

1                                   **CHARTER SCHOOL FINANCE AMENDMENTS**

2   2015 GENERAL SESSION

3   STATE OF UTAH

4   **Chief Sponsor: Bradley G. Last**

5   Senate Sponsor: Howard A. Stephenson

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7 **LONG TITLE**

8 **General Description:**

9                   This bill modifies funding for charter schools.

10 **Highlighted Provisions:**

11                   This bill:

12                   ▶ requires a school district to allocate 25% of district per pupil revenues for each  
13 student of the school district who is enrolled in a charter school regardless of the  
14 charter school students' average local revenues.

15 **Money Appropriated in this Bill:**

16                   None

17 **Other Special Clauses:**

18                   None

19 **Utah Code Sections Affected:**

20 AMENDS:

21                   **53A-1a-513**, as last amended by Laws of Utah 2013, Chapter 470

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

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

25                   **53A-1a-513. Funding for charter schools.**

26                   (1) As used in this section:

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

29                   (i) for each student enrolled in a charter school on the previous October 1, calculate the

30 district per pupil local revenues of the school district in which the student resides;

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

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

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

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

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

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

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

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

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

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

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

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

48 (II) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of  
49 taxable value of the school district's board local levy; and

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

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

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

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

57 (ii) the sum of:

58 (A) a school district's average daily membership; and  
59 (B) the average daily membership of a school district's resident students who attend  
60 charter schools.

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

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

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

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

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

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

74 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall  
75 receive state funds, as applicable, on the same basis as a school district receives funds.

76 (b) For the 2013-14 and 2014-15 school years, the number of weighted pupil units  
77 assigned to a charter school for the kindergarten and grades 1 through 12 programs of the Basic  
78 School Program shall be:

79 (i) based on the higher of:

80 (A) October 1 enrollment in the current school year; or

81 (B) average daily membership in the prior school year plus growth as determined under  
82 Section 53A-17a-106; and

83 (ii) weighted as provided in Subsection (3)(c).

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

- 86 (i) .55 for kindergarten pupils;
- 87 (ii) .9 for pupils in grades 1 through 6;
- 88 (iii) .99 for pupils in grades 7 through 8; and
- 89 (iv) 1.2 for pupils in grades 9 through 12.

90 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
91 resident student of the school district who is enrolled in a charter school on October 1 equal to  
92 25% of the [~~lesser of: (A)~~] district per pupil local revenues[~~;~~or].

93 [~~(B) charter school students' average local revenues.~~]

94 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program  
95 established under Chapter 28, Utah School Bond Guaranty Act.

96 (b) The State Board of Education shall:

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

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

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

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

105 (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the  
106 allocations to charter schools attributed to each of the revenue sources listed in Subsection  
107 (1)(b).

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

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

113 (A) charter school students' average local revenues minus the allocation of school

114 district revenues under Subsection (4)(a); and

115 (B) statewide average debt service revenues.

116 (iii) If the total of a school district's allocation for a charter school student under  
117 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than  
118 \$1427, the state shall provide an additional supplement so that a charter school receives at least  
119 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

139 (8) (a) (i) In accordance with Section [53A-1a-513.5](#), the State Charter School Board  
140 may allocate grants for start-up costs to charter schools from money appropriated for charter  
141 school start-up costs.

142           (ii) The governing board of a charter school that receives money from a grant under  
143 Section [53A-1a-513.5](#) shall use the grant for expenses for planning and implementation of the  
144 charter school.

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

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

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