

1 **CHARTER SCHOOL FUNDING AMENDMENTS**

2 2018 GENERAL SESSION

3 STATE OF UTAH

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

5 Senate Sponsor: Howard A. Stephenson

7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to funding for charter students.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ requires a charter school to include in a charter agreement the maximum number of
- 14 students the charter school will serve;
- 15 ▶ provides, if legislative appropriations are insufficient, for funding distribution to
- 16 charter schools for charter students enrolled in a charter school that are below or
- 17 exceed the charter school's maximum number of students; and
- 18 ▶ makes technical corrections.

19 **Money Appropriated in this Bill:**

20 None

21 **Other Special Clauses:**

22 None

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **53F-2-704**, as enacted by Laws of Utah 2018, Chapter 2

26 **53G-5-303**, as renumbered and amended by Laws of Utah 2018, Chapter 3

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

29 Section 1. Section **53F-2-704** is amended to read:

30 **53F-2-704. Charter school levy state guarantee.**

31 (1) As used in this section:

32 (a) "Charter school levy per pupil revenues" means the same as that term is defined in
33 Section [53F-2-703](#).

34 (b) "Charter school students' average local revenues" means the amount determined as
35 follows:

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

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

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

42 (c) "District local property tax revenues" means the sum of a school district's revenue
43 received from the following:

44 (i) a voted local levy imposed under Section [53F-8-301](#);

45 (ii) a board local levy imposed under Section [53F-8-302](#), excluding revenues expended
46 for:

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

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

51 (iii) a capital local levy imposed under Section [53F-8-303](#); and

52 (iv) a guarantee described in Section [53F-2-601](#), [53F-2-602](#), [53F-3-202](#), or [53F-3-203](#).

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

56 (i) a school district's average daily membership; and

57 (ii) the average daily membership of a school district's resident students who attend

58 charter schools.

59 (e) "Resident student" means a student who is considered a resident of the school
60 district under Title 53G, Chapter 6, Part 3, School District Residency.

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

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

65 (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district
66 average daily membership.

67 (2) (a) Subject to future budget constraints, the Legislature shall provide an
68 appropriation for charter schools for each charter school student enrolled on October 1 to
69 supplement the allocation of charter school levy per pupil revenues described in Subsection
70 53F-2-702(3)(a).

71 (b) Except as provided in Subsection (2)(c), the amount of money provided by the state
72 for a charter school student shall be the sum of:

73 (i) charter school students' average local revenues minus the charter school levy per
74 pupil revenues; and

75 (ii) statewide average debt service revenues.

76 (c) If the total of charter school levy per pupil revenues distributed by the State Board
77 of Education and the amount provided by the state under Subsection (2)(b) is less than \$1,427,
78 the state shall provide an additional supplement so that a charter school receives at least \$1,427
79 per student under Subsection 53F-2-702(3).

80 [~~(d) (i) If the appropriation provided under this Subsection (2) is less than the amount
81 prescribed by Subsection (2)(b) or (c), the appropriation shall be allocated among charter
82 schools in proportion to each charter school's enrollment as a percentage of the total enrollment
83 in charter schools.]~~

84 [~~(ii) If the State Board of Education makes adjustments to Minimum School Program
85 allocations as provided under Section 53F-2-205, the allocation provided in Subsection~~

86 ~~(2)(d)(i) shall be determined after adjustments are made under Section 53F-2-205.]~~

87 (d) (i) If the legislative appropriation described in Subsection (2)(a) is insufficient to
88 provide an amount described in Subsection (2)(b) for each charter school student, the State
89 Board of Education shall make an adjustment to Minimum School Program allocations as
90 described in Section 53F-2-205.

91 (ii) Following an adjustment described in Subsection (2)(d)(i), if legislative
92 appropriations remain insufficient to provide an amount described in Subsection (2)(b) for each
93 student enrolled in a charter school, the State Board of Education shall:

94 (A) distribute to a charter school an amount described in Subsection (2)(b) for each
95 student enrolled in the charter school under or equal to the maximum number of students the
96 charter school serves, as described in the charter school's charter school agreement described in
97 Section 53G-5-303; and

98 (B) distribute money remaining after the distributions described in Subsection
99 (2)(d)(ii)(A) to a charter school based on the charter school's share of all students enrolled in
100 charter schools who exceed the number of maximum students served by charter schools, as
101 described in charter school agreements entered into under Section 53G-5-303.

102 (3) (a) Except as provided in Subsection (3)(b), of the money provided to a charter
103 school under Subsection 53F-2-702(3), 10% shall be expended for funding school facilities
104 only.

105 (b) Subsection (3)(a) does not apply to an online charter school.

106 Section 2. Section 53G-5-303 is amended to read:

107 **53G-5-303. Charter agreement -- Content -- Modification.**

108 (1) As used in this section, "satellite charter school" means a charter school affiliated
109 with an operating charter school, which has the same charter school governing board and a
110 similar program of instruction, but has a different school number than the affiliated charter.

111 ~~[(1)]~~ (2) A charter agreement:

112 (a) is a contract between the charter school applicant and the charter school authorizer;

113 (b) shall describe the rights and responsibilities of each party; and

114 (c) shall allow for the operation of the applicant's proposed charter school.
115 ~~[(2)]~~ (3) A charter agreement shall include:
116 (a) the name of:
117 (i) the charter school; and
118 (ii) the charter school applicant;
119 (b) the mission statement and purpose of the charter school;
120 (c) the charter school's opening date;
121 (d) the grade levels ~~[and number of students]~~ the charter school will serve;
122 (e) (i) subject to Section 53G-6-504, the maximum number of students a charter school
123 will serve; or
124 (ii) for an operating charter school with satellite charter schools, the maximum number
125 of students of all satellite charter schools collectively served by the operating charter school;
126 ~~[(e)]~~ (f) a description of the structure of the charter school governing board, including:
127 (i) the number of board members;
128 (ii) how members of the board are appointed; and
129 (iii) board members' terms of office;
130 ~~[(f)]~~ (g) assurances that:
131 (i) the charter school governing board will comply with:
132 (A) the charter school's bylaws;
133 (B) the charter school's articles of incorporation; and
134 (C) applicable federal law, state law, and State Board of Education rules;
135 (ii) the charter school governing board will meet all reporting requirements described
136 in Section 53G-5-404; and
137 (iii) except as provided in Part 6, Charter School Credit Enhancement Program, neither
138 the authorizer nor the state, including an agency of the state, is liable for the debts or financial
139 obligations of the charter school or a person who operates the charter school;
140 ~~[(g)]~~ (h) which administrative rules the State Board of Education will waive for the
141 charter school;

142 ~~[(h)]~~ (i) minimum financial standards for operating the charter school;
143 ~~[(i)]~~ (j) minimum standards for student achievement; and
144 ~~[(j)]~~ (k) signatures of the charter school authorizer and the charter school governing
145 board members.
146 ~~[(3)]~~ (4) (a) Except as provided in Subsection ~~[(3)]~~ (4)(b), a charter agreement may not
147 be modified except by mutual agreement between the charter school authorizer and the charter
148 school governing board.
149 (b) A charter school governing board may modify the charter school's charter
150 agreement without the mutual agreement described in Subsection ~~[(3)]~~ (4)(a) to include an
151 enrollment preference described in Subsection [53G-6-502\(4\)\(g\)](#).