

PUBLIC SCHOOL REVISIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

Senate Sponsor: J. Stuart Adams

LONG TITLE

General Description:

This bill amends provisions related to public schools.

Highlighted Provisions:

This bill:

- ▶ allows an individual to report a violation of statute or rule to the State Board of Education;
- ▶ amends definitions;
- ▶ requires the consent of the Senate for appointment of a member of the State Charter School Board;
- ▶ enacts and consolidates provisions related to the powers and duties of charter school authorizers;
- ▶ requires the State Board of Education to adopt rules establishing minimum standards for a charter school application or charter school compliance;
- ▶ amends provisions related to the status and powers of the State Charter School Board;
- ▶ repeals outdated provisions;
- ▶ repeals provisions related to State Board of Education approval of an application for a charter school authorized by:
 - the State Charter School Board; or
 - a board of trustees of a higher education institution; and
- ▶ makes technical corrections.

Money Appropriated in this Bill:

30 None

31 **Other Special Clauses:**

32 This bill provides a special effective date.

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **53E-3-401**, as renumbered and amended by Laws of Utah 2018, Chapter 1

36 **53F-2-702**, as renumbered and amended by Laws of Utah 2018, Chapter 2

37 **53F-2-704**, as enacted by Laws of Utah 2018, Chapter 2

38 **53G-5-102**, as renumbered and amended by Laws of Utah 2018, Chapter 3

39 **53G-5-201**, as renumbered and amended by Laws of Utah 2018, Chapter 3

40 **53G-5-202**, as renumbered and amended by Laws of Utah 2018, Chapter 3

41 **53G-5-302**, as renumbered and amended by Laws of Utah 2018, Chapter 3

42 **53G-5-304**, as renumbered and amended by Laws of Utah 2018, Chapter 3

43 **53G-5-305**, as renumbered and amended by Laws of Utah 2018, Chapter 3

44 **53G-5-306**, as renumbered and amended by Laws of Utah 2018, Chapter 3

45 **53G-5-409**, as renumbered and amended by Laws of Utah 2018, Chapter 3

46 **53G-5-502**, as renumbered and amended by Laws of Utah 2018, Chapter 3

47 **53G-5-503**, as renumbered and amended by Laws of Utah 2018, Chapter 3

48 **53G-5-504**, as renumbered and amended by Laws of Utah 2018, Chapter 3

49 ENACTS:

50 **53G-5-205**, Utah Code Annotated 1953



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

53 Section 1. Section **53E-3-401** is amended to read:

54 **53E-3-401. Powers of State Board of Education -- Adoption of rules --**

55 **Enforcement -- Attorney.**

56 (1) As used in this section:

57 (a) "Board" means the State Board of Education.

- 58 (b) "Education entity" means:
- 59 (i) an entity that receives a distribution of state funds through a grant program managed
- 60 by the board under this public education code;
- 61 (ii) an entity that enters into a contract with the board to provide an educational good or
- 62 service;
- 63 (iii) a school district; or
- 64 (iv) a charter school.
- 65 (c) "Educational good or service" means a good or service that is required or regulated
- 66 under:
- 67 (i) this public education code; or
- 68 (ii) a rule authorized under this public education code.
- 69 (d) "Local education agency" or "LEA" means:
- 70 (i) a school district;
- 71 (ii) a charter school; or
- 72 (iii) the Utah Schools for the Deaf and the Blind.
- 73 (2) (a) The State Board of Education has general control and supervision of the state's
- 74 public education system.
- 75 (b) "General control and supervision" as used in Utah Constitution, Article X, Section
- 76 3, means directed to the whole system.
- 77 (3) The board may not govern, manage, or operate school districts, institutions, and
- 78 programs, unless granted that authority by statute.
- 79 (4) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
- 80 the board may make rules to execute the board's duties and responsibilities under the Utah
- 81 Constitution and state law.
- 82 (b) The board may delegate the board's statutory duties and responsibilities to board
- 83 employees.
- 84 (5) (a) The board may sell any interest it holds in real property upon a finding by the
- 85 board that the property interest is surplus.

86 (b) The board may use the money it receives from a sale under Subsection (5)(a) for
87 capital improvements, equipment, or materials, but not for personnel or ongoing costs.

88 (c) If the property interest under Subsection (5)(a) was held for the benefit of an agency
89 or institution administered by the board, the money may only be used for purposes related to
90 the agency or institution.

91 (d) The board shall advise the Legislature of any sale under Subsection (5)(a) and
92 related matters during the next following session of the Legislature.

93 (6) The board shall develop policies and procedures related to federal educational
94 programs in accordance with Part 8, Implementing Federal or National Education Programs.

95 (7) On or before December 31, 2010, the State Board of Education shall review
96 mandates or requirements provided for in board rule to determine whether certain mandates or
97 requirements could be waived to remove funding pressures on public schools on a temporary
98 basis.

99 (8) (a) If an education entity violates this public education code or rules authorized
100 under this public education code, the board may, in accordance with the rules described in
101 Subsection (8)(c):

102 (i) require the education entity to enter into a corrective action agreement with the
103 board;

104 (ii) temporarily or permanently withhold state funds from the education entity;

105 (iii) require the education entity to pay a penalty; or

106 (iv) require the education entity to reimburse specified state funds to the board.

107 (b) Except for temporarily withheld funds, if the board collects state funds under
108 Subsection (8)(a), the board shall pay the funds into the Uniform School Fund.

109 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
110 board shall make rules:

111 (i) that require notice and an opportunity to be heard for an education entity affected by
112 a board action described in Subsection (8)(a); and

113 (ii) to administer this Subsection (8).

114 (d) (i) An individual may bring a violation of statute or board rule to the attention of
115 the board in accordance with a process described in rule adopted by the board.

116 (ii) If the board identifies a violation of statute or board rule as a result of the process
117 described in Subsection (8)(d)(i), the board may take action in accordance with this section.

118 [~~(d)~~] (e) The board shall report criminal conduct of an education entity to the district
119 attorney of the county where the education entity is located.

120 (9) The board may audit the use of state funds by an education entity that receives
121 those state funds as a distribution from the board.

122 (10) The board may require, by rule made in accordance with Title 63G, Chapter 3,
123 Utah Administrative Rulemaking Act, that if an LEA contracts with a third party contractor for
124 an educational good or service, the LEA shall require in the contract that the third party
125 contractor shall provide, upon request of the LEA, information necessary for the LEA to verify
126 that the educational good or service complies with:

- 127 (a) this public education code; and
- 128 (b) board rule authorized under this public education code.

129 (11) (a) The board may appoint an attorney to provide legal advice to the board and
130 coordinate legal affairs for the board and the board's employees.

131 (b) An attorney described in Subsection (11)(a) shall cooperate with the Office of the
132 Attorney General.

133 (c) An attorney described in Subsection (11)(a) may not:

- 134 (i) conduct litigation;
- 135 (ii) settle claims covered by the Risk Management Fund created in Section 63A-4-201;

136 or

137 (iii) issue formal legal opinions.

138 Section 2. Section 53F-2-702 is amended to read:

139 **53F-2-702. Funding for charter schools.**

140 [~~(1)(a) Charter schools shall receive funding as described in this section, except~~
141 ~~Subsections (2) through (6) do not apply to charter schools described in Subsection (1)(b).]~~

142 ~~[(b) Charter schools authorized by local school boards that are converted from district~~
143 ~~schools or operate in district facilities without paying reasonable rent shall receive funding as~~
144 ~~prescribed in Section 53G-5-305.]~~

145 [(2)] (1) Except as described in Section 53F-2-302, a charter school shall receive state
146 funds, as applicable, on the same basis as a school district receives funds.

147 [(3)] (2) (a) As described in Section 53F-2-703, the State Board of Education shall
148 distribute charter school levy per pupil revenues to charter schools.

149 (b) As described in Section 53F-2-704, and subject to future budget constraints, the
150 Legislature shall provide an appropriation for charter schools for each charter school student
151 enrolled on October 1 to supplement the allocation of charter school levy per pupil revenues
152 described in Subsection [(3)] (2)(a).

153 [(4)] (3) Charter schools are eligible to receive federal funds if they meet all applicable
154 federal requirements and comply with relevant federal regulations.

155 [(5)] (4) The State Board of Education shall distribute funds for charter school students
156 directly to the charter school.

157 [(6)] (5) (a) Notwithstanding Subsection [(2)] (1), a charter school is not eligible to
158 receive state transportation funding.

159 (b) The board shall also adopt rules relating to the transportation of students to and
160 from charter schools, taking into account Sections 53F-2-403 and 53G-6-405.

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

163 [(7)] (6) (a) (i) In accordance with Section 53F-2-705, the State Charter School Board
164 may allocate grants for start-up costs to charter schools from money appropriated for charter
165 school start-up costs.

166 (ii) The governing board of a charter school that receives money from a grant under
167 Section 53F-2-705 shall use the grant for expenses for planning and implementation of the
168 charter school.

169 (b) The State Board of Education shall coordinate the distribution of federal money

170 appropriated to help fund costs for establishing and maintaining charter schools within the
171 state.

172 ~~[(8)]~~ (7) (a) A charter school may receive, hold, manage and use any devise, bequest,
173 grant, endowment, gift, or donation of any property made to the school for any of the purposes
174 of Title 53G, Chapter 5, Charter Schools, or related provisions.

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

179 Section 3. Section **53F-2-704** is amended to read:

180 **53F-2-704. Charter school levy state guarantee.**

181 (1) As used in this section:

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

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

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

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

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

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

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

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

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

198 taxable value of the school district's board local levy; and
199 (B) the K-3 Reading Improvement Program, up to the amount of revenue generated by
200 a .000121 per dollar of taxable value of the school district's board local levy;
201 (iii) a capital local levy imposed under Section 53F-8-303; and
202 (iv) a guarantee described in Section 53F-2-601, 53F-2-602, 53F-3-202, or 53F-3-203.
203 (d) "District per pupil local revenues" means, using data from the most recently
204 published school district annual financial reports and state superintendent's annual report, an
205 amount equal to district local property tax revenues divided by the sum of:
206 (i) a school district's average daily membership; and
207 (ii) the average daily membership of a school district's resident students who attend
208 charter schools.
209 (e) "Resident student" means a student who is considered a resident of the school
210 district under Title 53G, Chapter 6, Part 3, School District Residency.
211 (f) "Statewide average debt service revenues" means the amount determined as
212 follows, using data from the most recently published state superintendent's annual report:
213 (i) sum the revenues of each school district from the debt service levy imposed under
214 Section 11-14-310; and
215 (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district
216 average daily membership.
217 (2) (a) Subject to future budget constraints, the Legislature shall provide an
218 appropriation for charter schools for each charter school student enrolled on October 1 to
219 supplement the allocation of charter school levy per pupil revenues described in Subsection
220 53F-2-702[(3)](2)(a).
221 (b) Except as provided in Subsection (2)(c), the amount of money provided by the state
222 for a charter school student shall be the sum of:
223 (i) charter school students' average local revenues minus the charter school levy per
224 pupil revenues; and
225 (ii) statewide average debt service revenues.

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

230 (d) (i) If the appropriation provided under this Subsection (2) is less than the amount
231 prescribed by Subsection (2)(b) or (c), the appropriation shall be allocated among charter
232 schools in proportion to each charter school's enrollment as a percentage of the total enrollment
233 in charter schools.

234 (ii) If the State Board of Education makes adjustments to Minimum School Program
235 allocations as provided under Section ~~53F-2-205~~, the allocation provided in Subsection
236 (2)(d)(i) shall be determined after adjustments are made under Section ~~53F-2-205~~.

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

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

241 Section 4. Section ~~53G-5-102~~ is amended to read:

242 **~~53G-5-102. Definitions.~~**

243 As used in this chapter:

244 (1) "Asset" means property of all kinds, real and personal, tangible and intangible, and
245 includes:

246 (a) cash;

247 (b) stock or other investments;

248 (c) real property;

249 (d) equipment and supplies;

250 (e) an ownership interest;

251 (f) a license;

252 (g) a cause of action; and

253 (h) any similar property.

254 (2) "Board of trustees of a higher education institution" or "board of trustees" means:

255 (a) the board of trustees of:

256 (i) the University of Utah;

257 (ii) Utah State University;

258 (iii) Weber State University;

259 (iv) Southern Utah University;

260 (v) Snow College;

261 (vi) Dixie State University;

262 (vii) Utah Valley University; or

263 (viii) Salt Lake Community College; or

264 (b) the board of directors of a technical college described in Section [53B-2a-108](#).

265 (3) "Charter agreement" or "charter" means an agreement made in accordance with
266 Section [53G-5-303](#) that authorizes the operation of a charter school.

267 (4) "Charter school authorizer" or "authorizer" means [~~the State Charter School Board,~~
268 ~~a local school board, or a board of trustees of a higher education institution that authorizes the~~
269 ~~establishment of a charter school]~~ an entity listed in Section [53G-5-205](#) that authorizes a
270 charter school.

271 (5) "Governing board" means the board that operates a charter school.

272 Section 5. Section **53G-5-201** is amended to read:

273 **53G-5-201. State Charter School Board created.**

274 (1) As used in this section, "organization that represents Utah's charter schools" means
275 an organization, except a governmental entity, that advocates for charter schools, charter school
276 parents, or charter school students.

277 (2) (a) The State Charter School Board is created consisting of the following members
278 appointed by the governor with the consent of the Senate:

279 (i) two members who have expertise in finance or small business management;

280 (ii) three members who:

281 (A) are nominated by an organization that represents Utah's charter schools; and

282 (B) have expertise or experience in developing or administering a charter school; and
283 (iii) two members who are nominated by the State Board of Education.

284 (b) Each appointee shall have demonstrated dedication to the purposes of charter
285 schools as outlined in Section 53G-5-104.

286 (c) At least two candidates shall be nominated for each appointment made under
287 Subsection (2)(a)(ii) or (iii) .

288 (d) The governor may seek nominations for a prospective appointment under
289 Subsection (2)(a)(ii) from one or more organizations that represent Utah's charter schools.

290 (3) (a) State Charter School Board members shall serve four-year terms.

291 (b) If a vacancy occurs, the governor shall, with the consent of the Senate, appoint a
292 replacement for the unexpired term.

293 (4) The governor may remove a member at any time for official misconduct, habitual
294 or willful neglect of duty, or for other good and sufficient cause.

295 (5) (a) The State Charter School Board shall annually elect a chair from its
296 membership.

297 (b) Four members of the board shall constitute a quorum.

298 (c) Meetings may be called by the chair or upon request of three members of the board.

299 (6) A member may not receive compensation or benefits for the member's service, but
300 may receive per diem and travel expenses in accordance with:

301 (a) Section 63A-3-106;

302 (b) Section 63A-3-107; and

303 (c) rules made by the Division of Finance pursuant to Sections 63A-3-106 and
304 63A-3-107.

305 Section 6. Section 53G-5-202 is amended to read:

306 **53G-5-202. Status and powers of State Charter School Board.**

307 [~~(1) The State Charter School Board shall:~~]

308 [~~(a) authorize and promote the establishment of charter schools, subject to the~~
309 ~~provisions in this chapter and other related provisions;~~]

310 ~~[(b) annually review and evaluate the performance of charter schools authorized by the~~
311 ~~State Charter School Board and hold the schools accountable for their performance;]~~

312 ~~[(c) monitor charter schools authorized by the State Charter School Board for~~
313 ~~compliance with federal and state laws, rules, and regulations;]~~

314 ~~[(d) provide technical support to charter schools and persons seeking to establish~~
315 ~~charter schools by:]~~

316 ~~[(i) identifying and promoting successful charter school models;]~~

317 ~~[(ii) facilitating the application and approval process for charter school authorization;]~~

318 ~~[(iii) directing charter schools and persons seeking to establish charter schools to~~
319 ~~sources of private funding and support;]~~

320 ~~[(iv) reviewing and evaluating proposals to establish charter schools for the purpose of~~
321 ~~supporting and strengthening proposals before an application for charter school authorization is~~
322 ~~submitted to a charter school authorizer; and]~~

323 ~~[(v) assisting charter schools to understand and carry out their charter obligations;]~~

324 ~~[(e) provide technical support, as requested, to a charter school authorizer relating to~~
325 ~~charter schools;]~~

326 ~~[(f) make recommendations on legislation and rules pertaining to charter schools to the~~
327 ~~Legislature and State Board of Education, respectively; and]~~

328 ~~[(g) make recommendations to the State Board of Education on the funding of charter~~
329 ~~schools.]~~

330 ~~[(2)]~~ The State Charter School Board may:

331 ~~[(a) contract;]~~

332 (1) enter into contracts;

333 ~~[(b)]~~ (2) sue and be sued; and

334 ~~[(c)-(i)]~~ (3) (a) at the discretion of the charter school, provide administrative services
335 to, or perform other school functions for, charter schools authorized by the State Charter
336 School Board; and

337 ~~[(ii)]~~ (b) charge fees for the provision of services or functions.

338 Section 7. Section **53G-5-205** is enacted to read:

339 **53G-5-205. Charter school authorizers -- Power and duties -- Charter application**
340 **minimum standard.**

341 (1) The following entities are eligible to authorize charter schools:

342 (a) the State Charter School Board;

343 (b) a local school board; or

344 (c) a board of trustees of an institution in the state system of higher education as
345 described in Section [53B-1-102](#).

346 (2) A charter school authorizer shall:

347 (a) annually review and evaluate the performance of charter schools authorized by the
348 authorizer and hold a charter school accountable for the school's performance; and

349 (b) monitor charter schools authorized by the authorizer for compliance with federal
350 and state laws, rules, and regulations.

351 (3) A charter school authorizer may:

352 (a) authorize and promote the establishment of charter schools, subject to the
353 provisions in this part;

354 (b) make recommendations on legislation and rules pertaining to charter schools to the
355 Legislature and State Board of Education, respectively;

356 (c) make recommendations to the State Board of Education on the funding of charter
357 schools;

358 (d) provide technical support to charter schools and persons seeking to establish charter
359 schools by:

360 (i) identifying and promoting successful charter school models;

361 (ii) facilitating the application and approval process for charter school authorization;

362 (iii) directing charter schools and persons seeking to establish charter schools to
363 sources of funding and support;

364 (iv) reviewing and evaluating proposals to establish charter schools for the purpose of
365 supporting and strengthening proposals before an application for charter school authorization is

366 submitted to a charter school authorizer; or

367 (v) assisting charter schools to understand and carry out their charter obligations; or

368 (e) provide technical support, as requested, to another charter school authorizer relating
369 to charter schools.

370 (4) Within 60 days after an authorizer's approval of an application for a new charter
371 school, the State Board of Education may direct an authorizer to do the following if the
372 authorizer or charter school applicant failed to follow statutory or board rule requirements:

373 (a) reconsider the authorizer's approval of an application for a new charter school; and

374 (b) correct deficiencies in the charter school application or authorizer's application
375 process as described in statute or board rule before approving the new application.

376 (5) The State Board of Education shall, in accordance with Title 63, Chapter 3, Utah
377 Administrative Rulemaking Act, make rules establishing minimum standards that a charter
378 school authorizer is required to apply when:

379 (a) evaluating a charter school application; or

380 (b) monitoring charter school compliance.

381 (6) The minimum standards described in Subsection (1) shall include:

382 (a) reasonable consequences for an authorizer that fails to comply with statute or board
383 rule;

384 (b) a process for an authorizer to review:

385 (i) the skill and expertise of a proposed charter school's governing board; and

386 (ii) the functioning operation of the charter school governing board of an authorized
387 charter school;

388 (c) a process for an authorizer to review the financial viability of a proposed charter
389 school and of an authorized charter school;

390 (d) a process to evaluate:

391 (i) how well an authorizer's authorized charter school complies with the charter
392 school's charter agreement;

393 (ii) whether an authorizer's authorized charter school maintains reasonable academic

394 standards; and

395 (iii) standards that an authorizer is required to meet to demonstrate the authorizer's
396 capacity to oversee, monitor, and evaluate the charter schools the authorizer authorizes.

397 Section 8. Section **53G-5-302** is amended to read:

398 **53G-5-302. Charter school application -- Applicants -- Contents.**

399 (1) (a) An application to establish a charter school may be submitted by:

400 (i) an individual;

401 (ii) a group of individuals; or

402 (iii) a nonprofit legal entity organized under Utah law.

403 (b) An authorized charter school may apply under this chapter for a charter from
404 another charter school authorizer.

405 (2) A charter school application shall include:

406 (a) the purpose and mission of the school;

407 (b) except for a charter school authorized by a local school board, a statement that,

408 after entering into a charter agreement, the charter school will be organized and managed under

409 Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act;

410 (c) a description of the governance structure of the school, including:

411 (i) a list of the governing board members that describes the qualifications of each
412 member; and

413 (ii) an assurance that the applicant shall, within 30 days of authorization, [~~provide the~~
414 ~~authorizer with the results of~~] complete a background check for each member consistent with
415 Section 53G-5-408;

416 (d) a description of the target population of the school that includes:

417 (i) the projected maximum number of students the school proposes to enroll;

418 (ii) the projected school enrollment for each of the first three years of school operation;

419 and

420 (iii) the ages or grade levels the school proposes to serve;

421 (e) academic goals;

- 422 (f) qualifications and policies for school employees, including policies that:
- 423 (i) comply with the criminal background check requirements described in Section
- 424 [53G-5-408](#);
- 425 (ii) require employee evaluations; and
- 426 (iii) address employment of relatives within the charter school;
- 427 (g) a description of how the charter school will provide, as required by state and federal
- 428 law, special education and related services;
- 429 (h) for a public school converting to charter status, arrangements for:
- 430 (i) students who choose not to continue attending the charter school; and
- 431 (ii) teachers who choose not to continue teaching at the charter school;
- 432 (i) a statement that describes the charter school's plan for establishing the charter
- 433 school's facilities, including:
- 434 (i) whether the charter school intends to lease or purchase the charter school's facilities;
- 435 and
- 436 (ii) financing arrangements;
- 437 (j) a market analysis of the community the school plans to serve;
- 438 [~~(k) a capital facility plan;~~]
- 439 [~~(+)~~ (k) a business plan;
- 440 [~~(m)~~ (l) other major issues involving the establishment and operation of the charter
- 441 school; and
- 442 [~~(n)~~ (m) the signatures of the governing board members of the charter school.
- 443 (3) A charter school authorizer may require a charter school application to include:
- 444 (a) the charter school's proposed:
- 445 (i) curriculum;
- 446 (ii) instructional program; or
- 447 (iii) delivery methods;
- 448 (b) a method for assessing whether students are reaching academic goals, including, at
- 449 a minimum, administering the statewide assessments described in Section [53E-4-301](#);

- 450 (c) a proposed calendar;
- 451 (d) sample policies;
- 452 (e) a description of opportunities for parental involvement;
- 453 (f) a description of the school's administrative, supervisory, or other proposed services
- 454 that may be obtained through service providers; or
- 455 (g) other information that demonstrates an applicant's ability to establish and operate a
- 456 charter school.

457 Section 9. Section **53G-5-304** is amended to read:

458 **53G-5-304. Charter schools authorized by the State Charter School Board --**
459 **Application process -- Prohibited basis of application denial.**

460 (1) (a) An applicant seeking authorization of a charter school from the State Charter
461 School Board shall provide a copy of the application to the local school board of the school
462 district in which the proposed charter school shall be located either before or at the same time it
463 files its application with the State Charter School Board.

464 (b) The local board may review the application and may offer suggestions or
465 recommendations to the applicant or the State Charter School Board prior to its acting on the
466 application.

467 (c) The State Charter School Board shall give due consideration to suggestions or
468 recommendations made by the local school board under Subsection (1)(b).

469 (d) The State Charter School Board shall review and, by majority vote, either approve
470 or deny the application.

471 ~~[(e) The State Board of Education shall, by majority vote, within 60 days after action~~
472 ~~by the State Charter School Board under Subsection (1)(d):]~~

473 ~~[(i) approve or deny an application approved by the State Charter School Board; or]~~

474 ~~[(ii) hear an appeal, if any, of an application denied by the State Charter School Board.]~~

475 ~~[(f) The State Board of Education's action under Subsection (1)(d) is final action~~
476 ~~subject to judicial review.]~~

477 ~~[(g)]~~ (e) A charter school application may not be denied on the basis that the

478 establishment of the charter school will have any or all of the following impacts on a public
479 school, including another charter school:

- 480 (i) an enrollment decline;
- 481 (ii) a decrease in funding; or
- 482 (iii) a modification of programs or services.

483 (2) The State Board of Education shall, in accordance with Title 63G, Chapter 3, Utah
484 Administrative Rulemaking Act, make a rule providing a timeline for the opening of a charter
485 school following the approval of a charter school application by the State Charter School
486 Board.

487 (3) After approval of a charter school application and in accordance with Section
488 53G-5-303, the applicant and the State Charter School Board shall set forth the terms and
489 conditions for the operation of the charter school in a written charter agreement.

490 (4) The State Charter School Board shall, in accordance with State Board of Education
491 rules, establish and make public the State Charter School Board's:

- 492 (a) application requirements, in accordance with Section 53G-5-302;
- 493 (b) application process, including timelines, in accordance with this section; and
- 494 (c) minimum academic, financial, and enrollment standards.

495 Section 10. Section 53G-5-305 is amended to read:

496 **53G-5-305. Charters authorized by local school boards -- Application process --**
497 **Local school board responsibilities.**

498 (1) (a) An applicant identified in Section 53G-5-302 may submit an application to a
499 local school board to establish and operate a charter school within the geographical boundaries
500 of the school district administered by the local school board.

501 (b) (i) The principal, teachers, or parents of students at an existing public school may
502 submit an application to the local school board to convert the school or a portion of the school
503 to charter status.

504 (A) If the entire school is applying for charter status, at least two-thirds of the licensed
505 educators employed at the school and at least two-thirds of the parents or guardians of students

506 enrolled at the school must have signed a petition approving the application prior to its
507 submission to the charter school authorizer.

508 (B) If only a portion of the school is applying for charter status, the percentage is
509 reduced to a simple majority.

510 (ii) The local school board may not approve an application submitted under Subsection
511 (1)(b)(i) unless the local school board determines that:

512 (A) students opting not to attend the proposed converted school would have access to a
513 comparable public education alternative; and

514 (B) current teachers who choose not to teach at the converted charter school or who are
515 not retained by the school at the time of its conversion would receive a first preference for
516 transfer to open teaching positions for which they qualify within the school district, and, if no
517 positions are open, contract provisions or board policy regarding reduction in staff would
518 apply.

519 (2) (a) An existing public school that converts to charter status under a charter granted
520 by a local school board may:

521 (i) continue to receive the same services from the school district that it received prior to
522 its conversion; or

523 (ii) contract out for some or all of those services with other public or private providers.

524 (b) Any other charter school authorized by a local school board may contract with the
525 board to receive some or all of the services referred to in Subsection ~~[(3)]~~ (2)(a).

526 (c) Except as specified in a charter agreement, local school board assets do not transfer
527 to an existing public school that converts to charter status under a charter granted by a local
528 school board under this section.

529 ~~[(3) (a) (i) A public school that converts to a charter school under a charter granted by a
530 local school board shall receive funding:]~~

531 ~~[(A) through the school district; and]~~

532 ~~[(B) on the same basis as it did prior to its conversion to a charter school.]~~

533 ~~[(ii) The school may also receive federal money designated for charter schools under~~

534 any federal program.]

535 ~~[(b) (i) A local school board-authorized charter school operating in a facility owned by~~
536 ~~the school district and not paying reasonable rent to the school district shall receive funding:]~~

537 ~~[(A) through the school district; and]~~

538 ~~[(B) on the same basis that other district schools receive funding.]~~

539 ~~[(ii) The school may also receive federal money designated for charter schools under~~
540 ~~any federal program.]~~

541 ~~[(c) Subject to the provisions in Section [53G-6-504](#), a charter school authorized by a~~
542 ~~local school board shall receive funding as provided in Title 53F, Chapter 2, Part 7, Charter~~
543 ~~School Funding:]~~

544 ~~[(d) (i) A charter school authorized by a local school board, but not described in~~
545 ~~Subsection (3)(a), (b), or (c) shall receive funding:]~~

546 ~~[(A) through the school district; and]~~

547 ~~[(B) on the same basis that other district schools receive funding.]~~

548 ~~[(ii) The school may also receive federal money designated for charter schools under~~
549 ~~any federal program.]~~

550 ~~[(4)]~~ (3) (a) A local school board that receives an application for a charter school under
551 this section shall, within 45 days, either accept or reject the application.

552 (b) If the board rejects the application, it shall notify the applicant in writing of the
553 reason for the rejection.

554 (c) The applicant may submit a revised application for reconsideration by the board.

555 (d) If the local school board refuses to authorize the applicant, the applicant may seek a
556 charter from ~~[the State Charter School Board under Section [53G-5-304](#)]~~ another authorizer.

557 ~~[(5)]~~ (4) The State Board of Education shall make a rule providing for a timeline for
558 the opening of a charter school following the approval of a charter school application by a local
559 school board.

560 ~~[(6)]~~ (5) After approval of a charter school application and in accordance with Section
561 [53G-5-303](#), the applicant and the local school board shall set forth the terms and conditions for

562 the operation of the charter school in a written charter agreement.

563 ~~[(7) A local school board shall:]~~

564 ~~[(a) annually review and evaluate the performance of charter schools authorized by the~~
565 ~~local school board and hold the schools accountable for their performance;]~~

566 ~~[(b) monitor charter schools authorized by the local school board for compliance with~~
567 ~~federal and state laws, rules, and regulations; and]~~

568 ~~[(c) provide technical support to charter schools authorized by the local school board to~~
569 ~~assist them in understanding and performing their charter obligations.]~~

570 ~~[(8)]~~ (6) A local school board may terminate a charter school it authorizes as provided
571 in Sections 53G-5-501 and 53G-5-503.

572 ~~[(9)]~~ (7) In addition to the exemptions described in Sections 53G-5-405, 53G-7-202,
573 and 53G-5-407, a charter school authorized by a local school board is:

574 (a) not required to separately submit a report or information required under this public
575 education code to the State Board of Education if the information is included in a report or
576 information that is submitted by the local school board or school district; and

577 (b) exempt from the requirement under Section 53G-5-404 that a charter school shall
578 be organized and managed under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation
579 Act.

580 ~~[(10)]~~ (8) Before a local school board accepts a charter school application, the local
581 school board shall, in accordance with State Board of Education rules, establish and make
582 public the local school board's:

583 (a) application requirements, in accordance with Section 53G-5-302;

584 (b) application process, including timelines, in accordance with this section; and

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

586 Section 11. Section 53G-5-306 is amended to read:

587 **53G-5-306. Charter schools authorized by a board of trustees of a higher**
588 **education institution -- Application process -- Board of trustees responsibilities.**

589 (1) ~~[Subject to the approval of the State Board of Education and except]~~ Except as

590 provided in Subsection ~~[(8)]~~ (6), an applicant identified in Section [53G-5-302](#) may enter into
591 an agreement with a board of trustees of a higher education institution authorizing the applicant
592 to establish and operate a charter school.

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

598 (b) The State Charter School Board and the local school board may review the
599 application and offer suggestions or recommendations to the applicant or the board of trustees
600 before acting on the application.

601 (c) The board of trustees shall give due consideration to suggestions or
602 recommendations made by the State Charter School Board or the local school board under
603 Subsection (2)(b).

604 ~~[(3)(a) If a board of trustees approves an application to establish and operate a charter
605 school, the board of trustees shall submit the application to the State Board of Education.]~~

606 ~~[(b) The State Board of Education shall, by majority vote, within 60 days of receipt of
607 the application, approve or deny an application approved by a board of trustees.]~~

608 ~~[(c) The State Board of Education's action under Subsection (3)(b) is final action
609 subject to judicial review.]~~

610 ~~[(4)]~~ (3) The State Board of Education shall make a rule providing a timeline for the
611 opening of a charter school following the approval of a charter school application by a board of
612 trustees.

613 ~~[(5)]~~ (4) After approval of a charter school application, the applicant and the board of
614 trustees shall set forth the terms and conditions for the operation of the charter school in a
615 written charter agreement.

616 ~~[(6)]~~ (5) (a) The school's charter may include a provision that the charter school pay an
617 annual fee for the board of trustees' costs in providing oversight of, and technical support to,

618 the charter school in accordance with ~~[Subsection (7)]~~ Section 53G-5-205.

619 (b) In the first two years that a charter school is in operation, an annual fee described in
620 Subsection ~~[(6)]~~ (5)(a) may not exceed the product of 3% of the revenue the charter school
621 receives from the state in the current fiscal year.

622 (c) Beginning with the third year that a charter school is in operation, an annual fee
623 described in Subsection ~~[(6)]~~ (5)(a) may not exceed the product of 1% of the revenue a charter
624 school receives from the state in the current fiscal year.

625 (d) An annual fee described in Subsection ~~[(6)]~~ (5)(a) shall be:

626 (i) paid to the board of trustees' higher education institution; and

627 (ii) expended as directed by the board of trustees.

628 ~~[(7) A board of trustees shall:]~~

629 ~~[(a) annually review and evaluate the performance of charter schools authorized by the~~
630 ~~board of trustees and hold the schools accountable for their performance;]~~

631 ~~[(b) monitor charter schools authorized by the board of trustees for compliance with~~
632 ~~federal and state laws, rules, and regulations; and]~~

633 ~~[(c) provide technical support to charter schools authorized by the board of trustees to~~
634 ~~assist them in understanding and performing their charter obligations.]~~

635 ~~[(8)]~~ (6) (a) In addition to complying with the requirements of this section, a technical
636 college board of directors described in Section 53B-2a-108 shall obtain the approval of the
637 Utah System of Technical Colleges Board of Trustees before entering into an agreement to
638 establish and operate a charter school.

639 (b) If a technical college board of directors approves an application to establish and
640 operate a charter school, the technical college board of directors shall submit the application to
641 the Utah System of Technical Colleges Board of Trustees.

642 (c) The Utah System of Technical Colleges Board of Trustees shall, by majority vote,
643 within 60 days of receipt of an application described in Subsection ~~[(8)]~~ (6)(b), approve or deny
644 the application.

645 (d) The Utah System of Technical Colleges Board of Trustees may deny an application

646 approved by a technical college board of directors if the proposed charter school does not
647 accomplish a purpose of charter schools as provided in Section 53G-5-104.

648 (e) A charter school application may not be denied on the basis that the establishment
649 of the charter school will have any or all of the following impacts on a public school, including
650 another charter school:

- 651 (i) an enrollment decline;
- 652 (ii) a decrease in funding; or
- 653 (iii) a modification of programs or services.

654 ~~[(9)]~~ (7) (a) Subject to the requirements of this chapter and other related provisions, a
655 technical college board of directors may establish:

- 656 (i) procedures for submitting applications to establish and operate a charter school; or
- 657 (ii) criteria for approval of an application to establish and operate a charter school.

658 (b) The Utah System of Technical Colleges Board of Trustees may not establish policy
659 governing the procedures or criteria described in Subsection ~~[(9)]~~ (7)(a).

660 ~~[(10)]~~ (8) Before a technical college board of directors accepts a charter school
661 application, the technical college board of directors shall, in accordance with State Board of
662 Education rules, establish and make public:

- 663 (a) application requirements, in accordance with Section 53G-5-302;
- 664 (b) the application process, including timelines, in accordance with this section; and
- 665 (c) minimum academic, financial, and enrollment standards.

666 Section 12. Section 53G-5-409 is amended to read:

667 **53G-5-409. Regulated transactions and relationships -- Definitions --**

668 **Rulemaking.**

669 (1) As used in this section:

670 (a) "Charter school officer" means:

- 671 (i) a member of a charter school's governing board;
- 672 (ii) a member of a board or an officer of a nonprofit corporation under which a charter
673 school is organized and managed; or

674 (iii) the chief administrative officer of a charter school.

675 (b) (i) "Employment" means a position in which a person's salary, wages, pay, or
676 compensation, whether as an employee or contractor, is paid from charter school funds.

677 (ii) "Employment" does not include a charter school volunteer.

678 (c) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,
679 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,
680 sister-in-law, son-in-law, or daughter-in-law.

681 (2) (a) Except as provided in Subsection (2)(b), a relative of a charter school officer
682 may not be employed at a charter school.

683 (b) If a relative of a charter school officer is to be considered for employment in a
684 charter school, the charter school officer shall:

685 (i) disclose the relationship, in writing, to the other charter school officers;

686 (ii) submit the employment decision to the charter school's governing board for the
687 approval, by majority vote, of the charter school's governing board;

688 (iii) abstain from voting on the issue; and

689 (iv) be absent from ~~[any]~~ the portion of the meeting ~~[when]~~ where the employment is
690 being considered and determined.

691 (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school officer or a
692 relative of a charter school officer may not have a financial interest in a contract or other
693 transaction involving a charter school in which the charter school officer serves as a charter
694 school officer.

695 (b) If a charter school's governing board considers entering into a contract or executing
696 a transaction in which a charter school officer or a relative of a charter school officer has a
697 financial interest, the charter school officer shall:

698 (i) disclose the financial interest, in writing, to the other charter school officers;

699 (ii) submit the contract or transaction decision to the charter school's governing board
700 for the approval, by majority vote, of the charter school's governing board;

701 (iii) abstain from voting on the issue; and

702 (iv) be absent from ~~[any]~~ the portion of the meeting ~~[when]~~ where the contract or
703 transaction is being considered and determined.

704 (c) The provisions in Subsection (3)(a) do not apply to a reasonable contract of
705 employment for:

706 (i) the chief administrative officer of a charter school; or

707 (ii) a relative of the chief administrative officer of a charter school whose employment
708 is approved in accordance with the provisions in Subsection (2).

709 (4) The State Board of Education or State Charter School Board may not operate a
710 charter school.

711 Section 13. Section **53G-5-502** is amended to read:

712 **53G-5-502. Voluntary school improvement process.**

713 (1) As used in this section, "high performing charter school" means a charter school
714 that:

715 (a) satisfies all requirements of state law and State Board of Education rules;

716 (b) has operated for at least three years meeting the terms of the school's charter
717 agreement; and

718 ~~[(c) has students performing at or above the academic performance standard in the
719 school's charter agreement.]~~

720 (c) is in good standing with the charter school's authorizer.

721 (2) (a) Subject to Subsection (2)(b), a governing board may voluntarily request the
722 charter school's authorizer to place the school in a school improvement process.

723 (b) A governing board shall provide notice and a hearing on the governing board's
724 intent to make a request under Subsection (2)(a) to parents and guardians of students enrolled
725 in the charter school.

726 (3) An authorizer may grant a governing board's request to be placed in a school
727 improvement process if the governing board has provided notice and a hearing under
728 Subsection (2)(b).

729 (4) An authorizer that has entered into a school improvement process with a governing

730 board shall:

731 (a) enter into a contract with the governing board on the terms of the school
732 improvement process;

733 (b) notify the State Board of Education that the authorizer has entered into a school
734 improvement process with the governing board;

735 (c) make a report to a committee of the State Board of Education regarding the school
736 improvement process; and

737 (d) notify the Utah Charter School Finance Authority that the authorizer has entered
738 into a school improvement process with the governing board if the charter school is a
739 qualifying charter school with outstanding bonds issued in accordance with Part 6, Charter
740 School Credit Enhancement Program.

741 (5) Upon notification under Subsection (4)(b), and after the report described in
742 Subsection (4)(c), the State Board of Education shall notify charter schools and the school
743 district in which the charter school is located that the governing board has entered into a school
744 improvement process with the charter school's authorizer.

745 (6) A high performing charter school or the school district in which the charter school
746 is located may apply to the governing board to assume operation and control of the charter
747 school that has been placed in a school improvement process.

748 (7) A governing board that has entered into a school improvement process shall review
749 applications submitted under Subsection (6) and submit a proposal to the charter school's
750 authorizer to:

751 (a) terminate the school's charter, notwithstanding the requirements of Section
752 [53G-5-503](#); and

753 (b) transfer operation and control of the charter school to:

754 (i) the school district in which the charter school is located; or

755 (ii) a high performing charter school.

756 (8) Except as provided in Subsection (9) and subject to Subsection (10), an authorizer
757 may:

- 758 (a) approve a governing board's proposal under Subsection (7); or
- 759 (b) (i) deny a governing board's proposal under Subsection (7); and
- 760 (ii) (A) terminate the school's charter in accordance with Section 53G-5-503;
- 761 (B) allow the governing board to submit a revised proposal; or
- 762 (C) take no action.

763 (9) An authorizer may not take an action under Subsection (8) for a qualifying charter
 764 school with outstanding bonds issued in accordance with Part 6, Charter School Credit
 765 Enhancement Program, without mutual agreement of the Utah Charter School Finance
 766 Authority and the authorizer.

767 (10) (a) An authorizer that intends to transfer operation and control of a charter school
 768 as described in Subsection (7)(b) shall request approval from the State Board of Education.

769 (b) (i) The State Board of Education shall consider an authorizer's request under
 770 Subsection (10)(a) within 30 days of receiving the request.

771 (ii) If the State Board of Education denies an authorizer's request under Subsection
 772 (10)(a), the authorizer may not transfer operation and control of the charter school as described
 773 in Subsection (7)(b).

774 (iii) If the State Board of Education does not take action on an authorizer's request
 775 under Subsection (10)(a) within 30 days of receiving the request, an authorizer may proceed to
 776 transfer operation and control of the charter school as described in Subsection (7)(b).

777 Section 14. Section 53G-5-503 is amended to read:

778 **53G-5-503. Termination of a charter.**

779 (1) Subject to the requirements of Subsection (3), a charter school authorizer may
 780 terminate a school's charter for any of the following reasons:

- 781 (a) failure of the charter school to meet the requirements stated in the charter;
- 782 (b) failure to meet generally accepted standards of fiscal management;
- 783 ~~[(c) subject to Subsection (8), failure to make adequate yearly progress under the No~~
- 784 ~~Child Left Behind Act of 2001, 20 U.S.C. Sec. 6301 et seq.;~~

785 ~~[(d)]~~ (c) (i) designation as a low performing school under Title 53E, Chapter 5, Part 3,

786 School Turnaround and Leadership Development; and
787 (ii) failure to improve the school's grade under the conditions described in Title 53E,
788 Chapter 5, Part 3, School Turnaround and Leadership Development;
789 ~~[(e)]~~ (d) violation of requirements under this chapter or another law; or
790 ~~[(f)]~~ (e) other good cause shown.

791 (2) (a) The authorizer shall notify the following of the proposed termination in writing,
792 state the grounds for the termination, and stipulate that the governing board may request an
793 informal hearing before the authorizer:

794 (i) the governing board of the charter school; and
795 (ii) if the charter school is a qualifying charter school with outstanding bonds issued in
796 accordance with Part 6, Charter School Credit Enhancement Program, the Utah Charter School
797 Finance Authority.

798 (b) Except as provided in Subsection (2)(e), the authorizer shall conduct the hearing in
799 accordance with Title 63G, Chapter 4, Administrative Procedures Act, within 30 days after
800 receiving a written request under Subsection (2)(a).

801 (c) If the authorizer, by majority vote, approves a motion to terminate a charter school,
802 the governing board of the charter school may appeal the decision to the State Board of
803 Education.

804 (d) (i) The State Board of Education shall hear an appeal of a termination made
805 pursuant to Subsection (2)(c).
806 (ii) The State Board of Education's action is final action subject to judicial review.

807 (e) (i) If the authorizer proposes to terminate the charter of a qualifying charter school
808 with outstanding bonds issued in accordance with Part 6, Charter School Credit Enhancement
809 Program, the authorizer shall conduct a hearing described in Subsection (2)(b) 120 days or
810 more after notifying the following of the proposed termination:

811 (A) the governing board of the qualifying charter school; and
812 (B) the Utah Charter School Finance Authority.

813 (ii) Prior to the hearing described in Subsection (2)(e)(i), the Utah Charter School

814 Finance Authority shall meet with the authorizer to determine whether the deficiency may be
815 remedied in lieu of termination of the qualifying charter school's charter.

816 (3) An authorizer may not terminate the charter of a qualifying charter school with
817 outstanding bonds issued in accordance with Part 6, Charter School Credit Enhancement
818 Program, without mutual agreement of the Utah Charter School Finance Authority and the
819 authorizer.

820 (4) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
821 the State Board of Education shall make rules that require a charter school to report any threats
822 to the health, safety, or welfare of its students to the State Charter School Board in a timely
823 manner.

824 (b) The rules under Subsection (4)(a) shall also require the charter school report to
825 include what steps the charter school has taken to remedy the threat.

826 (5) Subject to the requirements of Subsection (3), the authorizer may terminate a
827 charter immediately if good cause has been shown or if the health, safety, or welfare of the
828 students at the school is threatened.

829 (6) If a charter is terminated during a school year, the following entities may apply to
830 the charter school's authorizer to assume operation of the school:

- 831 (a) the school district where the charter school is located;
- 832 (b) the governing board of another charter school; or
- 833 (c) a private management company.

834 (7) (a) If a charter is terminated, a student who attended the school may apply to and
835 shall be enrolled in another public school under the enrollment provisions of Chapter 6, Part 3,
836 School District Residency, subject to space availability.

837 (b) Normal application deadlines shall be disregarded under Subsection (7)(a).

838 ~~[(8) Subject to the requirements of Subsection (3), an authorizer may terminate a~~
839 ~~charter pursuant to Subsection (1)(c) under the same circumstances that local educational~~
840 ~~agencies are required to implement alternative governance arrangements under 20 U.S.C. Sec.~~
841 ~~6316.]~~

842 Section 15. Section 53G-5-504 is amended to read:

843 **53G-5-504. Charter school closure.**

844 (1) If a charter school is closed for any reason, including the termination of a charter in
845 accordance with Section 53G-5-503 or the conversion of a charter school to a private school,
846 the provisions of this section apply.

847 (2) A decision to close a charter school is made:

848 (a) when a charter school authorizer approves a motion to terminate described in
849 Subsection 53G-5-503(2)(c);

850 (b) when the State Board of Education takes final action described in Subsection
851 53G-5-503(2)(d)(ii); or

852 (c) when a charter school provides notice to the charter school's authorizer that the
853 charter school is relinquishing the charter school's charter.

854 (3) (a) No later than 10 days after the day on which a decision to close a charter school
855 is made, the charter school shall:

856 (i) provide notice to the following, in writing, of the decision:

857 (A) if the charter school made the decision to close, the charter school's authorizer;

858 (B) the State Charter School Board;

859 (C) if the State Board of Education did not make the decision to close, the State Board
860 of Education;

861 (D) parents of students enrolled at the charter school;

862 (E) the charter school's creditors;

863 (F) the charter school's lease holders;

864 (G) the charter school's bond issuers;

865 (H) other entities that may have a claim to the charter school's assets;

866 (I) the school district in which the charter school is located and other charter schools
867 located in that school district; and

868 (J) any other person that the charter school determines to be appropriate; and

869 (ii) post notice of the decision on the Utah Public Notice Website, created in Section

870 63F-1-701.

871 (b) The notice described in Subsection (3)(a) shall include:

872 (i) the proposed date of the charter school closure;

873 (ii) the charter school's plans to help students identify and transition into a new school;

874 and

875 (iii) contact information for the charter school during the transition.

876 (4) ~~[After a decision to close a charter school is made]~~ No later than 10 days after the
877 day on which a decision to close a charter school is made, the closing charter school shall:

878 (a) designate a custodian for the protection of student files and school business records;

879 (b) ~~[maintain]~~ designate a base of operation that will be maintained throughout the
880 charter school closing, including:

881 (i) an office;

882 (ii) hours of operation;

883 (iii) operational telephone service with voice messaging stating the hours of operation;

884 and

885 (iv) a designated individual to respond to questions or requests during the hours of
886 operation;

887 (c) assure that the charter school will maintain insurance coverage and risk
888 management coverage throughout the transition to closure and for a period following closure of
889 the charter school as specified by the charter school's authorizer;

890 (d) assure that the charter school will complete by the set deadlines for all fiscal years
891 in which funds are received or expended by the charter school a financial audit [or] and any
892 other procedure required by board rule [immediately after the decision to close is made];

893 (e) inventory all assets of the charter school; and

894 (f) list all creditors of the charter school and specifically identify secured creditors and
895 assets that are security interests.

896 (5) The closing charter school's authorizer shall oversee the closing charter school's
897 compliance with Subsection (4).

898 (6) (a) A closing charter school shall return any assets remaining, after all liabilities
899 and obligations of the closing charter school are paid or discharged, to the closing charter
900 school's authorizer.

901 (b) The closing charter school's authorizer shall liquidate assets at fair market value or
902 assign the assets to another public school.

903 (7) The closing charter school's authorizer shall oversee liquidation of assets and
904 payment of debt in accordance with board rule.

905 (8) The closing charter school shall:

906 (a) comply with all state and federal reporting requirements; and

907 (b) submit all documentation and complete all state and federal reports required by the
908 closing charter school's authorizer or the State Board of Education, including documents to
909 verify the closing charter school's compliance with procedural requirements and satisfaction of
910 all financial issues.

911 (9) When the closing charter school's financial affairs are closed out and dissolution is
912 complete, the authorizer shall ensure that a final audit of the charter school is completed.

913 (10) On or before January 1, 2017, in accordance with Title 63G, Chapter 3, Utah
914 Administrative Rulemaking Act, the State Board of Education shall, after considering
915 suggestions from charter school authorizers, make rules that:

916 (a) provide additional closure procedures for charter schools; and

917 (b) establish a charter school closure process.

918 Section 16. **Effective date.**

919 This bill takes effect on January 1, 2019.