the charter schools that is approved by the State Charter School Board.

303 (ii) The school may give preference to students who reside within:

304 (A) the school district in which the school is located;

305 (B) the municipality in which the school is located; or

306 (C) a two-mile radius from the school.

307 (c) When a public school converts to charter status, the school shall give enrollment
308 preference to students who would have otherwise attended it as a regular public school.

309 (3) A charter school may not discriminate in its admission policies or practices on the
310 same basis as other public schools may not discriminate in their admission policies and
311 practices.

312 Section 8. Section **53A-1a-506.5** is enacted to read:

313 **53A-1a-506.5. Charter school students -- Applications -- Deadlines.**

314 (1) (a) The State School Board shall make rules describing procedures for students to
315 follow in applying for entry into charter schools.

316 (b) Those procedures shall provide, as a minimum, for:

317 (i) distribution to interested parties of information about charter schools, charter school
318 opening dates, and how to apply for admission;

319 (ii) use of standard application forms prescribed by the State Board of Education;

320 (iii) submission of applications from December 1 through the third Friday in February
321 by those seeking admission for the following year;

322 (iv) written notification to the student's parent or legal guardian of acceptance or
323 rejection of an application within six weeks after receipt of the application by the charter
324 school or by March 31, whichever is later;

325 (v) written notification to a student's resident school district upon acceptance of that
326 student for enrollment in a charter school; and

327 (vi) admission of students at any time to protect the health or safety of a student or at
328 times other than those permitted under standard policies if there are other conditions of special
329 need that warrant consideration.

330 (2) A school district or charter school may charge a one-time \$5 processing fee, to be
331 paid at the time of application.

332 (3) The parent of a student enrolled in a charter school may withdraw the student from
333 that charter school for enrollment in another charter school or a school district by:

334 (a) submitting notice of intent to enroll the student in the district of residence for the
335 subsequent year to the student's charter school no later than March 31 of the current school
336 year;

337 (b) submitting notice of intent to enroll the student in another charter school for the

338 subsequent school year to the current charter school of attendance, together with a letter of
339 acceptance from the proposed charter school of attendance, no later than March 31 of the
340 current school year; or

341 (c) if the parent desires to change the student's enrollment during the school year or
342 after March 31, by obtaining approval from both the charter school of attendance and the
343 district or charter school in which enrollment is sought.

344 (4) Unless provisions have previously been made for enrollment in another school, a
345 charter school releasing a student from enrollment shall immediately notify the district of
346 residence, which shall enroll the student in the resident district and take such additional steps
347 as may be necessary to ensure compliance with laws governing school attendance.

348 Section 9. Section **53A-1a-507** is amended to read:

349 **53A-1a-507. Requirements for charter schools.**

350 (1) A charter school shall be nonsectarian in its programs, admission policies,
351 employment practices, and operations.

352 (2) A charter school may not charge tuition or fees, except those fees normally charged
353 by other public schools.

354 (3) A charter school shall meet all applicable federal, state, and local health, safety, and
355 civil rights requirements.

356 (4) (a) A charter school shall make the same annual reports required of other public
357 schools under Title 53A, State System of Public Education, including an annual financial audit
358 report.

359 (b) A charter school shall file its annual financial audit report with the Office of the
360 State Auditor within six months of the end of the fiscal year.

361 (5) A charter school shall be accountable to its chartering entity for performance as
362 provided in the school's charter.

363 (6) A charter school may not advocate unlawful behavior.

364 (7) Except as provided in Section 53A-1-515, a charter school shall be organized and
365 managed under the Utah nonprofit corporation act Title 16, Chapter 6a, Utah Revised
366 Nonprofit Corporation Act, after its authorization.

367 (8) A charter school shall provide adequate liability and other appropriate insurance for
368 the school, its governing body, and its employees.

369 (9) Beginning on July 1, 2007, a charter school shall have a lease, lease-purchase
370 agreement, or other contract or agreement relating to the charter school's facilities or financing
371 the charter school facilities approved by a majority vote of its chartering entity prior to the
372 charter school entering into the lease, agreement, or contract.

373 Section 10. Section **53A-1a-508** is amended to read:

374 **53A-1a-508. Content of a charter -- Modification of charter.**

375 (1) The major issues involving the operation of a charter school shall be considered in
376 advance by the applicant for a charter school and written into the school's charter after
377 authorization of the charter school in accordance with Sections 53A-1a-505, 53A-1a-505.5,
378 53A-1a-505.7, and 53A-1a-515.

379 (2) The governing body of the charter school and the chartering entity shall sign the
380 charter.

381 (3) The charter shall include:

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

383 (b) the projected maximum number of students to be enrolled in the school and the
384 projected enrollment in each of the first three years of operations;

385 (c) the governance structure of the school;

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

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

392 (f) admission and dismissal procedures, including suspension procedures;

393 (g) procedures to review complaints of parents regarding the operation of the school;

394 (h) the opportunity for parental involvement at the school;

395 (i) how the school will provide adequate liability and other appropriate insurance for
396 the school, its governing body, and its employees;

397 (j) the proposed school calendar, including the length of the school day and school
398 year;

399 (k) whether any agreements have been entered into or plans developed with school

400 districts regarding participation of charter school students in extracurricular activities within
401 the school districts;

402 (l) the district within which the school will be located and the address of the school's
403 physical facility, if known at the time the charter is signed;

404 (m) the qualifications to be required of the teachers;

405 (n) in the case of an existing public school converting to charter status, alternative
406 arrangements for current students who choose not to attend the charter school and for current
407 teachers who choose not to teach at the school after its conversion to charter status;

408 (o) the school's intention to create a library;

409 (p) a description of school administrative and supervisory services;

410 (q) fiscal procedures to be used by the school; and

411 (r) the school's policies and procedures regarding:

412 (i) employee evaluation; and

413 (ii) employment of relatives.

414 (4) A charter may be modified by mutual agreement of the board and the governing
415 body of the school.

416 Section 11. Section **53A-1a-510** is amended to read:

417 **53A-1a-510. Termination of a charter.**

418 (1) A chartering entity may terminate a school's charter for any of the following
419 reasons:

420 (a) failure of the school to meet the requirements stated in the charter;

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

422 (c) subject to Subsection [~~(5)~~] (6), failure to make adequate yearly progress under the
423 No Child Left Behind Act of 2001, 20 U.S.C. Sec. 6301 et seq.;

424 (d) violation of law requirements under this part or another; or

425 (e) other good cause shown.

426 (2) (a) The chartering entity shall notify the governing body of the school of the
427 proposed termination in writing, state the grounds for the termination, and stipulate that the
428 governing body may request an informal hearing before the chartering entity.

429 (b) The chartering entity shall conduct the hearing in accordance with Title 63, Chapter
430 46b, Administrative Procedures Act, within 30 days after receiving a written request under

431 Subsection (2)(a).

432 (c) If the chartering entity, by majority vote, approves a motion to terminate a charter
433 school, the governing body of the charter school may appeal the decision to the State Board of
434 Education.

435 (d) (i) The State Board of Education shall hear an appeal of a termination made
436 pursuant to Subsection (2)(c).

437 (ii) The State Board of Education's action is final action subject to judicial review.

438 (3) (a) A charter school shall report any threats to the health, safety, or welfare of its
439 students within three business days of the occurrence.

440 (b) The report under Subsection (3)(a) shall include what steps the charter school has
441 taken to remedy the threat.

442 [~~3~~] (4) The chartering entity may terminate a charter immediately if good cause has
443 been shown or if the health, safety, or welfare of the students at the school is threatened.

444 [~~4~~] (5) If a charter is terminated during a school year:

445 (a) the school district in which the school is located may assume operation of the
446 school; or

447 (b) a private management company may be hired to operate the school.

448 [~~5~~] (6) (a) If a charter is terminated, a student who attended the school may apply to
449 and shall be enrolled in another public school under the enrollment provisions of Title 53A,
450 Chapter 2, Part 2, District of Residency, subject to space availability.

451 (b) Normal application deadlines shall be disregarded under Subsection [~~5~~] (6)(a).

452 [~~6~~] (7) A chartering entity may terminate a charter pursuant to Subsection (1)(c)
453 under the same circumstances that local educational agencies are required to implement
454 alternative governance arrangements under 20 U.S.C. Sec. 6316.

455 Section 12. Section **53A-1a-510.5** is enacted to read:

456 **53A-1a-510.5. Charter school closure.**

457 (1) If a charter school is closed for any reason, including the termination of a charter in
458 accordance with Section 53A-1-510, the provisions of this section apply.

459 (2) (a) As soon as possible after the decision is made to close a charter school,
460 notification of the decision, in writing, shall be provided by the charter school to:

461 (i) its chartering entity;

462 (ii) the Charter School Board;
463 (iii) the State Board of Education;
464 (iv) parents of its students;
465 (v) its creditors; and
466 (vi) the school district in which the charter school is located and other charter schools
467 located in that school district.

468 (b) The notification under Subsection (2)(a) shall include:

469 (i) the proposed date of school closure;
470 (ii) the school's plans to help students identify and transition into a new school; and
471 (iii) contact information for the charter school during the transition.

472 (3) A closing charter school shall:

473 (a) present a school closure plan to its chartering entity as soon as possible after the
474 decision to close is made;

475 (b) designate a custodian for the protection of student files and school business records;

476 (c) maintain a base of operation throughout the charter school closing, including:

477 (i) an office;

478 (ii) hours of operation; and

479 (iii) operational telephone service with voice messaging stating the hours of operation;

480 (d) maintain insurance coverage and risk management coverage throughout the
481 transition to closure and for a period following closure of the charter school as specified by the
482 chartering entity;

483 (e) complete a financial audit immediately after the decision to close is made;

484 (f) inventory all assets of the charter school;

485 (g) list all creditors of the charter school and specifically identify secured creditors and
486 assets that are security interests; and

487 (h) protect all school assets against theft, misappropriation, and deterioration.

488 (4) (a) Any assets held subject to written conditions or limitations in accordance with
489 Section 53A-1a-517 shall be disposed of in accordance with those conditions or limitations.

490 (b) All liabilities and obligations of the closing charter school shall be paid and
491 discharged or adequate provisions shall be made to discharge the liabilities and obligations to
492 the extent of the closing school's assets.

493 (c) (i) The remaining assets shall returned to the closing charter school's chartering
494 entity.

495 (ii) The chartering entity may liquidate assets at fair market value or assign the assets
496 to another public school.

497 (5) To the extent possible, all leases, service agreements, and other contracts not
498 necessary for the transition of the closing charter school should be terminated.

499 (6) The closing charter school shall submit all documentation required by its chartering
500 entity, including documents to verify its compliance with procedural requirements as well as
501 satisfaction of all financial issues.

502 (7) When the closing charter school's financial affairs are closed out and dissolution is
503 complete, the chartering entity shall ensure that a final audit of the charter school is completed.

504 (8) The State Board of Education may make rules that provide additional closure
505 requirements upon charter schools or that specify elements of charter school closure plans.

506 Section 13. Section **53A-1a-514** is amended to read:

507 **53A-1a-514. Tort liability.**

508 (1) An employee of a charter school is a public employee and the governing body is a
509 public employer in the same manner as a local school board for purposes of tort liability.

510 (2) The governing body of a charter school, the nonprofit corporation under which the
511 charter school is organized and managed, and the school are solely liable for any damages
512 resulting from a legal challenge involving the operation of the school.

513 Section 14. Section **53A-1a-515** is amended to read:

514 **53A-1a-515. Charters authorized by local school boards.**

515 (1) (a) Individuals and entities identified in Section 53A-1a-504 may enter into an
516 agreement with a local school board to establish and operate a charter school within the
517 geographical boundaries of the school district administered by the board.

518 (b) The charter schools described in Subsection (1)(a) are in addition to the limited
519 number of charter schools authorized by the State Charter School Board in Section
520 53A-1a-502.5.

521 (2) (a) An existing public school that converts to charter status under a charter granted
522 by a local school board may:

523 (i) continue to receive the same services from the school district that it received prior to

524 its conversion; or

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

526 (b) Any other charter school authorized by a local school board may contract with the

527 board to receive some or all of the services referred to in Subsection (3)(a).

528 (3) (a) (i) A public school that converts to a charter school under a charter granted by a

529 local school board shall receive funding:

530 (A) through the school district; and

531 (B) on the same basis as it did prior to its conversion to a charter school.

532 (ii) The school may also receive federal monies designated for charter schools under

533 any federal program.

534 (b) (i) A local school board-authorized charter school operating in a facility owned by

535 the school district and not paying reasonable rent to the school district shall receive funding:

536 (A) through the school district; and

537 (B) on the same basis that other district schools receive funding.

538 (ii) The school may also receive federal monies designated for charter schools under

539 any federal program.

540 (c) ~~Any other~~ A charter school authorized by a local school board and by the

541 Legislature under Section 53A-1a-505.7 shall receive funding as provided in Section

542 53A-1a-513.

543 (d) (i) A charter school authorized by a local school board, but not described in

544 Subsection (3)(a), (b), or (c) shall receive funding:

545 (A) through the school district; and

546 (B) on the same basis that other district schools receive funding.

547 (ii) The school may also receive federal monies designated for charter schools under

548 any federal program.

549 (4) (a) A local school board that receives an application for a charter school under this

550 section shall, within 45 days, either accept or reject the application.

551 (b) If the board rejects the application, it shall notify the applicant in writing of the

552 reason for the rejection.

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

554 (d) If the local school board refuses to authorize the applicant, the applicant may seek a

555 charter from the State Charter School Board under Section 53A-1a-505.

556 (5) The State Board of Education shall make a rule providing for a timeline for the
557 opening of a charter school following the approval of a charter school application by a local
558 school board.

559 (6) (a) After approval of a charter school application, the applicant and the local school
560 board shall set forth the terms and conditions for the operation of the charter school in a written
561 contractual agreement.

562 (b) The agreement is the school's charter.

563 (7) A local school board shall:

564 (a) annually review and evaluate the performance of charter schools authorized by the
565 local school board and hold the schools accountable for their performance;

566 (b) monitor charter schools authorized by the local school board for compliance with
567 federal and state laws, rules, and regulations; and

568 (c) provide technical support to charter schools authorized by the local school board to
569 assist them in understanding and performing their charter obligations.

570 (8) A local school board may terminate a charter school it authorizes as provided in
571 Sections 53A-1a-509 and 53A-1a-510.

572 [~~(9) The governing body of a local school board authorized charter school shall be
573 independent of the local school board except as otherwise specifically provided in this chapter.]~~

574 (9) In addition to the exemptions described in Sections 53A-1a-511 and 53A-1a-512, a
575 charter school authorized by a local school board is:

576 (a) not required to separately submit a report or information required under this title to
577 the State Board of Education if the information is included in a report or information that is
578 submitted by the local school board or school district; and

579 (b) exempt from the requirement under Section 53A-1a-507 that a charter school shall
580 be organized and managed under the Utah nonprofit corporation act Title 16, Chapter 6a, Utah
581 Revised Nonprofit Corporation Act.

582 Section 15. Section **53A-1a-517** is enacted to read:

583 **53A-1a-517. Charter school assets.**

584 (1) (a) A charter school may receive, hold, manage, and use any devise, bequest, grant,
585 endowment, gift, or donation of any asset made to the school for any of the purposes of this

586 part.

587 (b) Unless a donor or grantor specifically provides otherwise in writing, all assets
588 described in Subsection (1) shall be presumed to be made to the charter school and shall be
589 included in the charter school's assets.

590 (2) It is unlawful for any person affiliated with a charter school to demand or request
591 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
592 with the charter school as a condition for employment or enrollment at the school or continued
593 attendance at the school.

594 (3) All assets purchased with charter school funds shall be included in the charter
595 school's assets.

596 (4) A charter school may not dispose of its assets in violation of the provisions of this
597 part, state board rules, policies of its chartering entity, or its charter, including the provisions
598 governing the closure of a charter school under Section 53A-1a-510.5.

599 Section 16. Section **53A-1a-518** is enacted to read:

600 **53A-1a-518. Prohibited transactions and relationships -- Definitions -- Penalties.**

601 (1) As used in this section:

602 (a) "Charter school officer" means:

603 (i) a member of a charter school's governing board;

604 (ii) a member of a board or an officer of a nonprofit corporation under which a charter
605 school is organized and managed; and

606 (iii) the chief administrative officer of a charter school.

607 (b) "Charter school proposer" means a person or entity who is involved in developing a
608 proposal to establish a charter school in accordance with the provisions under this part,
609 including:

610 (i) the named charter school applicants, including the proposed members of the charter
611 school's founding committee; and

612 (ii) a person or entity who is working, with or without compensation, with the named
613 charter school applicants to develop their proposal and application.

614 (c) (i) "Employment" means a position in which a person's salary, wages, pay, or
615 compensation, whether as an employee or contractor, is paid from charter school funds.

616 (ii) "Employment" does not include a charter school volunteer.

617 (d) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,
618 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,
619 sister-in-law, son-in-law, or daughter-in-law.

620 (2) A person may not receive compensation that is conditioned in whole or in part on:

621 (a) the passage, defeat, or amendment of legislative action related to charter schools or
622 charter school authorization; or

623 (b) the approval, modification, or denial of a charter school application by a chartering
624 entity.

625 (3) A charter school officer, charter school proposer, a relative of a charter school
626 officer, or a relative of a charter school proposer may not have a pecuniary interest directly or
627 indirectly in any contract or other transaction involving that charter school, including a contract
628 or transaction pertaining to:

629 (a) developing a charter school proposal;

630 (b) preparing or presenting a charter school application to a charter school authorizing
631 entity;

632 (c) obtaining financing for a charter school facility;

633 (d) leasing, constructing, or otherwise obtaining a charter school facility; or

634 (e) procuring or providing management, maintenance, operational, or support services
635 for a charter school.

636 (4) (a) Except as provided in Subsection (4)(b), a relative of a charter school officer
637 may not be employed at a charter school.

638 (b) (i) If a relative of a charter school officer, other than the chief administrative officer
639 of a charter school, is to be considered for employment in a charter school, the charter school
640 officer shall:

641 (A) disclose the relationship, in writing, to the other charter school officers;

642 (B) abstain from voting on the issue; and

643 (C) be absent from any meeting when the employment is being considered and
644 determined.

645 (ii) If a relative of the chief administrative officer of a charter school is to be
646 considered for employment in a charter school, the chief administrative officer shall:

647 (A) disclose the relationship, in writing, to the other charter school officers;

648 (B) submit the employment decision for the approval, by majority vote, to the charter
649 school's governing board; and

650 (C) be absent from the meeting when the employment is being considered and
651 determined.

652 (5) A person who violates a provision of Subsection (2), (3), or (4) is guilty of a class C
653 misdemeanor.

654 Section 17. Section **53A-17a-104** is amended to read:

655 **53A-17a-104. Amount of state's contribution toward minimum school program.**

656 (1) The total contribution of the state toward the cost of the minimum school program
657 may not exceed the sum of \$2,032,219,545 for the fiscal year beginning July 1, 2006, except as
658 otherwise provided by the Legislature through supplemental appropriations.

659 (2) There is appropriated from state and local funds for fiscal year 2006-07 for
660 distribution to school districts and charter schools, in accordance with this chapter, monies for
661 the following purposes and in the following amounts:

662 (a) basic program - kindergarten, \$57,234,560 (23,680 WPU);

663 (b) basic program - grades 1-12, \$1,118,053,443 (462,579 WPU);

664 (c) basic program - professional staff, \$106,128,053 (43,909 WPU);

665 (d) basic program - administrative costs, \$3,937,293 (1,629 WPU);

666 (e) basic program - necessarily existent small schools and units for consolidated
667 schools, \$18,487,633 (7,649 WPU);

668 (f) special education - regular program - add-on WPU for students with disabilities,
669 \$136,350,221 (56,413 WPU);

670 (g) preschool special education program, \$19,717,886 (8,158 WPU);

671 (h) self-contained regular WPU, \$32,148,517 (13,301 WPU);

672 (i) extended year program for severely disabled, \$887,039 (367 WPU);

673 (j) special education programs in state institutions and district impact aid, \$3,487,731
674 (1,443 WPU);

675 (k) applied technology and technical education district programs, \$59,934,349 (24,797
676 WPU), including \$1,045,033 for summer applied technology agriculture programs;

677 (l) applied technology district set-aside, \$2,562,020 (1,060 WPU);

678 (m) class size reduction, \$74,378,341 (30,773 WPU);

- 679 (n) Social Security and retirement programs, \$310,891,038;
- 680 (o) pupil transportation to and from school, \$62,601,763, of which not less than
- 681 \$2,173,569 shall be allocated to the Utah Schools for the Deaf and Blind to pay for
- 682 transportation costs of the schools' students;
- 683 (p) guarantee transportation levy, \$500,000;
- 684 (q) Local Discretionary Block Grant Program, \$21,820,748;
- 685 (r) Interventions for Student Success Block Grant Program, \$16,792,888;
- 686 (s) Quality Teaching Block Grant Program, \$62,993,704;
- 687 (t) highly impacted schools, \$5,123,207;
- 688 (u) at-risk programs, \$27,992,056;
- 689 (v) adult education, \$9,148,653;
- 690 (w) accelerated learning programs, \$12,010,853;
- 691 (x) electronic high school, \$1,300,000;
- 692 (y) School LAND Trust Program, \$15,000,000;
- 693 (z) state-supported voted leeway, \$196,085,303;
- 694 (aa) state-supported board leeway, \$54,704,476;
- 695 (bb) charter schools, pursuant to Section 53A-1a-513, [~~\$21,552,450~~] \$28,509,000;
- 696 (cc) charter school administrative costs, \$1,500,000;
- 697 [~~(cc)~~] (dd) K-3 Reading Improvement Program, \$12,500,000 ; and
- 698 [~~(dd)~~] (ee) state-supported board leeway for K-3 Reading Improvement Program,
- 699 \$15,000,000.

700 Section 18. Section **53A-17a-108** is amended to read:

701 **53A-17a-108. Weighted pupil units for school district administrative costs --**

702 **Appropriation for charter school administrative costs.**

703 (1) Administrative costs weighted pupil units are computed and distributed to districts
704 in accordance with the following schedule:

705 Administrative Costs Schedule

706 School District Enrollment as of October 1	Weighted Pupil Units
707 1 - 2,000 students	53
708 2,001 - 10,000 students	48
709 10,001 - 20,000 students	25

710 20,001 and above 16

711 (2) Money appropriated to the State Board of Education in Section 53A-17a-104 for

712 charter school administrative costs shall be distributed to charter schools in the amount of \$62

713 for each charter school student in enrollment.

714 (3) Charter schools are not eligible for funds for administrative costs under Subsection

715 (1).

716 **Section 19. Repealer.**

717 This bill repeals:

718 **Section 53A-1a-501.8, Charter schools authorized by the State Board of Education.**

719 **Section 53A-1a-502.5, State Charter School Board to authorize the establishment**

720 **of charter schools.**

721 **Section 20. Ongoing appropriation for charter school administrative costs.**

722 As an ongoing appropriation subject to future budget constraints, there is appropriated

723 from the Uniform School Fund for fiscal year 2007-08, (\$100,000) from the Uniform School

724 fund to the State Board of Education for charter school administrative costs.

725 **Section 21. Ongoing appropriation for State Charter School Board.**

726 As an ongoing appropriation subject to future budget constraints, there is appropriated

727 from the Uniform School Fund for fiscal year 2007-08, \$300,000 from the Uniform School

728 Fund to the State Board of Education for administration and oversight of charter schools by the

729 State Charter School Board.

730 **Section 22. One-time appropriation for local replacement.**

731 (1) There is appropriated from the Uniform School Fund to the State Board of

732 Education for fiscal year 2007-08 only, \$8,259,100 for charter schools.

733 (2) It is the intent of the Legislature that the State Board of Education shall distribute

734 the money appropriated in Section (1) based upon average daily membership of the charter

735 schools.

736 **Section 23. Effective date.**

737 This bill takes effect on July 1, 2007.

Legislative Review Note
as of 2-13-07 3:55 PM

Office of Legislative Research and General Counsel

H.B. 164 - Charter School Amendments

Fiscal Note

2007 General Session
State of Utah

State Impact

Enactment of this bill will appropriate \$30,209,000 in ongoing Uniform School Fund revenue beginning in FY 2008 and \$8,259,100 in one-time Uniform School Fund revenue in FY 2008 for charter schools as provided in the bill.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
Uniform School Fund	\$0	\$30,209,000	\$30,209,000	\$0	\$0	\$0
Uniform School Fund, One-time	\$0	\$8,259,100	\$0	\$0	\$0	\$0
Total	\$0	\$38,468,100	\$30,209,000	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments. Charter schools may benefit through increased per-student revenues appropriated through enactment of this bill.
