

SCHOOL FUNDING AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: Steve Eliason

LONG TITLE

Committee Note:

The Charter School Funding Task Force recommended this bill.

Membership: 8 legislators 6 non-legislators

Legislative Vote: 6 voting for 2 voting against 0 absent

General Description:

This bill amends provisions related to charter school funding.

Highlighted Provisions:

This bill:

- ▶ includes the existing definition of "basic program";
- ▶ amends the definition of "district local property tax revenues" to include school district revenues expended for recreational facilities and revenues received from certain state guarantees;
- ▶ amends the definition of "district per pupil local revenues" to include current year estimates; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:



28 AMENDS:

29 [53A-1a-513](#), as last amended by Laws of Utah 2015, Chapters 64 and 380



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

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

33 **53A-1a-513. Funding for charter schools.**

34 (1) As used in this section:

35 (a) "Basic program" means the same as that term is defined in Section [53A-17a-103](#).

36 ~~[(a)]~~ (b) "Charter school students' average local revenues" means the amount
37 determined as follows:

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

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

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

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

46 (i) a voted local levy imposed under Section [53A-17a-133](#);

47 (ii) a board local levy imposed under Section [53A-17a-164](#), excluding revenues
48 expended for:

49 ~~[(A) recreational facilities and activities authorized under Title 11, Chapter 2,~~
50 ~~Playgrounds;]~~

51 ~~[(B)]~~ (A) pupil transportation, up to the amount of revenue generated by a .0003 per
52 dollar of taxable value of the school district's board local levy; and

53 ~~[(C)]~~ (B) the K-3 Reading Improvement Program, up to the amount of revenue
54 generated by a .000121 per dollar of taxable value of the school district's board local levy;
55 ~~[and]~~

56 (iii) a capital local levy imposed under Section [53A-16-113](#)~~[-];~~ and

57 (iv) a guarantee described in Section [53A-17a-133](#), [53A-17a-164](#), [53A-21-202](#), or
58 [53A-21-302](#).

59 ~~(e)~~ (d) "District per pupil local revenues" means an amount equal to the following,
60 using data from the most recently published school district annual financial reports and state
61 superintendent's annual report~~[*]~~, or for a fiscal year beginning on or after July 1, 2017, for the
62 next fiscal year, using an estimate jointly developed by the State Board of Education, the Office
63 of the Legislative Fiscal Analyst, and the Governor's Office of Management and Budget that is
64 adjusted based on the actual property tax collection compared to the estimated collection for
65 the prior fiscal year:

- 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)~~ (e) "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)~~ (f) "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)~~(f)~~(i) by statewide school
- 78 district 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 Subsections (3)(b) and (3)(c), a charter school shall
85 receive state funds, as applicable, on the same basis as a school district receives funds.

86 (b) For the 2015-16 school year, the number of weighted pupil units assigned to a
87 charter school for the kindergarten and grades 1 through 12 programs of the Basic School
88 Program shall be:

- 89 (i) based on the higher of:

- 90 (A) October 1 enrollment in the current school year; or
- 91 (B) average daily membership in the prior school year plus growth as determined under
- 92 Section [53A-17a-106](#); and
- 93 (ii) weighted as provided in Subsection (3)(c).
- 94 (c) In distributing funds under Chapter 17a, Minimum School Program Act, to charter
- 95 schools, charter school pupils shall be weighted, where applicable, as follows:
- 96 (i) .55 for kindergarten pupils;
- 97 (ii) .9 for pupils in grades 1 through 6;
- 98 (iii) .99 for pupils in grades 7 through 8; and
- 99 (iv) 1.2 for pupils in grades 9 through 12.
- 100 (4) (a) (i) A school district shall allocate a portion of school district revenues for each
- 101 resident student of the school district who is enrolled in a charter school on October 1 equal to
- 102 25% of the district per pupil local revenues.
- 103 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program
- 104 established under Chapter 28, Utah School Bond Guaranty Act.
- 105 (b) The State Board of Education shall:
- 106 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
- 107 state funds the school district is authorized to receive under Chapter 17a, Minimum School
- 108 Program Act; and
- 109 (ii) remit the money to the student's charter school.
- 110 (c) Notwithstanding the method used to transfer school district revenues to charter
- 111 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter
- 112 schools under this section from:
- 113 (i) unrestricted revenues available to the school district; or
- 114 (ii) the revenue sources listed in Subsection (1)~~(b)~~(c) based on the portion of the
- 115 allocations to charter schools attributed to each of the revenue sources listed in Subsection
- 116 ~~(1)(b)~~(c).
- 117 (d) (i) Subject to future budget constraints, the Legislature shall provide an
- 118 appropriation for charter schools for each student enrolled on October 1 to supplement the
- 119 allocation of school district revenues under Subsection (4)(a).
- 120 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the

121 state for a charter school student shall be the sum of:

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

124 (B) statewide average debt service revenues.

125 (iii) If the total of a school district's allocation for a charter school student under
126 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
127 \$1427, the state shall provide an additional supplement so that a charter school receives at least
128 \$1427 per student under this Subsection (4).

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

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

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

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

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

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

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

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

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

151 (ii) The governing board of a charter school that receives money from a grant under

152 Section [53A-1a-513.5](#) shall use the grant for expenses for planning and implementation of the
153 charter school.

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

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

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

164 Section 2. **Effective date.**

165 This bill takes effect on July 1, 2016.

Legislative Review Note
Office of Legislative Research and General Counsel