

**Representative Ben C. Ferry** proposes the following substitute bill:

**UTAH VIRTUAL SCHOOLS**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ben C. Ferry**

Senate Sponsor: Mark B. Madsen

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**LONG TITLE**

**General Description:**

This bill authorizes the State Board of Education to establish a virtual school for students in kindergarten through the eighth grade and 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
- ▶ authorizes the State Board of Education to establish Utah K-8 Online, a virtual school;
- ▶ provides for the participation of Utah K-8 Online students in other public school



26 programs;

- 27       ▶ requires the State Board of Education to make certain rules;
- 28       ▶ provides for the funding of Utah K-8 Online; and
- 29       ▶ makes technical corrections.

30 **Monies Appropriated in this Bill:**

31       This bill appropriates:

- 32       ▶ \$200,000 from the Uniform School Fund for fiscal year 2007-08 only, to the State
- 33 Board of Education.

34 **Other Special Clauses:**

35       This bill provides an immediate effective date.

36 **Utah Code Sections Affected:**

37 AMENDS:

- 38       **53A-1a-501.3**, as enacted by Chapter 251, Laws of Utah 2004
- 39       **53A-15-1001**, as enacted by Chapter 227, Laws of Utah 2006
- 40       **53A-15-1002**, as enacted by Chapter 227, Laws of Utah 2006

41 ENACTS:

- 42       **53A-1a-517**, Utah Code Annotated 1953
- 43       **53A-1a-518**, Utah Code Annotated 1953
- 44       **53A-1a-519**, Utah Code Annotated 1953
- 45       **53A-15-1008**, Utah Code Annotated 1953
- 46       **53A-15-1009**, Utah Code Annotated 1953
- 47       **53A-15-1010**, Utah Code Annotated 1953



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

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

51       **53A-1a-501.3. Definitions.**

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

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

55       (2) "Virtual charter school" means a performance-based, charter school that delivers  
56 synchronous or asynchronous instruction from a teacher to a student primarily through the use

57 of technology via the Internet in a virtual or remote setting.

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

59 **53A-1a-517. Virtual charter school.**

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

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

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

66 (b) has a maximum full-time equivalent student capacity of 1,500 students for the  
67 2007-08 school year.

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

70 (4) The State Charter School Board and the State Board of Education may authorize  
71 and approve additional full-time equivalent student capacity for the virtual charter school  
72 authorized under Subsection (2) in subsequent school years.

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

75 (a) definitions and minimum standards for virtual charter schools and their operations;  
76 and

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

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

79 **53A-1a-518. Virtual charter school students -- Participation in other public**  
80 **schools.**

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

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

87 (3) (a) A student who participates in another public school program in accordance with

88 the provisions in this section is considered a student of that public school for purposes of the  
89 student's participation in that program.

90 (b) The virtual charter school shall remit to the other public school one-sixth of the  
91 value of the weighted pupil unit provided in Subsection 53A-17a-103(1) for each academic  
92 course that the virtual charter school student enrolls in at the other public school, up to a  
93 maximum of two courses.

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

96 (a) governing participation in programs as described in this section, including:  
97 (i) the sharing of costs as described in Subsection (3); and  
98 (ii) regulating the transferability of credits that are earned in a virtual charter school;  
99 and

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

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

103 **53A-1a-519. Virtual charter schools -- Charter authority required -- Funding.**

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

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

108 Section 5. Section **53A-15-1001** is amended to read:

109 **Part 10. Virtual Schools Act**

110 **53A-15-1001. Title.**

111 This part is known as the "~~Electronic High School~~ Virtual Schools Act."

112 Section 6. Section **53A-15-1002** is amended to read:

113 **53A-15-1002. Definitions.**

114 As used in this part:

115 (1) "Board" means the State Board of Education.

116 (2) "Electronic High School" means a rigorous program offering grade 9 - 12 level  
117 courses delivered over the Internet and coordinated by the board.

118 (3) "Home-schooled student" means a student:

119 (a) who attends a home school;  
120 (b) is exempt from school attendance pursuant to Section 53A-11-102; and  
121 (c) attends no more than two regularly scheduled classes or courses in a public school  
122 per semester.

123 (4) "Open-entry, open-exit" means:

124 (a) a method of instructional delivery that allows for flexible scheduling in response to  
125 individual student needs or requirements and demonstrated competency when knowledge and  
126 skills have been mastered; and

127 (b) students have the flexibility to begin or end study at any time, progress through  
128 course material at their own pace, and demonstrate competency when knowledge and skills  
129 have been mastered.

130 (5) "Utah K-8 Online" means the virtual school coordinated by the board for students  
131 in kindergarten through the eighth grade in accordance with the provisions of this part.

132 (6) "Virtual school" means a school that uses technology in order to provide a  
133 preponderance of its curriculum and instruction to its students through the Internet or other  
134 electronic means in a manner that fosters on-demand, interactive, self-paced, and  
135 individualized instruction.

136 Section 7. Section **53A-15-1008** is enacted to read:

137 **53A-15-1008. Utah K-8 Online -- Authorization -- State board rulemaking.**

138 (1) The board is authorized to establish and coordinate the operations of Utah K-8  
139 Online, a virtual school for students in kindergarten through the eighth grade.

140 (2) (a) Utah K-8 Online may:

141 (i) begin operation in the 2007-08 school year; and

142 (ii) have a maximum full-time equivalent student capacity of 1,500 students for the  
143 2007-08 school year.

144 (b) The board may authorize and approve additional full-time equivalent student  
145 capacity for Utah K-8 Online in subsequent school years.

146 (3) The board may contract with school districts, public schools, regional service  
147 centers, or private entities to provide services for Utah K-8 Online.

148 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
149 board shall make rules providing:

- 150 (a) minimum standards, definitions, and coordination of Utah K-8 Online; and
- 151 (b) procedures for the distribution of funds appropriated for Utah K-8 Online.

152 Section 8. Section **53A-15-1009** is enacted to read:

153 **53A-15-1009. Utah K-8 Online -- Participation in other public schools.**

154 (1) A person having control of a minor who is enrolled in Utah K-8 Online may also  
155 enroll the minor in another public school or public school program.

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

159 (3) (a) A student who participates in another public school program is considered a  
160 student of that public school for purposes of the student's participation in that program.

161 (b) Utah K-8 Online and the other public school shall enter into an agreement to cover  
162 the reasonable costs of participation in the program.

163 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
164 board shall make rules:

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

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

167 (ii) regulating the transferability of credits that are earned in Utah K-8 Online; and

168 (b) providing the policies and procedures necessary to permit students enrolled in Utah  
169 K-8 Online to participate in public school extracurricular activities.

170 Section 9. Section **53A-15-1010** is enacted to read:

171 **53A-15-1010. Utah K-8 Online -- Funding.**

172 (1) Money shall be allocated to Utah K-8 Online in the amount of 1.4 times the value  
173 of the weighted pupil unit, as provided in Subsection 53A-17a-103(1), for each full-time  
174 equivalent student.

175 (2) Utah K-8 Online may not receive any other funding provided in this title, except as  
176 the funding is specifically made available to Utah K-8 Online.

177 Section 10. **Appropriation.**

178 (1) There is appropriated \$200,000 from the Uniform School Fund for fiscal year  
179 2006-07 only, to the State Board of Education.

180 (2) It is the intent of the Legislature that the appropriation in Subsection (1) shall be

181 used to provide start-up costs for Utah K-8 Online and virtual charter schools.

182           Section 11. **Effective date.**

183           If approved by two-thirds of all the members elected to each house, this bill takes effect

184 upon approval by the governor, or the day following the constitutional time limit of Utah

185 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,

186 the date of veto override.

**H.B. 172 1st Sub. (Buff) - Utah Virtual Schools**

**Fiscal Note**

2007 General Session

State of Utah

**State Impact**

Enactment of this bill will appropriate \$200,000 in one-time Uniform School Fund revenue in FY 2007 to the State Board of Education to provide start-up funds for the Utah K-8 Online School and the Virtual Charter School outlined in the bill. In addition, implementation of this bill will require an ongoing appropriation of \$3,226,200 from the Uniform School Fund beginning in FY 2008. This includes \$1,450,200 for the Utah K-8 Online School and \$1,776,000 for the Virtual Charter School.

Students enrolling in the Utah K-8 Online School generate funding equivalent to 0.4 times the value of the Weighted Pupil Unit. Based on the current value of the Weighted Pupil Unit, \$2,417, this provision generates an additional cost to the state of \$1,450,200. The total cost to the state to support this bill provision may increase based on the total number of enrolled students and the value of the Weighted Pupil Unit.

Categorical programs within the Minimum School Program generate an additional cost to the state for the Virtual Charter School. 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 \$1,776,000 and would require an ongoing appropriation from the Uniform School Fund to the Minimum School Program beginning in FY 2008.

This fiscal note assumes that each of the 3,000 students allowed under provisions of this bill (1,500 Utah K-8 Online & 1,500 Virtual Charter Schools) 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 Utah K-8 Online or the Virtual Charter School. Since these students are not included in the current or anticipated enrollments driving the costs of the Minimum School Program budget, the state may incur additional costs. The increased cost to the state may range from \$241,700 to \$404,400 for every 100 new to the system students enrolling in either the Utah K-8 Online or the Virtual Charter School respectively.

Legislation currently before the Legislature proposes to increase the per student Local Replacement Formula amount and provide additional state revenues to charter schools to support school level administration costs. Funding for both of these programs is based on the total number of students enrolled in charter schools. Approval of these measures by the Legislature may impact this cost estimate.

	<u>FY 2007 Approp.</u>	<u>FY 2008 Approp.</u>	<u>FY 2009 Approp.</u>	<u>FY 2007 Revenue</u>	<u>FY 2008 Revenue</u>	<u>FY 2009 Revenue</u>
Uniform School Fund	\$0	\$3,226,200	\$3,226,200	\$0	\$0	\$0
Uniform School Fund, One-time	\$200,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$200,000</b>	<b>\$3,226,200</b>	<b>\$3,226,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



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**Fiscal Note**

2007 General Session

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**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.

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*2/26/2007, 2:30:27 PM, Lead Analyst: Leishman, B.*

**Office of the Legislative Fiscal Analyst**