

**VIRTUAL CHARTER SCHOOLS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stephen H. Urquhart**

Senate Sponsor: \_\_\_\_\_

---

---

**LONG TITLE**

**General Description:**

This bill modifies charter school provisions relating to virtual charter schools.

**Highlighted Provisions:**

This bill:

- ▶ provides definitions;
- ▶ requires the State Charter School Board and the State Board of Education to establish a virtual charter school that will begin operations in the 2007-08 school year;
- ▶ provides exemptions from certain statutes and requires a waiver of certain State Board of Education rules;
- ▶ provides for virtual charter school student participation in programs at other public schools;
- ▶ provides for the funding of virtual charter schools; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

This bill appropriates:

- ▶ \$100,000 from the Uniform School Fund for fiscal year 2006-07 only, to the State Board of Education.

**Other Special Clauses:**

This bill provides an immediate effective date.



28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53A-1a-501.3**, as enacted by Chapter 251, Laws of Utah 2004

31 ENACTS:

32 **53A-1a-517**, Utah Code Annotated 1953

33 **53A-1a-518**, Utah Code Annotated 1953

34 **53A-1a-519**, Utah Code Annotated 1953

35 

---

---

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

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

38 **53A-1a-501.3. Definitions.**

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

40 (1) "Chartering entity" means the entity that authorizes the establishment of a charter  
41 school.

42 (2) "Virtual charter school" means a charter school that uses technology in order to  
43 provide a preponderance of its curriculum and instruction to its students through the Internet or  
44 other electronic means in a manner that fosters on-demand, interactive, self-paced, and  
45 individualized instruction.

46 Section 2. Section **53A-1a-517** is enacted to read:

47 **53A-1a-517. Virtual charter school.**

48 (1) The State Charter School Board and the State Board of Education may authorize  
49 and approve virtual charter schools.

50 (2) Notwithstanding the charter school caps under Section 53A-1a-502.5 and the  
51 application requirements under this part, the State Charter School Board and the State Board of  
52 Education shall authorize and approve a virtual charter school that:

53 (a) begins operation in the 2007-08 school year; and

54 (b) has a maximum full-time equivalent student capacity of 2,000 students for the  
55 2007-08 school year.

56 (3) The State Board of Education shall waive any necessary rules to accommodate the  
57 authorization of a virtual charter school under Subsection (2).

58 (4) The State Charter School Board and the State Board of Education may authorize

59 and approve additional full-time equivalent student capacity for the virtual charter school  
60 authorized under Subsection (2) in subsequent school years.

61 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
62 State Board of Education shall make rules providing:

63 (a) definitions and minimum standards for virtual charter schools and their operations;  
64 and

65 (b) procedures for the distribution of funds appropriated for virtual charter schools.

66 Section 3. Section **53A-1a-518** is enacted to read:

67 **53A-1a-518. Virtual charter school students -- Participation in other public**  
68 **schools.**

69 (1) A person having control of a minor under this part who is enrolled in a virtual  
70 charter school may also enroll the minor in another public school or public school program as  
71 provided in this section.

72 (2) The minor may participate in any academic activity in the other public school  
73 available to students in the minor's grade or age group, subject to compliance with the same  
74 rules and requirements that apply to a full-time student's participation in the activity.

75 (3) (a) A student who participates in another public school program in accordance with  
76 the provisions in this section is considered a student of that public school for purposes of the  
77 student's participation in that program.

78 (b) The virtual charter school and the other public school shall enter into an agreement  
79 to cover the reasonable costs of participation in the program.

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

82 (a) governing participation in programs as described in this section, including:

83 (i) the sharing of costs as described in Subsection (3); and

84 (ii) regulating the transferability of credits that are earned in a virtual charter school;

85 and

86 (b) providing the policies and procedures necessary to permit students enrolled in a  
87 virtual charter school to participate in public school extracurricular activities.

88 Section 4. Section **53A-1a-519** is enacted to read:

89 **53A-1a-519. Virtual charter schools -- Charter authority required -- Funding.**

90           (1) A charter school may not operate as a virtual charter school unless the charter  
91 school has specific authority in its charter to operate as a virtual charter school.

92           (2) A virtual charter school shall receive the funding for charter schools as provided in  
93 this part.

94           Section 5. **One-time appropriation for virtual charter schools.**

95           (1) There is appropriated \$100,000 from the Uniform School Fund for fiscal year  
96 2006-07 only, to the State Board of Education.

97           (2) It is the intent of the Legislature that the appropriation in Subsection (1) shall be  
98 used to provide start-up funds for virtual charter schools.

99           Section 6. **Effective date.**

100           If approved by two-thirds of all the members elected to each house, this bill takes effect  
101 upon approval by the governor, or the day following the constitutional time limit of Utah  
102 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,  
103 the date of veto override.

---

---

**Legislative Review Note**  
as of 2-15-07 11:45 AM

**Office of Legislative Research and General Counsel**

---

---

**H.B. 169 - Virtual Charter Schools**

**Fiscal Note**

2007 General Session  
State of Utah

---

---

**State Impact**

Enactment of this bill will appropriate \$100,000 in one-time Uniform School Fund revenue in FY 2007 to the State Board of Education to provide start-up funds for virtual charter schools. Enactment of the bill authorizes the State Board of Education to approve a Virtual Charter School, enrolling up to 2,000 students.

This fiscal note assumes that each of these 2,000 students is currently funded through the Minimum School Program based on their actual or anticipated enrollment in a public school in the fall of 2007. However, some students receiving educational services through private sources (private school or home school) may opt to enroll in the Virtual Charter School. Since these students are not included in current or anticipated enrollments driving the Minimum School Program budget, the state may incur additional costs. If 10 percent of the total enrollment comes from outside the public system, the increased state cost to the Minimum School Program is estimated to be \$808,800.

Categorical programs within the Minimum School Program generate an additional cost to the state. The Local Replacement Funding Program provides \$1,184 per student enrolled in a charter school. The added cost to the Local Replacement Funding Program is estimated at \$2,368,000 and would require an ongoing appropriation from the Uniform School Fund to the Minimum School Program beginning in FY 2008.

Legislation currently before the Legislature proposes to increase the per student Local Replacement Formula amount and provide additional state revenues to support school level administration costs in the charter schools on a per student basis. Approval of these measures by the Legislature may impact this estimate.

	<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	\$2,368,000	\$2,368,000	\$0	\$0	\$0
Uniform School Fund, One-time	\$100,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$100,000</b>	<b>\$2,368,000</b>	<b>\$2,368,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

---

**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.