Senator Aaron Osmond proposes the following substitute bill:

CHARTER SCHOOL AUTHORIZATION AMENDMENTS
2015 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Aaron Osmond
House Sponsor: ____________

LONG TITLE
General Description:
This bill allows a municipal legislative body to authorize a charter school located within the municipality's boundaries.

Highlighted Provisions:
This bill:
- allows a municipal legislative body to authorize a charter school to be established and operated within the municipality's boundaries, subject to the approval of the State Board of Education;
- specifies procedures for the application and approval of a charter school authorized by a municipal legislative body;
- allows a municipal legislative body to impose a fee, up to a certain amount, for costs of oversight of, and technical assistance to, a charter school;
- prescribes a municipal legislative body's responsibilities related to authorizing a charter school;
- requires a municipal legislative body to make a report to the State Board of Education and the State Charter School Board regarding the performance of a charter school authorized by the municipal legislative body; and
- allows a municipal legislative body to close a charter school authorized by the
municipal legislative body.

Money Appropriated in this Bill:
None

Other Special Clauses:
None

Utah Code Sections Affected:

AMENDS:
53A-1a-501.3, as last amended by Laws of Utah 2014, Chapter 363
ENACTS:
53A-1a-524, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:
Section 1. Section 53A-1a-501.3 is amended to read:

As used in this part:
(1) "Asset" means property of all kinds, real and personal, tangible and intangible, and includes:
(a) cash;
(b) stock or other investments;
(c) real property;
(d) equipment and supplies;
(e) an ownership interest;
(f) a license;
(g) a cause of action; and
(h) any similar property.
(2) "Board of trustees of a higher education institution" or "board of trustees" means:
(a) the board of trustees of:
(i) the University of Utah;
(ii) Utah State University;
(iii) Weber State University;
(iv) Southern Utah University;
(v) Snow College;
(vi) Dixie State University;
(vii) Utah Valley University; or
(viii) Salt Lake Community College; or
(b) the campus board of directors of a college campus within the Utah College of
Applied Technology.
(3) "Charter agreement" or "charter" means an agreement made in accordance with
Section 53A-1a-508, that authorizes the operation of a charter school.
(4) "Charter school authorizer" or "authorizer" means the State Charter School Board, a
local school board, [or] the board of trustees of a higher education institution, or a municipal
legislative body that authorizes the establishment of a charter school.
(5) "Governing board" means the board that operates a charter school.
(6) "Municipal legislative body" means the council of a city or town in any form of
municipal government.

Section 2. Section 53A-1a-524 is enacted to read:

53A-1a-524. Charter schools authorized by a municipal legislative body --
Application process -- Board of trustees responsibilities -- Reporting requirements.

(1) Subject to the approval of the State Board of Education, an applicant identified in
Section 53A-1a-504 may enter into an agreement with a municipal legislative body authorizing
the applicant to establish and operate a charter school within the boundaries of the
municipality.

(2) (a) An applicant applying for authorization from a municipal legislative body to
establish and operate a charter school shall provide a copy of the application to the State
Charter School Board and the local school board of the school district in which the proposed
charter school will be located either before or at the same time the applicant files the
application with the municipal legislative body.

(b) The State Charter School Board and the local school board may review the
application and offer suggestions or recommendations to the applicant or the municipal
legislative body before the municipal legislative body acts on the application.

(c) The municipal legislative body shall give due consideration to suggestions or
recommendations made by the State Charter School Board or the local school board under
(3) (a) Prior to submitting a charter school application to the State Board of Education as required in Subsection (4)(a), the applicant and the municipal legislative body shall set forth the terms and conditions for the operation of the charter school in a written charter agreement.

(b) The terms and conditions described in Subsection (3)(a) shall be included in the charter school contract between the municipal legislative body and the charter school.

(4) (a) If a municipal legislative body approves an application to establish and operate a charter school, the municipal legislative body shall submit the application to the State Board of Education.

(b) The State Board of Education shall, by majority vote, approve or deny an application approved by a municipal legislative body within 60 days of receipt of the application.

(c) The State Board of Education's action under Subsection (4)(b) is final action subject to judicial review.

(5) The State Board of Education shall make a rule providing a time line for the opening of a charter school following the approval of a charter school application by a municipal legislative body.

(6) (a) The school's charter may include a provision that the charter school pay an annual fee for the municipal legislative body's costs in providing oversight of, and technical support to, the charter school in accordance with Subsection (7).

(b) In the first two years that a charter school is in operation, an annual fee described in Subsection (6)(a) may not exceed the product of 3% of the revenue the charter school receives from the state in the current fiscal year.

(c) Beginning with the third year that a charter school is in operation, an annual fee described in Subsection (6)(a) may not exceed the product of 1% of the revenue a charter school receives from the state in the current fiscal year.

(d) An annual fee described in Subsection (6)(a) shall be:

(i) paid to the municipality; and

(ii) expended as directed by the municipal legislative body.

(7) A municipal legislative body shall:

(a) annually review and evaluate the performance of a charter school authorized by the
municipal legislative body and hold the school accountable for the school's performance;

(b) monitor a charter school authorized by the municipal legislative body for compliance with federal and state laws, rules, and regulations;

(c) monitor a charter school authorized by the municipal legislative body for performance against the minimum academic, financial, and enrollment standards set forth in the charter application; and

(d) provide technical support to a charter school authorized by the municipal legislative body to assist the school in understanding and performing the school's charter obligations.

(8) Before a municipal legislative body accepts a charter school application, the municipal legislative body shall, in accordance with State Board of Education rules, establish and make public the municipal legislative body's:

(a) application requirements, in accordance with Section 53A-1a-504;

(b) application process, including time lines, in accordance with this section; and

(c) minimum academic, financial, governance, and enrollment standards.

(9) A municipal legislative body shall:

(a) annually make a report to the State Board of Education and to the State Charter School Board detailing the academic, financial, enrollment, and governance performance of the charter school authorized by the municipal legislative body; and

(b) in the report described in Subsection (9)(a), include information that demonstrates the charter school's compliance with federal and state law.

(c) A municipal legislative body and the charter school authorized by the municipal legislative body shall collect and report information in the same format and manner as information is required to be reported for charter schools authorized by the State Charter School Board.

(10) A municipal legislative body may close a charter school authorized by the municipal legislative body.