

**CHARTER SCHOOL BUILDING AND  
ENROLLMENT AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Kevin S. Garn**

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

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**LONG TITLE**

**General Description:**

This bill modifies charter school provisions of the State System of Public Education.

**Highlighted Provisions:**

This bill:

- ▶ modifies the reporting deadlines and requirements relating to students who have accepted enrollment in a charter school;
- ▶ modifies provisions of the Charter School Building Subaccount within the School Building Revolving Account;
- ▶ makes a nonlapsing appropriation; and
- ▶ makes technical corrections.

**Monies Appropriated in this Bill:**

This bill appropriates:

- ▶ \$4,000,000 from the Uniform School Fund for fiscal year 2008-09 only, to the Charter School Building Subaccount within the School Building Revolving Account.

**Other Special Clauses:**

This bill takes effect on July 1, 2008.

**Utah Code Sections Affected:**

AMENDS:



28           **53A-1a-506.5**, as enacted by Laws of Utah 2007, Chapter 344

29           **53A-21-104**, as last amended by Laws of Utah 2007, Chapter 344



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

32           Section 1. Section **53A-1a-506.5** is amended to read:

33           **53A-1a-506.5. Charter school students -- Applications -- Deadlines.**

34           (1) (a) The State School Board, in consultation with the State Charter School Board,  
35 shall make rules describing procedures for students to follow in applying for entry into a new  
36 charter school or a charter school that has increased its capacity.

37           (b) The rules under Subsection (1)(a) shall provide, as a minimum, for:

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

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

41           (iii) submission of applications until the third Friday in February by those seeking  
42 admission for the following year;

43           (iv) written notification to the student's parent or legal guardian of an offer of  
44 acceptance or the rejection of an application by March 31;

45           (v) written acceptance of the offer by the student's parent or legal guardian by April 30;

46           (vi) written notification to a student's current charter school or resident school district  
47 upon acceptance of that student for enrollment in a charter school; and

48           (vii) the admission of students, provided that the admission does not disqualify the  
49 charter school from any federal funding, at:

50           (A) any time to protect the health or safety of a student; or

51           (B) times other than those permitted under standard policies if there are other  
52 conditions of special need that warrant consideration.

53           (c) The rules under Subsection (1)(a) shall prevent the parent of a student who is  
54 enrolled in a charter school or who has accepted an offer as described in Subsection (1)(b)(v)  
55 from duplicating enrollment for that student in another charter school or a school district  
56 without following the withdrawal procedures described in Subsection (2).

57           (2) The parent of a student enrolled in a charter school may withdraw the student from  
58 that charter school for enrollment in another charter school or a school district by:

59 (a) submitting notice of intent to enroll the student in the district of residence for the  
60 subsequent year to the student's charter school no later than ~~[March 31]~~ June 30 of the current  
61 school year;

62 (b) submitting notice of intent to enroll the student in another charter school for the  
63 subsequent school year to the current charter school of attendance, together with a letter of  
64 acceptance from the proposed charter school of attendance, no later than ~~[March 31]~~ June 30 of  
65 the current school year; or

66 (c) obtaining approval from both the charter school of attendance and the school  
67 district or charter school in which enrollment is sought, if the parent desires to change the  
68 student's enrollment during the school year or after ~~[March 31]~~ June 30.

69 (3) A charter school shall report to school districts, by the last business day in April,  
70 May, June, July, and August, the aggregate numbers of students, sorted by their resident school  
71 and grade level, who have accepted enrollment in the charter school.

72 ~~[(3)]~~ (4) When a vacancy occurs because a student has withdrawn from a charter  
73 school, that charter school may immediately enroll a new student from its list of applicants.

74 ~~[(4)]~~ (5) Unless provisions have previously been made for enrollment in another  
75 school, a charter school releasing a student from enrollment shall immediately notify the  
76 district of residence, which shall enroll the student in the resident district and take such  
77 additional steps as may be necessary to ensure compliance with laws governing school  
78 attendance.

79 ~~[(5)]~~ (6) A school district or charter school may charge secondary students a one-time  
80 \$5 processing fee, to be paid at the time of application.

81 Section 2. Section **53A-21-104** is amended to read:

82 **53A-21-104. School Building Revolving Account -- Access to the account.**

83 (1) There is created a nonlapsing "School Building Revolving Account" administered  
84 within the Uniform School Fund by the state superintendent of public instruction in accordance  
85 with rules adopted by the State Board of Education.

86 (2) Monies received by a school district from the School Building Revolving Account  
87 may not exceed the district's bonding limit minus its outstanding bonds.

88 (3) In order to receive monies from the account, a school district must do the  
89 following:

- 90 (a) levy a tax of at least .0024 for capital outlay and debt service;
- 91 (b) contract with the state superintendent of public instruction to repay the monies,
- 92 with interest at a rate established by the state superintendent, within five years of their receipt,
- 93 using future state building monies or local revenues or both;
- 94 (c) levy sufficient ad valorem taxes under Section 11-14-310 to guarantee annual loan
- 95 repayments, unless the state superintendent of public instruction alters the payment schedule to
- 96 improve a hardship situation; and
- 97 (d) meet any other condition established by the State Board of Education pertinent to
- 98 the loan.
- 99 (4) (a) The state superintendent shall establish a committee, including representatives
- 100 from state and local education entities, to:
- 101 (i) review requests by school districts for loans under this section; and
- 102 (ii) make recommendations regarding approval or disapproval of the loan applications
- 103 to the state superintendent.
- 104 (b) If the committee recommends approval of a loan application under Subsection
- 105 (4)(a)(ii), the committee's recommendation shall include:
- 106 (i) the recommended amount of the loan;
- 107 (ii) the payback schedule; and
- 108 (iii) the interest rate to be charged.
- 109 (5) (a) There is established within the School Building Revolving Account the Charter
- 110 School Building Subaccount administered by the State Board of Education, in consultation
- 111 with the State Charter School Board, in accordance with rules adopted by the State Board of
- 112 Education.
- 113 (b) The Charter School Building Subaccount shall consist of:
- 114 (i) money appropriated to the subaccount by the Legislature;
- 115 (ii) money received from the repayment of loans made from the subaccount; and
- 116 (iii) interest earned on monies in the subaccount.
- 117 (c) The state superintendent of public instruction shall make loans to charter schools
- 118 from the Charter School Building Subaccount to pay for the costs of:
- 119 (i) planning expenses;
- 120 (ii) constructing or renovating charter school buildings;

- 121 (iii) equipment and supplies; ~~[or]~~
- 122 (iv) credit enhancement; or
- 123 ~~[(iv)]~~ (v) other start-up or expansion expenses.

124 (d) Loans to new charter schools or charter schools with urgent facility needs may be  
 125 given priority.

126 (6) (a) The State Board of Education shall establish a committee, which shall include  
 127 individuals who have expertise or experience in finance, real estate, and charter school  
 128 administration, one of whom shall be nominated by the governor to:

- 129 (i) review requests by charter schools for loans under this section; and
- 130 (ii) make recommendations regarding approval or disapproval of the loan applications  
 131 to the State Charter School Board and the State Board of Education.

132 (b) If the committee recommends approval of a loan application under Subsection  
 133 (6)(a)(ii), the committee's recommendation shall include:

- 134 (i) the recommended amount of the loan;
- 135 (ii) the payback schedule; and
- 136 (iii) the interest rate to be charged.

137 (c) The committee members may not:

- 138 (i) be a relative, as defined in Section 53A-1a-518, of a loan applicant; or
- 139 (ii) have a pecuniary interest, directly or indirectly, with a loan applicant or any person  
 140 or entity that contracts with a loan applicant.

141 (7) The State Board of Education, in consultation with the State Charter School Board,  
 142 shall approve all loans to charter schools under this section.

143 (8) Loans to charter schools under this section may not exceed a term of five years.

144 (9) The State Board of Education may not approve loans to charter schools under this  
 145 section that exceed a total of ~~[\$2,000,000]~~ \$3,000,000 in any year.

146 **Section 3. One-time appropriation for the School Building Revolving Account --**  
 147 **Nonlapsing.**

148 (1) There is appropriated \$4,000,000 from the Uniform School Fund for fiscal year  
 149 2008-09 only, to the Charter School Building Subaccount within the School Building  
 150 Revolving Account established in Section 53A-21-104.

151 (2) The appropriation described under Subsection (1) is nonlapsing.

152           Section 4. **Effective date.**  
153           This bill takes effect on July 1, 2008.

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**Legislative Review Note**  
**as of 2-8-08 1:57 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 472 - Charter School Building and Enrollment Amendments**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill appropriates \$4,000,000 from the Uniform School Fund to the Charter School Building Subaccount within the School Building Revolving Account. The appropriation is one-time and non-lapsing.

	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2010</u> <u>Approp.</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>	<u>FY 2010</u> <u>Revenue</u>
Uniform School Fund, One-time	\$0	\$4,000,000	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs for individuals, businesses, or local governments.

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