

1 **CHARTER SCHOOL START-UP AMENDMENTS**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Brad L. Dee**

5 Senate Sponsor: Howard A. Stephenson

6

7 **LONG TITLE**

8 **General Description:**

9 This bill provides money for charter school start-up costs.

10 **Highlighted Provisions:**

11 This bill:

12 ▶ provides for grants to charter schools for expenses for planning and implementation
13 of a charter school;

14 ▶ allows the State Charter School Board to use a portion of the money appropriated
15 for charter school start-up costs for financial monitoring of new charter schools and
16 professional development or technical assistance for governing board members and
17 staff of new charter schools; and

18 ▶ directs the State Board of Education to make rules for the award and use of grants
19 for charter school start-up costs.

20 **Money Appropriated in this Bill:**

21 This bill appropriates:

22 ▶ to the State Board of Education - State Charter School Board, as an ongoing
23 appropriation for fiscal year 2012-13:

- 24 • from the Education Fund, \$2,500,000.

25 **Other Special Clauses:**

26 This bill provides an effective date.

27 **Utah Code Sections Affected:**



28 AMENDS:

29 **53A-1a-513**, as last amended by Laws of Utah 2011, Chapter 371

30 ENACTS:

31 **53A-1a-513.5**, Utah Code Annotated 1953



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

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

35 **53A-1a-513. Funding for charter schools.**

36 (1) As used in this section:

37 (a) "Charter school students' average local revenues" means the amount determined as
38 follows:

39 (i) for each student enrolled in a charter school on the previous October 1, calculate the
40 district per pupil local revenues of the school district in which the student resides;

41 (ii) sum the district per pupil local revenues for each student enrolled in a charter
42 school on the previous October 1; and

43 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students
44 enrolled in charter schools on the previous October 1.

45 (b) "District local property tax revenues" means the sum of a school district's revenue
46 received from the following levies:

47 (i) (A) a voted levy imposed under Section 53A-17a-133;

48 (B) a board levy imposed under Section 53A-17a-134;

49 (C) a 10% of basic levy imposed under Section 53A-17a-145;

50 (D) a tort liability levy imposed under Section 63G-7-704;

51 (E) a capital outlay levy imposed under Section 53A-16-107; and

52 (F) a voted capital outlay levy imposed under Section 53A-16-110; or

53 (ii) (A) a voted local levy imposed under Section 53A-17a-133;

54 (B) a board local levy imposed under Section 53A-17a-164, excluding revenues
55 expended for:

56 (I) recreational facilities and activities authorized under Title 11, Chapter 2,
57 Playgrounds;

58 (II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of

59 taxable value of the school district's board local levy; and

60 (III) the K-3 Reading Improvement Program, up to the amount of revenue generated by
61 a .000121 per dollar of taxable value of the school district's board local levy; and

62 (C) a capital local levy imposed under Section 53A-16-113.

63 (c) "District per pupil local revenues" means an amount equal to the following, using
64 data from the most recently published school district annual financial reports and state
65 superintendent's annual report:

66 (i) district local property tax revenues; divided by

67 (ii) the sum of:

68 (A) a school district's average daily membership; and

69 (B) the average daily membership of a school district's resident students who attend
70 charter schools.

71 (d) "Resident student" means a student who is considered a resident of the school
72 district under Title 53A, Chapter 2, Part 2, District of Residency.

73 (e) "Statewide average debt service revenues" means the amount determined as
74 follows, using data from the most recently published state superintendent's annual report:

75 (i) sum the revenues of each school district from the debt service levy imposed under
76 Section 11-14-310; and

77 (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district
78 average daily membership.

79 (2) (a) Charter schools shall receive funding as described in this section, except
80 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

81 (b) Charter schools authorized by local school boards that are converted from district
82 schools or operate in district facilities without paying reasonable rent shall receive funding as
83 prescribed in Section 53A-1a-515.

84 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state
85 funds, as applicable, on the same basis as a school district receives funds.

86 (b) In distributing funds under Chapter 17a, Minimum School Program Act, to charter
87 schools, charter school pupils shall be weighted, where applicable, as follows:

88 (i) .55 for kindergarten pupils;

89 (ii) .9 for pupils in grades 1 through 6;

90 (iii) .99 for pupils in grades 7 through 8; and

91 (iv) 1.2 for pupils in grades 9 through 12.

92 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
93 resident student of the school district who is enrolled in a charter school on October 1 equal to
94 25% of the lesser of:

95 (A) district per pupil local revenues; or

96 (B) charter school students' average local revenues.

97 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program

98 established under Chapter 28, Utah School Bond Guaranty Act.

99 (b) The State Board of Education shall:

100 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
101 state funds the school district is authorized to receive under Chapter 17a, Minimum School
102 Program Act; and

103 (ii) remit the money to the student's charter school.

104 (c) Notwithstanding the method used to transfer school district revenues to charter
105 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter
106 schools under this section from:

107 (i) unrestricted revenues available to the school district; or

108 (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the
109 allocations to charter schools attributed to each of the revenue sources listed in Subsection
110 (1)(b).

111 (d) (i) Subject to future budget constraints, the Legislature shall provide an
112 appropriation for charter schools for each student enrolled on October 1 to supplement the
113 allocation of school district revenues under Subsection (4)(a).

114 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the
115 state for a charter school student shall be the sum of:

116 (A) charter school students' average local revenues minus the allocation of school
117 district revenues under Subsection (4)(a); and

118 (B) statewide average debt service revenues.

119 (iii) If the total of a school district's allocation for a charter school student under
120 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than

121 \$1427, the state shall provide an additional supplement so that a charter school receives at least
122 \$1427 per student under this Subsection (4).

123 (iv) (A) If the appropriation provided under this Subsection (4)(d) is less than the
124 amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be allocated
125 among charter schools in proportion to each charter school's enrollment as a percentage of the
126 total enrollment in charter schools.

127 (B) If the State Board of Education makes adjustments to Minimum School Program
128 allocations as provided under Section 53A-17a-105, the allocation provided in Subsection
129 (4)(d)(iv)(A) shall be determined after adjustments are made under Section 53A-17a-105.

130 (e) Of the money provided to a charter school under this Subsection (4), 10% shall be
131 expended for funding school facilities only.

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

134 (6) The State Board of Education shall distribute funds for charter school students
135 directly to the charter school.

136 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state
137 transportation funding.

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

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

142 (8) (a) (i) ~~[The state superintendent of public instruction]~~ In accordance with Section
143 53A-1a-513.5, the State Charter School Board may allocate grants for ~~[both]~~ start-up ~~[and~~
144 ~~ongoing]~~ costs to ~~[eligible]~~ charter ~~[school applicants]~~ schools from money appropriated for
145 ~~[the implementation of this part]~~ charter school start-up costs.

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

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

150 ~~[(iv)]~~ (ii) The governing board of ~~[the]~~ a charter school that receives money from a
151 grant under Section 53A-1a-513.5 shall use the grant ~~[to meet the]~~ for expenses ~~[of the school]~~

152 ~~as established in the school's charter]~~ for planning and implementation of the charter school.

153 (b) The State Board of Education shall coordinate the distribution of federal money
154 appropriated to help fund costs for establishing and maintaining charter schools within the
155 state.

156 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
157 endowment, gift, or donation of any property made to the school for any of the purposes of this
158 part.

159 (b) It is unlawful for any person affiliated with a charter school to demand or request
160 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
161 with the charter school as a condition for employment or enrollment at the school or continued
162 attendance at the school.

163 Section 2. Section **53A-1a-513.5** is enacted to read:

164 **53A-1a-513.5. Charter school start-up costs.**

165 (1) (a) The State Charter School Board shall use money appropriated for charter school
166 start-up costs to provide grants to charter schools to pay for expenses for the planning and
167 implementation of a charter school.

168 (b) The State Charter School Board may use up to 8% of the money appropriated for
169 charter school start-up costs for financial monitoring of new charter schools and to provide
170 professional development or technical assistance for governing board members and staff of
171 new charter schools.

172 (2) The amount of a grant for charter school start-up costs shall be based on the
173 authorized enrollment of the charter school.

174 (3) The State Board of Education shall make rules consistent with this section
175 specifying:

176 (a) procedures for applying for and awarding grants for charter school start-up costs;

177 (b) permitted uses of grant money; and

178 (c) requirements for a charter school to submit the following to the State Charter
179 School Board:

180 (i) a budget for the grant money; and

181 (ii) a final report on the expenditure of the grant money.

182 Section 3. **Appropriation.**

183 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the
184 following sums of money are appropriated from resources not otherwise appropriated, out of
185 the funds or accounts indicated for the fiscal year beginning July 1, 2012 and ending June 30,
186 2013. These are additions to any amounts previously appropriated for fiscal year 2013.

187 To State Board of Education - State Charter School Board

188 From Education Fund \$2,500,000

189 Schedule of Programs:

190 Charter School Start-up Costs \$2,500,000

191 The Legislature intends that the appropriation under this section:

192 (1) be used as provided in Section 53A-1a-513.5; and

193 (2) not lapse at the end of fiscal year 2013.

194 **Section 4. Effective date.**

195 (1) Except as provided in Subsection (2), this bill takes effect on May 8, 2012.

196 (2) Uncodified Section 3, Appropriation, takes effect on July 1, 2012.

Legislative Review Note
as of 2-21-12 6:59 PM

Office of Legislative Research and General Counsel