

Representative Karianne Lisonbee proposes the following substitute bill:

CHARTER SCHOOL ACCOUNTABILITY AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Karianne Lisonbee

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions of the charter school code.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ amends the State Charter School Board compilation;
- ▶ amends certain charter school performance measures;
- ▶ requires the State Charter School Board to create bylaws;
- ▶ amends certain charter school accountability measures;
- ▶ replaces the State Charter School Board duties regarding certain application

requests with charter school authorizers;

▶ allows charter schools found in noncompliance of certain requirements opportunity for a review of evidence of noncompliance before the charter school authorizer;

▶ amends provisions regarding transfer of operations from a terminated charter school to certain other entities; and

- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53G-5-102**, as last amended by Laws of Utah 2021, Second Special Session, Chapter 1

31 **53G-5-104**, as renumbered and amended by Laws of Utah 2018, Chapter 3

32 **53G-5-201**, as last amended by Laws of Utah 2020, Chapter 352

33 **53G-5-202**, as last amended by Laws of Utah 2021, Chapter 439

34 **53G-5-203**, as last amended by Laws of Utah 2021, Chapter 345

35 **53G-5-204**, as renumbered and amended by Laws of Utah 2018, Chapter 3

36 **53G-5-205**, as last amended by Laws of Utah 2023, Chapter 235

37 **53G-5-301**, as last amended by Laws of Utah 2019, Chapter 293

38 **53G-5-302**, as last amended by Laws of Utah 2019, Chapter 293

39 **53G-5-303**, as last amended by Laws of Utah 2022, Chapters 291, 352

40 **53G-5-304**, as last amended by Laws of Utah 2020, Chapter 408

41 **53G-5-305**, as last amended by Laws of Utah 2019, Chapter 293

42 **53G-5-306**, as last amended by Laws of Utah 2021, Chapter 324

43 **53G-5-307**, as enacted by Laws of Utah 2020, Chapter 192

44 **53G-5-401**, as renumbered and amended by Laws of Utah 2018, Chapter 3

45 **53G-5-404**, as last amended by Laws of Utah 2023, Chapter 352

46 **53G-5-406**, as last amended by Laws of Utah 2020, Chapter 408

47 **53G-5-413**, as last amended by Laws of Utah 2019, Chapter 136

48 **53G-5-501**, as last amended by Laws of Utah 2023, Chapter 54

49 **53G-5-502**, as last amended by Laws of Utah 2020, Chapter 192

50 **53G-5-503**, as last amended by Laws of Utah 2023, Chapter 164

51 **53G-5-504**, as last amended by Laws of Utah 2023, Chapters 54, 435

52

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

54 Section 1. Section **53G-5-102** is amended to read:

55 **53G-5-102. Definitions.**

56 As used in this chapter:

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

- 59 (a) cash;
- 60 (b) stock or other investments;
- 61 (c) real property;
- 62 (d) equipment and supplies;
- 63 (e) an ownership interest;
- 64 (f) a license;
- 65 (g) a cause of action; and
- 66 (h) any similar property.

67 (2) "Charter school authorizer" or "authorizer" means an entity listed in Section
68 53G-5-205 that authorizes a charter school.

69 [~~(2) "Board of trustees of a~~

70 (3) "Institution of higher education [institution] board of trustees" or "board of
71 trustees" means:

- 72 (a) the board of trustees of:
- 73 (i) the University of Utah;
- 74 (ii) Utah State University;
- 75 (iii) Weber State University;
- 76 (iv) Southern Utah University;
- 77 (v) Snow College;
- 78 (vi) Utah Tech University;
- 79 (vii) Utah Valley University; or
- 80 (viii) Salt Lake Community College; [~~or~~]

81 (b) a technical college board of trustees described in Section 53B-2a-108[~~;~~]; or

82 (c) a board of trustees of a private, nonprofit college or university in the state that is
83 accredited by the Northwest Commission on Colleges and Universities.

84 [~~(3) "Charter school authorizer" or "authorizer" means an entity listed in Section~~
85 53G-5-205 that authorizes a charter school.]

86 Section 2. Section **53G-5-104** is amended to read:

87 **53G-5-104. Purpose of charter schools.**

88 The purposes of the state's charter schools ~~[as a whole]~~ are to enhance school choice,
 89 meet the unique needs of Utah families, and encourage innovation within the public education
 90 system by:

91 (1) ~~[continue]~~ continuing to improve student learning;

92 (2) ~~[encourage]~~ encouraging the use of different and innovative teaching methods;

93 (3) ~~[create]~~ creating new professional opportunities for educators that ~~[will]~~ allow
 94 ~~[them]~~ educators to actively participate in designing and implementing ~~[the]~~ learning ~~[program]~~
 95 programs at the school;

96 (4) ~~[increase]~~ increasing choice of learning opportunities for students;

97 (5) ~~[establish new models of public schools and a new form of accountability for~~
 98 ~~schools that emphasizes the measurement of learning outcomes and the creation of innovative~~
 99 ~~measurement tools]~~ establishing new educational models and new forms of accountability that
 100 emphasize unique performance measures and innovative measurement tools to measure
 101 education outcomes;

102 (6) ~~[provide]~~ providing opportunities for greater parental involvement in ~~[management~~
 103 ~~] governance~~ decisions at the school level; ~~[and]~~

104 (7) ~~[expand]~~ expanding public school choice in areas where there is a lack of school
 105 choice or where schools have been identified for school improvement, corrective action, or
 106 restructuring ~~[under the No Child Left Behind Act of 2001, 20 U.S.C. Sec. 6301 et seq.]; and~~

107 (8) collaborating within the public education system.

108 Section 3. Section **53G-5-201** is amended to read:

109 **53G-5-201. State Charter School Board created.**

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

113 (2) (a) ~~[The]~~ This section creates the State Charter School Board.

114 ~~(b) [is created consisting of the following members appointed by the governor with]~~
 115 With the advice and consent of the Senate, the governor shall appoint seven individuals to
 116 serve on the State Charter School Board to consist of:

117 (i) one member who has expertise in finance ~~[or]~~, small business management, law, or
 118 public policy;

119 (ii) three members who:
 120 (A) are nominated by an organization that represents Utah's charter schools; ~~and~~
 121 (B) have expertise or experience in developing or administering a charter school; and
 122 (iii) ~~two members~~ one member who ~~are~~ is nominated by the state board; and
 123 (iv) ~~one member~~ two members who ~~:(A) has~~ have expertise in ~~personalized~~
 124 ~~learning, including digital teaching and learning or deliberate practice; and (B) supports]~~
 125 innovation in education.

126 ~~(b)~~ (c) Each appointee shall ~~have demonstrated~~ demonstrate support and dedication
 127 to the purposes of charter schools as ~~outlined~~ described in Section 53G-5-104.

128 ~~(c)~~ (d) At least two candidates shall be nominated for each appointment made under
 129 Subsection ~~(2)(a)(ii) or (iii)~~ (2)(b)(ii).

130 ~~(d)~~ (e) The governor may seek nominations for a prospective appointment under
 131 Subsection ~~(2)(a)(ii)~~ (2)(b)(ii) from one or more organizations that represent Utah's charter
 132 schools.

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

134 (b) If a vacancy occurs, the governor shall, with the advice and consent of the Senate, [
 135]appoint a replacement for the unexpired term, in accordance with Title 63G, Chapter 24, Part
 136 2, Vacancies.

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

139 (5) (a) The State Charter School Board shall ~~annually elect a chair from its~~
 140 ~~membership~~ create bylaws to govern the State Charter School Board operations.

141 (b) Four members of the State Charter School Board shall constitute a quorum.

142 (c) Meetings may be called by the chair or upon request of three members of the State
 143 Charter School Board.

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

146 (a) Section 63A-3-106 ~~;~~ ~~(b)~~ and Section 63A-3-107; and

147 ~~(c)~~ (b) rules ~~made by~~ that the Division of Finance ~~pursuant to~~ makes in
 148 accordance with Sections 63A-3-106 and 63A-3-107.

149 Section 4. Section 53G-5-202 is amended to read:

150 **53G-5-202. Status and powers of State Charter School Board.**

151 (1) The State Charter School Board may:

152 (a) enter into contracts;

153 (b) sue and be sued; and

154 (c) (i) at the discretion of the charter school, provide administrative services to, or
155 perform other school functions for, charter schools authorized by the State Charter School
156 Board; and

157 (ii) charge fees for the provision of services or functions.

158 (2) The state board shall:

159 (a) approve ~~[the annual budget and expenditures of]~~ the State Charter School ~~[Board]~~
160 Board's annual budget; and

161 (b) otherwise grant autonomy to the State Charter School Board to manage the State
162 Charter School Board's budget.

163 Section 5. Section **53G-5-203** is amended to read:

164 **53G-5-203. State Charter School Board -- Staff director -- Facilities.**

165 (1) (a) The State Charter School Board~~[, with the consent of the state superintendent,]~~
166 shall appoint a staff director for the State Charter School Board.

167 (b) The State Charter School Board shall have authority to remove the staff director
168 ~~[with the consent of the state superintendent].~~

169 (c) The position of staff director is exempt from the career service provisions of Title
170 63A, Chapter 17, Utah State Personnel Management Act.

171 (2) The state superintendent shall provide space for ~~[staff of the]~~ State Charter School
172 Board staff in facilities occupied by the state board or the state board's employees, with costs
173 charged for the facilities equal to those charged to other sections and divisions under the state
174 board.

175 (3) Notwithstanding Subsection (2), the State Charter School Board may use facilities
176 for State Charter School Board operations other than facilities that the state board or the state
177 board's employees occupy.

178 Section 6. Section **53G-5-204** is amended to read:

179 **53G-5-204. Charter school innovative practices -- Report to State Charter School**
180 **Board.**

181 [Prior to]

182 (1) On or before July 31 of each year, a charter school may identify and report to the
183 State Charter School Board ~~[its]~~ the charter school's innovative practices which fulfill the
184 purposes of charter schools as ~~[outlined]~~ described in Section [53G-5-104](#), including:

185 ~~[(1)]~~ (a) unique learning opportunities providing increased choice in education;

186 ~~[(2)]~~ (b) new public school models;

187 ~~[(3)]~~ (c) innovative teaching practices;

188 ~~[(4)]~~ (d) opportunities for educators to actively participate in the design and
189 implementation of the learning program;

190 ~~[(5)]~~ (e) new forms of accountability emphasizing ~~[the measurement of learning~~
191 ~~outcomes and the creation of new]~~ measurement tools in measuring education outcomes;

192 ~~[(6)]~~ (f) opportunities for greater parental involvement, including involvement in
193 ~~[management]~~ governance decisions; and

194 ~~[(7)]~~ (g) the impact of the innovative practices on student achievement.

195 (2) The Charter School Board may forward the report received under Subsection (1) to
196 the state board.

197 Section 7. Section **53G-5-205** is amended to read:

198 **53G-5-205. Charter school authorizers -- Power and duties -- Charter application**
199 **minimum standard.**

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

201 (a) the State Charter School Board;

202 (b) a local school board; or

203 (c) ~~[a board of trustees of an institution in the state system of higher education as~~
204 ~~described]~~ an institution of higher education board of trustees, as that term is defined in Section

205 ~~[[53B-1-102](#); or [53G-5-102](#).~~

206 ~~[(d) a board of trustees of a private, nonprofit college or university in the state that is~~
207 ~~accredited by the Northwest Commission on Colleges and Universities.]~~

208 (2) A charter school authorizer shall:

209 (a) authorize and promote the establishment of charter schools;

210 (b) before an application for charter school authorization is submitted to a charter
211 school authorizer, review and evaluate the proposal to support and strengthen the charter

212 school authorization proposal;

213 (c) [annually] review and evaluate the performance of charter schools authorized by the
214 authorizer and hold a charter school accountable for the [school's] performance measures
215 established in the charter school's charter agreement; [and]

216 ~~[(b) monitor charter schools authorized by the authorizer for compliance with federal~~
217 ~~and state laws, rules, and regulations.]~~

218 (d) assist charter schools in understanding and carrying out the charter school's charter
219 obligations; and

220 (e) provide technical support to charter schools and persons seeking to establish charter
221 schools by:

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

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

224 (iii) directing charter schools and persons seeking to establish charter schools to
225 sources of funding and support.

226 (3) A charter school authorizer may:

227 ~~[(a) authorize and promote the establishment of charter schools, subject to the~~
228 ~~provisions in this part;]~~

229 ~~[(b)]~~ (a) make recommendations to the Legislature on legislation [and rules] pertaining
230 to charter schools [to the Legislature and state board, respectively];

231 ~~[(c)]~~ (b) make recommendations to the state board on [the] charter school rules and
232 charter school funding [of charter schools]; or

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

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

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

237 ~~[(iii) directing charter schools and persons seeking to establish charter schools to~~
238 ~~sources of funding and support;]~~

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

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

243 ~~[(e)]~~ (c) provide technical support, as requested, to another charter school authorizer
244 relating to charter schools.

245 (4) Within 60 days after ~~[an authorizer's approval of]~~ the day on which an authorizer
246 approves an application for a new charter school, the state board may direct an authorizer to do
247 the following if the authorizer or charter school applicant failed to follow statutory or state
248 board rule requirements made in accordance with Title 63G, Chapter 3, Utah Administrative
249 Rulemaking Act:

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

251 (b) correct deficiencies in the charter school application or authorizer's application
252 process as described in statute or state board rule, made in accordance with Title 63G, Chapter
253 3, Utah Administrative Rulemaking Act, before approving the new application.

254 (5) The state board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
255 Rulemaking Act, make rules establishing minimum standards that a charter school authorizer is
256 required to apply when~~[-]~~

257 ~~[(a)]~~ evaluating a charter school application~~[-or]~~.

258 ~~[(b) monitoring charter school compliance.]~~

259 (6) The minimum standards described in Subsection (5) shall include:

260 (a) reasonable consequences for an authorizer that fails to comply with statute or state
261 board rule;

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

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

264 (ii) the functioning operation of the charter school governing board of an authorized
265 charter school;

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

268 (d) a process to evaluate:

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

271 (ii) whether an authorizer's authorized charter school maintains reasonable academic
272 and education standards; and

273 (iii) standards that an authorizer is required to meet to demonstrate the authorizer's

274 capacity to oversee~~[, monitor,]~~ and evaluate the charter schools the authorizer authorizes.

275 Section 8. Section **53G-5-301** is amended to read:

276 **53G-5-301. Charter school authorizer to request applications for certain types of**
277 **charter schools.**

278 (1) To meet the unique learning styles and needs of students, [~~the State Charter School~~
279 ~~Board~~] a charter school authorizer shall seek to expand the types of instructional methods and
280 programs offered by schools, as provided in this section.

281 (2) (a) [~~The State Charter School Board~~] A charter school authorizer shall request
282 individuals, groups of individuals, or [~~not-for-profit~~] nonprofit legal entities to submit an
283 application to [~~the State Charter School Board~~] a charter school authorizer to establish a charter
284 school that employs new and creative methods to meet the unique learning styles and needs of
285 students, such as:

286 (i) a military charter school;

287 (ii) a charter school [~~whose mission is to enhance~~] that focuses on learning
288 opportunities for students at risk of academic failure;

289 (iii) a charter school [~~whose focus is~~] that focuses on career and technical education;

290 (iv) a single gender charter school; [~~or~~]

291 (v) a charter school with an international focus that provides opportunities for the
292 exchange of students or teachers[-:];

293 (vi) a charter school that focuses on serving underserved students; or

294 (vii) an alternative charter school offering programs for nontraditional students.

295 (b) In addition to a charter school identified in Subsection (2)(a), [~~the State Charter~~
296 ~~School Board~~] a charter school authorizer shall request applications for other types of charter
297 schools that meet the unique learning styles and needs of students.

298 (3) [~~The State Charter School Board~~] A charter school authorizer shall publicize a
299 request for applications to establish a charter school specified in Subsection (2).

300 (4) A charter school application submitted pursuant to Subsection (2) shall be subject
301 to the application and approval procedures [~~specified in~~] in accordance with Section
302 **53G-5-304.**

303 (5) [~~The State Charter School Board~~] A charter school authorizer and the state board
304 may approve one or more applications for each charter school [~~specified~~] described in

305 Subsection (2), subject to the Legislature appropriating funds for, or authorizing, an increase in
306 charter school enrollment capacity as [~~provided~~] described in Section 53G-6-504.

307 (6) The state board shall submit a request to the Legislature to appropriate funds for, or
308 authorize, the enrollment of students in charter schools tentatively approved under this section.

309 Section 9. Section 53G-5-302 is amended to read:

310 **53G-5-302. Charter school application -- Applicants -- Contents.**

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

312 (i) an individual;

313 (ii) a group of individuals; or

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

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

317 (2) A charter school application shall include:

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

319 (b) except for a charter school authorized by a local school board, a statement that,
320 after entering into a charter agreement, the charter school will be organized and managed

321 [~~under~~] in accordance with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act;

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

323 (i) a list of the charter school governing board members that describes the
324 qualifications of each member; and

325 (ii) an assurance that the applicant shall, within 30 days of the date of authorization,
326 complete a background check for each member [~~consistent with~~] in accordance with Section
327 53G-5-408;

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

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

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

331 and

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

333 (e) [~~academic goals~~] the school's unique performance measures, including academic
334 goals;

335 (f) qualifications and policies for school employees, including policies that:

336 (i) comply with the criminal background check requirements [~~described in~~] in
337 accordance with Section 53G-5-408;

338 (ii) require employee evaluations;

339 (iii) address employment of relatives within the charter school; and

340 (iv) address human resource management and ensure that:

341 (A) at least one of the school's employees or another person is assigned human
342 resource management duties, as defined in Section 17B-1-805; and

343 (B) the assigned employee or person described in Subsection (2)(f)(iv)(A) receives
344 human resource management training, as defined in Section 17B-1-805;

345 (g) a description of how the charter school will provide, as required by state and federal
346 law, special education and related services;

347 (h) for a [~~public~~] school district converting to charter status, arrangements for:

348 (i) students who choose not to continue attending the charter school; and

349 (ii) teachers who choose not to continue teaching at the charter school;

350 (i) a statement that describes the charter school's plan for establishing the charter
351 school's facilities, including:

352 (i) whether the charter school intends to lease or purchase the charter school's facilities;
353 and

354 (ii) anticipated financing arrangements;

355 (j) a market analysis of the community the school plans to serve;

356 (k) a business plan;

357 (l) other major issues involving the establishment and operation of the charter school;
358 and

359 (m) the signatures of the charter school governing board members.

360 (3) A charter school authorizer may require a charter school application to include:

361 (a) the charter school's proposed:

362 (i) curriculum;

363 (ii) instructional program; or

364 (iii) delivery methods;

365 (b) a method for assessing whether students are reaching [~~academic goals, including, at~~
366 ~~a minimum,~~] the school's performance measures and academic goals, including administering

367 the statewide assessments [~~described~~] as defined in Section 53E-4-301;

368 (c) a proposed calendar;

369 (d) sample policies;

370 (e) a description of opportunities for parental involvement;

371 (f) a description of the school's administrative, supervisory, or other proposed services
372 that may be obtained through service providers; or

373 (g) other information that demonstrates an applicant's ability to establish and operate a
374 charter school.

375 Section 10. Section 53G-5-303 is amended to read:

376 **53G-5-303. Charter agreement -- Content -- Modification.**

377 [(+)] As used in this section:

378 [(2)] (1) (a) "Innovation plan" means the same as that term is defined in Section
379 53G-7-221.

380 (b) "Satellite charter school" means a charter school affiliated with an operating charter
381 school, which has the same charter school governing board and a similar program of
382 instruction, but has a different school number than the affiliated charter.

383 [(3)] (2) A charter agreement:

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

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

386 (c) shall allow for the operation of the applicant's proposed charter school.

387 [(4)] (3) A charter agreement shall include:

388 (a) the name of:

389 (i) the charter school; and

390 (ii) [~~the charter school applicant~~] the entity with whom the charter school authorizer
391 contracts;

392 (b) the mission statement and purpose of the charter school;

393 (c) the charter school's opening date;

394 (d) the grade levels the charter school will serve;

395 (e) (i) subject to Section 53G-6-504, the maximum number of students a charter school
396 will serve; or

397 (ii) for an operating charter school with satellite charter schools, the maximum number

398 of students of all satellite charter schools collectively served by the operating charter school;

399 (f) a description of the structure of the charter school governing board, including:

400 (i) the number of charter school governing board members;

401 (ii) how members of the charter school governing board are appointed; and

402 (iii) charter school governing board members' terms of office;

403 (g) assurances that:

404 (i) the charter school governing board will comply with:

405 (A) the charter school's bylaws;

406 (B) the charter school's articles of incorporation; and

407 (C) applicable federal law, state law, and state board rules;

408 (ii) the charter school governing board will meet all reporting requirements described

409 in Section [53G-5-404](#); and

410 (iii) except as provided in Part 6, Charter School Credit Enhancement Program, neither

411 the authorizer nor the state, including an agency of the state, is liable for the debts or financial

412 obligations of the charter school or a person who operates the charter school;

413 (h) which administrative rules the state board will waive for the charter school;

414 (i) minimum financial standards for operating the charter school;

415 (j) minimum performance standards [~~for student achievement~~]; and

416 (k) signatures of the charter school authorizer and the charter school governing board

417 members.

418 [~~(5)~~] (4) (a) Except as provided in Subsection [~~(5)(b)~~] (4)(b), a charter agreement may

419 not be modified except by mutual agreement between the charter school authorizer and the

420 charter school governing board.

421 (b) A charter school governing board may modify the charter school's charter

422 agreement without the mutual agreement described in Subsection [~~(5)(a)~~] (4)(a) to:

423 (i) include an enrollment preference as described in Subsection [53G-6-502\(4\)\(h\)](#); or

424 (ii) only as described in Subsection [53G-7-221\(5\)](#), include or remove an innovation

425 plan.

426 Section 11. Section [53G-5-304](#) is amended to read:

427 **53G-5-304. Charter schools authorized by the State Charter School Board --**

428 **Application process -- Prohibited basis of application denial.**

429 (1) (a) An applicant seeking authorization of a charter school from the State Charter
430 School Board shall provide a copy of the application to the local school board of the school
431 district in which the proposed charter school ~~[shall]~~ will be located either before or at the same
432 time ~~[it]~~ as the applicant files ~~[its]~~ the charter school application with the State Charter School
433 Board.

434 (b) The local school board may review the application and may offer suggestions or
435 recommendations to the applicant or the State Charter School Board ~~[prior to its acting]~~ before
436 taking action on the application.

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

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

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

- 444 (i) an enrollment decline;
- 445 (ii) a decrease in funding; or
- 446 (iii) a modification of programs or services.

447 (2) The state board shall, in accordance with Title 63G, Chapter 3, Utah Administrative
448 Rulemaking Act, make a rule providing a timeline for the opening of a charter school following
449 the approval of a charter school application by the State Charter School Board.

450 (3) After approval of a charter school application and in accordance with Section
451 53G-5-303, the applicant and the State Charter School Board shall set forth the terms and
452 conditions for the operation of the charter school in a written charter agreement.

453 (4) The State Charter School Board shall, in accordance with state board rules,
454 establish and make public the State Charter School Board's:

- 455 (a) application requirements, in accordance with Section 53G-5-302;
- 456 (b) application process, including timelines, in accordance with this section; and
- 457 (c) minimum academic, governance, operational, and financial~~[and enrollment]~~
458 standards.

459 Section 12. Section 53G-5-305 is amended to read:

460 **53G-5-305. Charters authorized by local school boards -- Application process --**
461 **Local school board responsibilities.**

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

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

468 (A) If the entire school is applying for charter status, at least two-thirds of the licensed
469 educators employed at the school and at least two-thirds of the parents of students enrolled at
470 the school [~~must have signed~~] shall sign a petition approving the application [~~prior to its~~]
471 before submission to the charter school authorizer.

472 (B) If only a portion of the school is applying for charter status, [~~the percentage is~~
473 ~~reduced to~~] a simple majority of the licensed educators employed at the school and a simple
474 majority of the parents of students enrolled at the school shall sign a petition approving the
475 application before submission to the charter school authorizer.

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

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

480 (B) current teachers who choose not to teach at the converted charter school or who are
481 not retained by the school at the time of [its] conversion would receive a first preference for
482 transfer to open teaching positions for which [~~they~~] the teachers qualify within the school
483 district, and, if no positions are open, contract provisions or local school board policy regarding
484 reduction in staff would apply.

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

487 (i) continue to receive the same services from the school district that [it] the school
488 received [~~prior to its~~] before the charter school's conversion; or

489 (ii) contract out for some or all of [~~those~~] the services with other public or private
490 providers.

491 (b) Any other charter school authorized by a local school board may contract with the
492 local school board to receive some or all of the services referred to in Subsection (2)(a).

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

496 (3) (a) A local school board that receives an application for a charter school under this
497 section shall, within 45 days, either accept or reject the application.

498 (b) If the local school board rejects the application, ~~[it]~~ the local school board shall
499 notify the applicant in writing of the reason for the rejection.

500 (c) The applicant may submit a revised application for reconsideration by the local
501 school board.

502 (d) If the local school board refuses to authorize the applicant, the applicant may seek a
503 charter from another authorizer.

504 (4) The state board shall make a rule providing for a timeline for the opening of a
505 charter school following the approval of a charter school application by a local school board.

506 (5) After approval of a charter school application and in accordance with Section
507 [53G-5-303](#), the applicant and the local school board shall set forth the terms and conditions for
508 the operation of the charter school in a written charter agreement.

509 (6) A local school board may terminate a charter school ~~[it]~~ the local school board
510 authorizes ~~[as provided in]~~ in accordance with Sections [53G-5-501](#) and [53G-5-503](#).

511 (7) In addition to the exemptions described in Sections [53G-5-405](#), [53G-7-202](#), and
512 [53G-5-407](#), a charter school authorized by a local school board is:

513 (a) not required to separately submit a report or information required under this public
514 education code to the state board if the information is included in a report or information that is
515 submitted by the local school board or school district; and

516 (b) exempt from the requirement under Section [53G-5-404](#) that a charter school shall
517 be organized and managed under Title 16, Chapter 6a, Utah Revised Nonprofit Corporation
518 Act.

519 (8) Before a local school board accepts a charter school application, the local school
520 board shall, in accordance with state board rules, establish and make public the local school
521 board's:

- 522 (a) application requirements, in accordance with Section 53G-5-302;
- 523 (b) application process, including timelines, in accordance with this section; and
- 524 (c) minimum academic, governance, operational, and financial~~[, and enrollment]~~
- 525 standards.

526 Section 13. Section 53G-5-306 is amended to read:

527 **53G-5-306. Charter schools authorized by a board of trustees of a higher**
528 **education institution -- Application process -- Board of trustees responsibilities.**

529 (1) Except as provided in Subsection (6), an applicant identified in Section 53G-5-302
530 may enter into an agreement with [~~a board of trustees of a higher education institution~~] an
531 institution of higher education board of trustees authorizing the applicant to establish and
532 operate a charter school.

533 (2) (a) An applicant applying for authorization from a board of trustees to establish and
534 operate a charter school shall provide a copy of the application to the local school board of the
535 school district in which the proposed charter school will be located either before or at the same
536 time the applicant files the application with the board of trustees.

537 (b) The local school board may review the application and offer suggestions or
538 recommendations to the applicant or the board of trustees before acting on the application.

539 (c) The board of trustees shall give due consideration to suggestions or
540 recommendations made by the local school board under Subsection (2)(b).

541 (3) The state board shall make a rule providing a timeline for the opening of a charter
542 school following the approval of a charter school application by a board of trustees.

543 (4) After approval of a charter school application, the applicant and the board of
544 trustees shall set forth the terms and conditions for the operation of the charter school in a
545 written charter agreement.

546 (5) (a) The school's charter agreement may include a provision that the charter school
547 pay an annual fee for the board of trustees' costs in providing oversight of, and technical
548 support to, the charter school in accordance with Section 53G-5-205.

549 (b) In the first two years that a charter school is in operation, an annual fee described in
550 Subsection (5)(a) may not exceed the product of 3% of the revenue the charter school receives
551 from the state in the current fiscal year.

552 (c) Beginning with the third year that a charter school is in operation, an annual fee

553 described in Subsection (5)(a) may not exceed the product of 1% of the revenue a charter
554 school receives from the state in the current fiscal year.

555 (d) An annual fee described in Subsection (5)(a) shall be:

556 (i) paid to the [~~board of trustees' higher education institution~~] board of trustees; and

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

558 (6) (a) In addition to complying with the requirements of this section, a technical
559 college board of trustees [~~described~~], as defined in Section 53B-2a-108, shall obtain the
560 approval of the Utah Board of Higher Education before entering into an agreement to establish
561 and operate a charter school.

562 (b) If a technical college board of trustees approves an application to establish and
563 operate a charter school, the technical college board of trustees shall submit the application to
564 the Utah Board of Higher Education.

565 (c) The Utah Board of Higher Education shall, by majority vote, within 60 days of
566 receipt of an application described in Subsection (6)(b), approve or deny the application.

567 (d) The Utah Board of Higher Education may deny an application approved by a
568 technical college board of trustees if the proposed charter school does not accomplish a
569 purpose of charter schools as provided in Section 53G-5-104.

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

573 (i) an enrollment decline;

574 (ii) a decrease in funding; or

575 (iii) a modification of programs or services.

576 (7) (a) Subject to the requirements of this chapter and other related provisions, a
577 technical college board of trustees may establish:

578 (i) procedures for submitting applications to establish and operate a charter school; or

579 (ii) criteria for approval of an application to establish and operate a charter school.

580 (b) The Utah Board of Higher Education may not establish policy governing the
581 procedures or criteria described in Subsection (7)(a).

582 (8) Before a technical college board of trustees accepts a charter school application, the
583 technical college board of trustees shall, in accordance with state board rules, establish and

584 make public:

- 585 (a) application requirements, in accordance with Section 53G-5-302;
- 586 (b) the application process, including timelines, in accordance with this section; and
- 587 (c) minimum academic, governance, operational, and financial~~[, and enrollment]~~
- 588 standards.

589 Section 14. Section 53G-5-307 is amended to read:

590 **53G-5-307. Charter school authorization -- Initial review period.**

591 (1) An authorizer shall grant a charter school approved under this title initial approval
592 for a three-year review period, beginning with the first year of the charter school's operation.

593 (2) Beginning in the first year of the initial review period, the authorizer shall comply
594 with the accountability and review procedures ~~[described]~~ in accordance with Section
595 53G-5-406.

596 (3) The authorizer may extend the initial review period for one year, up to two times
597 during the initial review period.

598 (4) At the end of the initial review period, the authorizer shall:

- 599 (a) grant the charter school ongoing approval; or
- 600 (b) terminate the charter agreement, subject to the requirements of Section 53G-5-503.

601 (5) The authorizer shall, under the minimum standards described in Section
602 53G-5-205, base the decision to grant ongoing approval or terminate the charter agreement on:

- 603 (a) the charter school's compliance with the terms of the charter agreement;
- 604 (b) whether the charter school is meeting ~~[academic standards]~~ the performance
605 measures in the charter school's charter agreement and minimum academic standards;
- 606 (c) the charter school's financial viability; and
- 607 (d) the charter school's capacity to meet governance standards.

608 (6) A charter school that is granted initial approval under this section may not
609 participate in the Charter School Credit Enhancement Program until the authorizer grants
610 ongoing approval of the charter school's charter.

611 Section 15. Section 53G-5-401 is amended to read:

612 **53G-5-401. Status of charter schools.**

613 (1) Charter schools are:

- 614 (a) considered to be public schools within the state's public education system;

615 (b) subject to Subsection 53E-3-401(8); and
616 (c) governed by independent boards and held accountable to a legally binding written
617 contractual agreement.

618 (2) A charter school may be established by:

619 (a) creating a new school; or

620 (b) converting an existing [public] district school to charter status.

621 (3) A parochial school or home school is not eligible for charter school status.

622 Section 16. Section 53G-5-404 is amended to read:

623 **53G-5-404. Requirements for charter schools.**

624 (1) A charter school shall be nonsectarian in [its] the charter school's programs,
625 admission policies, employment practices, and operations.

626 (2) A charter school may not charge tuition or fees, except those fees normally charged
627 by other public schools.

628 (3) A charter school shall meet all applicable federal, state, and local health, safety, and
629 civil rights requirements.

630 (4) (a) A charter school shall:

631 (i) make the same annual reports required of other public schools under this public
632 education code, including an annual financial audit report described in Section 53G-4-404;

633 (ii) ensure that the charter school meets the data and reporting standards described in
634 Section 53E-3-501; and

635 (iii) use fund and program accounting methods and standardized account codes capable
636 of producing financial reports that comply with:

637 (A) generally accepted accounting principles;

638 (B) the financial reporting requirements applicable to LEAs established by the state
639 board under Section 53E-3-501; and

640 (C) accounting report standards established by the state auditor as described in Section
641 51-2a-301.

642 (b) Before, and as a condition for opening a charter school:

643 (i) a charter school shall:

644 (A) certify to the authorizer that the charter school's accounting methods meet the
645 requirements described in Subsection (4)(a)(iii); or

646 (B) if the authorizer requires, conduct a performance demonstration to verify that the
647 charter school's accounting methods meet the requirements described in Subsection (4)(a)(iii);
648 and

649 (ii) the authorizer shall certify to the state board that the charter school's accounting
650 methods meet the requirements described in Subsection (4)(a)(iii).

651 (c) A charter school shall file the charter school's annual financial audit report with the
652 Office of the State Auditor within six months of the end of the fiscal year.

653 (d) For the limited purpose of compliance with federal and state law governing use of
654 public education funds, including restricted funds, and making annual financial audit reports
655 under this section, a charter school is a government entity governed by the public education
656 code.

657 (5) (a) A charter school shall be accountable to the charter school's authorizer for
658 performance as provided in the charter school's charter agreement.

659 (b) To measure the performance of a charter school, an authorizer may use data
660 contained in:

661 (i) the charter school's annual financial audit report;

662 (ii) a report submitted by the charter school as required by statute; or

663 (iii) a report submitted by the charter school as required by ~~[its]~~ the charter school's
664 charter agreement.

665 (c) A charter school authorizer may not impose performance standards, except as
666 permitted by statute, that limit, infringe, or prohibit a charter school's ability to successfully
667 accomplish the purposes of charter schools as provided in Section [53G-5-104](#) or as otherwise
668 provided in law.

669 (6) A charter school may not advocate unlawful behavior.

670 (7) Except as provided in Section [53G-5-305](#), a charter school shall be organized and
671 managed ~~[under]~~ in accordance with Title 16, Chapter 6a, Utah Revised Nonprofit Corporation
672 Act, ~~[after its]~~ upon the charter school's authorization.

673 (8) A charter school shall provide adequate liability and other appropriate insurance,
674 including:

675 (a) general liability, errors and omissions, and directors and officers liability coverage
676 through completion of the closure of a charter school ~~[under]~~ in accordance with Section

677 [53G-5-504](#); and

678 (b) tail coverage or closeout insurance covering at least one year after closure of the
679 charter school.

680 ~~[(9) Beginning on July 1, 2014, a charter school, including a charter school that has not
681 yet opened, shall submit any lease, lease-purchase agreement, or other contract or agreement
682 relating to the charter school's facilities or financing of the charter school's facilities to the
683 school's authorizer and an attorney for review and advice before the charter school enters the
684 lease, agreement, or contract.]~~

685 ~~[(10)]~~ (9) A charter school may not employ an educator whose license is suspended or
686 revoked by the state board under Section [53E-6-604](#).

687 ~~[(11)]~~ (10) (a) Each charter school shall register and maintain the charter school's
688 registration as a limited purpose entity, in accordance with Section [67-1a-15](#).

689 (b) A charter school that fails to comply with Subsection ~~[(11)(a)]~~ (10)(a) or Section
690 [67-1a-15](#) is subject to enforcement by the state auditor, in accordance with Section [67-3-1](#).

691 (c) If a charter school is an operating charter school with affiliated satellite charter
692 schools, as defined in Section [53G-5-303](#):

693 (i) the operating charter school shall register as a limited purpose entity as defined in
694 Section [67-1a-15](#);

695 (ii) each affiliated satellite charter school is not required to register separately from the
696 operating charter school; and

697 (iii) the operating charter school shall:

698 (A) register on behalf of each affiliated satellite charter school; and

699 (B) when submitting entity registry information ~~[under]~~ in accordance with Section
700 [67-1a-15](#) on behalf of each affiliated satellite charter school, identify and distinguish registry
701 information for each affiliated satellite, including the address of each affiliated satellite charter
702 school and the name and contact information of a primary contact for each affiliated satellite
703 charter school.

704 ~~[(12)]~~ (11) (a) As used in this Subsection ~~[(12)]~~ (11), "contracting entity" means a
705 person with which a charter school contracts.

706 (b) A charter school shall provide to the charter school's authorizer any information or
707 documents requested by the authorizer, including documents held by a subsidiary of the charter

708 school or a contracting entity:

709 (i) to confirm the charter school's compliance with state or federal law governing the
710 charter school's finances or governance; or

711 (ii) to carry out the authorizer's statutory obligations, including liquidation and
712 assignment of assets, and payment of debt in accordance with state board rule, as described in
713 Section [53G-5-504](#).

714 (c) A charter school shall comply with a request described in Subsection [~~(12)~~(b)]
715 (11)(b), including after an authorizer recommends closure of the charter school or terminates
716 the charter school's contract.

717 (d) Documents held by a contracting entity or subsidiary of a charter school that are
718 necessary to demonstrate the charter school's compliance with state or federal law are the
719 property of the charter school.

720 (e) A charter school shall include in an agreement with a subsidiary of the charter
721 school or a contracting entity a provision that stipulates that documents held by the subsidiary
722 or a contracting entity, that are necessary to demonstrate the charter school's financial
723 compliance with federal or state law, are the property of the charter school.

724 [~~(13)~~] (12) For each grading period and for each course in which a student is enrolled,
725 a charter school shall issue a grade or performance report to the student:

726 (a) that reflects the student's work, including the student's progress based on mastery,
727 for the grading period; and

728 (b) in accordance with the charter school's adopted grading or performance standards
729 and criteria.

730 [~~(14)~~] (13) (a) As used in this Subsection [~~(14)~~] (13):

731 (i) "Learning material" means any learning material or resource used to deliver or
732 support a student's learning, including textbooks, reading materials, videos, digital materials,
733 websites, and other online applications.

734 (ii) (A) "Instructional material" means learning material that a charter school governing
735 board adopts and approves for use within the charter school.

736 (B) "Instructional material" does not include learning material used in a concurrent
737 enrollment, advanced placement, or international baccalaureate program or class, or another
738 class with required instructional material that is not subject to selection by the charter school

739 governing board.

740 (iii) "Supplemental material" means learning material that:

741 (A) an educator selects for classroom use; and

742 (B) a charter school governing board has not considered and adopted, approved, or

743 prohibited for classroom use within the charter school.

744 (b) A charter school shall:

745 (i) make instructional material that the charter school uses readily accessible and
746 available for a parent to view;

747 (ii) annually notify a parent of a student enrolled in the charter school of how to access
748 the information described in Subsection [~~(14)(b)(i)~~] (13)(b)(i); and

749 (iii) include on the charter school's website information about how to access the
750 information described in Subsection [~~(14)(b)(i)~~] (13)(b)(i).

751 (c) In selecting and approving instructional materials for use in the classroom, a charter
752 school governing board shall:

753 (i) establish an open process, involving educators and parents of students enrolled in
754 the charter school, to review and recommend instructional materials for board approval; and

755 (ii) ensure that under the process described in Subsection [~~(14)(c)(i)~~] (13)(c)(i), the
756 charter school governing board:

757 (A) before the public meetings described in Subsection [~~(14)(c)(ii)(B)~~] (13)(c)(ii)(B),
758 posts the recommended learning materials online to allow for public review or, for copyrighted
759 material, makes the recommended learning material available at the charter school for public
760 review;

761 (B) before adopting or approving the recommended instructional materials, holds at
762 least two public meetings on the recommendation that provide an opportunity for educators
763 whom the charter school employs and parents of students enrolled in the charter school to
764 express views and opinions on the recommendation; and

765 (C) adopts or approves the recommended instructional materials in an open and regular
766 board meeting.

767 (d) A charter school governing board shall adopt a supplemental materials policy that
768 provides flexible guidance to educators on the selection of supplemental materials or resources
769 that an educator reviews and selects for classroom use using the educator's professional

770 judgment, including whether any process or permission is required before classroom use of the
771 materials or resources.

772 (e) If a charter school contracts with another party to provide online or digital
773 materials, the charter school shall include in the contract a requirement that the provider give
774 notice to the charter school any time that the provider makes a material change to the content of
775 the online or digital materials, excluding regular informational updates on current events.

776 (f) Nothing in this Subsection [~~(14)~~] (13) requires a charter school governing board to
777 review all learning materials used within the charter school.

778 Section 17. Section **53G-5-406** is amended to read:

779 **53G-5-406. Accountability -- Rules.**

780 The state board shall, after consultation with chartering entities, make rules in
781 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, that:

782 (1) require a charter school to develop an accountability plan, approved by [its] the
783 charter school's charter school authorizer, during [its] the charter school's first year of
784 operation;

785 (2) require an authorizer to:

786 (a) visit a charter school at least once during:

787 (i) [its] the charter school's first year of operation; and

788 (ii) the review period described under Subsection (3); and

789 (b) provide written reports to [its] the authorizer's charter schools after the required
790 visits; and

791 (3) establish a [review] process that [~~is required of a~~] requires an authorizer to review
792 the authorizer's charter school once every five years [~~by its authorizer~~].

793 Section 18. Section **53G-5-413** is amended to read:

794 **53G-5-413. Charter school governing board meetings -- Rules of order and**
795 **procedure.**

796 (1) As used in this section, "rules of order and procedure" means a set of rules that
797 governs and prescribes in a public meeting:

798 (a) parliamentary order and procedure;

799 (b) ethical behavior; and

800 (c) civil discourse.

801 (2) A charter school governing board shall:

802 (a) adopt rules of order and procedure to govern a public meeting of the charter school
803 governing board;

804 (b) conduct a public meeting in accordance with the rules of order and procedure
805 described in Subsection (2)(a); and

806 (c) make the rules of order and procedure described in Subsection (2)(a) available to
807 the public[.];

808 ~~[(i) at each public meeting of the charter school governing board; and]~~

809 ~~[(ii) on the charter school governing board's public website, if available.]~~

810 (3) The requirements of this section do not affect a charter school governing board's
811 duty to comply with Title 52, Chapter 4, Open and Public Meetings Act.

812 Section 19. Section **53G-5-501** is amended to read:

813 **53G-5-501. Noncompliance -- Rulemaking.**

814 (1) (a) If a charter school is found to be materially out of compliance with the
815 requirements of Section **53G-5-404** or the school's charter agreement, the charter school
816 authorizer shall ~~[notify the following in writing that the charter school has a]~~ provide written
817 notice of the reason for the charter school's noncompliance and a reasonable time to remedy the
818 deficiency, except as otherwise provided in Subsection **53G-5-503**(4)[.], to:

819 ~~[(a)]~~ (i) the charter school governing board; and

820 ~~[(b)]~~ (ii) if the charter school is a qualifying charter school with outstanding bonds
821 issued in accordance with Part 6, Charter School Credit Enhancement Program, the Utah
822 Charter School Finance Authority.

823 (b) The notice described in Subsection (1)(a) shall state that the charter school
824 governing board may request an informal review before the charter school's authorizer to
825 present evidence related to the deficiency.

826 (c) The charter school authorizer shall:

827 (i) review the evidence within a reasonable time to determine if the charter school has
828 remedied the noncompliance or if the circumstances necessitate additional time for the charter
829 school to remedy the deficiency; and

830 (ii) if the charter school authorizer determines that circumstances necessitate additional
831 time to remedy the noncompliance, establish a deadline to remedy the noncompliance.

832 (2) (a) If the charter school does not remedy the material deficiency within the
833 established timeline, the authorizer may:

834 (i) subject to the requirements of Subsection (4), take one or more of the following
835 actions:

836 (A) remove a charter school director or finance officer;

837 (B) remove a charter school governing board member;

838 (C) appoint an interim director, mentor, or finance officer to work with the charter
839 school; or

840 (D) appoint a governing board member;

841 (ii) subject to the requirements of Section 53G-5-503, terminate the school's charter
842 agreement; or

843 (iii) transfer operation and control of the charter school to a high performing charter
844 school, as defined in [~~Subsection 53G-5-502(1)~~] Section 53G-5-502, including reconstituting
845 the governing board to effectuate the transfer.

846 (b) The authorizer may prohibit the charter school governing board from removing an
847 appointment made under Subsection (2)(a)(i), for a period of up to one year after the date of the
848 appointment.

849 (3) The costs of an interim director, mentor, or finance officer appointed under
850 Subsection (2)(a) shall be paid from the funds of the charter school for which the interim
851 director, mentor, or finance officer is working, unless the authorizer chooses to pay all or some
852 of the costs.

853 (4) The authorizer shall notify the Utah Charter School Finance Authority before the
854 authorizer takes an action described in Subsection (2)(a)(i) if the charter school is a qualifying
855 charter school with outstanding bonds issued in accordance with Part 6, Charter School Credit
856 Enhancement Program.

857 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
858 state board shall make rules:

859 (a) specifying the timeline for remedying deficiencies under Subsection (1); and

860 (b) ensuring [~~the~~] compliance [~~of a charter school~~] with [~~its~~] the charter school's
861 approved charter agreement.

862 (6) (a) An authorizer may petition the district court where a charter school is located or

863 incorporated to appoint a receiver, and the district court may appoint a receiver if the authorizer
864 establishes that the charter school:

865 (i) is subject to closure under Section [53G-5-503](#); and

866 (ii) (A) has disposed, or there is a demonstrated risk that the charter school will
867 dispose, of the charter school's assets in violation of [~~Subsection [53G-5-403\(4\)](#)] Section
868 [53G-5-403](#); or~~

869 (B) cannot, or there is a demonstrated risk that the charter school will not, make
870 repayment of amounts owed to the federal government or the state.

871 (b) The court shall describe the powers and duties of the receiver in the court's
872 appointing order, and may amend the order from time to time.

873 (c) Among other duties ordered by the court, the receiver shall:

874 (i) ensure the protection of the charter school's assets;

875 (ii) preserve money owed to creditors; and

876 (iii) if requested by the authorizer, carry out charter school closure procedures
877 described in Section [53G-5-504](#), and state board rules, as directed by the authorizer.

878 (d) If the authorizer does not request, or the court does not appoint, a receiver:

879 (i) the authorizer may reconstitute the governing board of a charter school; or

880 (ii) if a new governing board cannot be reconstituted, the authorizer shall complete the
881 closure procedures described in Section [53G-5-504](#), including liquidation and assignment of
882 assets, and payment of liabilities and obligations in accordance with [~~Subsection~~
883 [53G-5-504\(7\)](#)] Section [53G-5-504](#) and state board rule.

884 (e) For a qualifying charter school with outstanding bonds issued in accordance with
885 Part 6, Charter School Credit Enhancement Program, an authorizer shall obtain the consent of
886 the Utah Charter School Finance Authority before the authorizer takes the following actions:

887 (i) petitions a district court to appoint a receiver, as described in Subsection (6)(a);

888 (ii) reconstitutes the governing board, as described in Subsection (6)(d)(i); or

889 (iii) carries out closure procedures, as described in Subsection (6)(d)(ii).

890 Section 20. Section **53G-5-502** is amended to read:

891 **53G-5-502. Voluntary school improvement and transfer processes.**

892 (1) As used in this section:

893 (a) "High performing charter school" means a charter school that:

- 894 (i) satisfies all requirements of state law and state board rules;
- 895 (ii) has operated for at least three years meeting the terms of the school's charter
896 agreement; and
- 897 (iii) is in good standing with the charter school's authorizer.
- 898 (b) "Low performing charter school" means a charter school that is designated a low
899 performing school, as that term is defined in Section [53E-5-301](#).
- 900 (c) "School turnaround plan" means the same as that term is defined in Section
901 [53E-5-301](#).
- 902 (2) (a) Subject to Subsection (2)(b), a charter school governing board may voluntarily
903 request the charter school's authorizer to place the charter school, including a low performing
904 charter school that has a school turnaround plan, in a school improvement process.
- 905 (b) A charter school governing board shall provide notice and a hearing on the charter
906 school governing board's intent to make a request under Subsection (2)(a) to parents of students
907 enrolled in the charter school.
- 908 (3) An authorizer may grant a charter school governing board's request to be placed in
909 a school improvement process if the charter school governing board has provided notice and a
910 hearing under Subsection (2)(b).
- 911 (4) An authorizer that has entered into a school improvement process with a charter
912 school governing board shall:
- 913 (a) enter into a contract with the charter school governing board on the terms of the
914 school improvement process;
- 915 (b) notify the state board that the authorizer has entered into a school improvement
916 process with the charter school governing board;
- 917 (c) make a report to a committee of the state board regarding the school improvement
918 process; and
- 919 (d) notify the Utah Charter School Finance Authority that the authorizer has entered
920 into a school improvement process with the charter school governing board if the charter
921 school is a qualifying charter school with outstanding bonds issued in accordance with Part 6,
922 Charter School Credit Enhancement Program.
- 923 (5) Upon notification under Subsection (4)(b), and after the report described in
924 Subsection (4)(c), the state board shall notify charter schools and the school district in which

925 the charter school is located that the charter school governing board has entered into a school
926 improvement process with the charter school's authorizer.

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

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

933 (a) terminate the school's charter, notwithstanding the requirements of Section
934 53G-5-503; and

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

936 (i) the school district in which the charter school is located; ~~[or]~~

937 (ii) ~~[a high performing charter school.]~~ the governing board of another charter school;

938 (iii) a private management company; or

939 (iv) the governing board of a nonprofit corporation.

940 (8) A charter school governing board that has not entered into a school improvement
941 process may voluntarily provide a proposal to the authorizer for consideration of transferring
942 operation and control of the charter school to:

943 (a) the school district in which the charter school is located;

944 (b) the governing board of another charter school;

945 (c) a private management company; or

946 (d) the governing board of a nonprofit corporation.

947 ~~[(8)]~~ (9) Except as provided in Subsection ~~[(9)]~~ (10) and subject to Subsection ~~[(10)]~~;
948 (11), an authorizer may:

949 (a) approve a charter school governing board's proposal under Subsection (7); or

950 (b) (i) deny a charter school governing board's proposal under Subsection (7); and

951 (ii) (A) terminate the school's charter agreement in accordance with Section

952 53G-5-503;

953 (B) allow the charter school governing board to submit a revised proposal; or

954 (C) take no action.

955 ~~[(9)]~~ (10) An authorizer may not take an action under Subsection ~~[(8)]~~ (9) for a

956 qualifying charter school with outstanding bonds issued in accordance with Part 6, Charter
957 School Credit Enhancement Program, without mutual agreement of the Utah Charter School
958 Finance Authority and the authorizer.

959 ~~[(10)]~~ (11) (a) An authorizer that intends to transfer operation and control of a charter
960 school as described in Subsection (7)(b) shall request approval from the state board.

961 (b) (i) The state board shall consider an authorizer's request under Subsection ~~[(10)(a)]~~
962 (11)(a) within 30 days of receiving the request.

963 (ii) If the state board denies an authorizer's request under Subsection ~~[(10)(a)]~~ (11)(a),
964 the authorizer may not transfer operation and control of the charter school as described in
965 Subsection (7)(b).

966 (iii) If the state board does not take action on an authorizer's request under Subsection
967 ~~[(10)(a)]~~ (11)(a) within 30 days of receiving the request, an authorizer may proceed to transfer
968 operation and control of the charter school as described in Subsection (7)(b).

969 ~~[(11)]~~ (12) If operation and control of a low performing charter school that has a school
970 turnaround plan is transferred to a high performing charter school as described in Subsection
971 (7)(b), the low performing charter school shall complete the requirements of the school
972 turnaround plan and any other requirements imposed by the authorizer for school improvement.

973 Section 21. Section **53G-5-503** is amended to read:

974 **53G-5-503. Termination of a charter agreement.**

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

977 (a) failure of the charter school to meet the requirements stated in the charter
978 agreement;

979 (b) failure to meet generally accepted standards of fiscal management;

980 (c) (i) designation as a low performing school under Title 53E, Chapter 5, Part 3,
981 School Improvement and Leadership Development; and

982 (ii) failure to improve the school's performance under the conditions described in Title
983 53E, Chapter 5, Part 3, School Improvement and Leadership Development;

984 (d) violation of requirements under this chapter or another law; or

985 (e) other good cause shown.

986 (2) (a) The authorizer shall notify the following of the proposed termination in writing,

987 state the grounds for the termination, and stipulate that the charter school governing board may
988 request an informal hearing before the authorizer:

989 (i) the charter school governing board; and

990 (ii) if the charter school is a qualifying charter school with outstanding bonds issued in
991 accordance with Part 6, Charter School Credit Enhancement Program, the Utah Charter School
992 Finance Authority.

993 (b) Except as provided in Subsection (2)(e), the authorizer shall conduct the hearing in
994 accordance with Title 63G, Chapter 4, Administrative Procedures Act, within 30 days after
995 ~~[receiving]~~ the day a written request under Subsection (2)(a) is received.

996 (c) If the authorizer, by majority vote, approves a motion to terminate a charter school,
997 the charter school governing board may appeal the decision to the state board.

998 (d) (i) The state board shall hear an appeal of a termination made ~~[pursuant to]~~ in
999 accordance with Subsection (2)(c).

1000 (ii) The state board's action is final action subject to judicial review.

1001 (e) (i) If the authorizer proposes to terminate the charter agreement of a qualifying
1002 charter school with outstanding bonds issued in accordance with Part 6, Charter School Credit
1003 Enhancement Program, the authorizer shall conduct a hearing described in Subsection (2)(b)
1004 120 days or more after notifying the following of the proposed termination:

1005 (A) the charter school governing board of the qualifying charter school; and

1006 (B) the Utah Charter School Finance Authority.

1007 (ii) ~~[Prior to]~~ Before the hearing described in Subsection (2)(e)(i), the Utah Charter
1008 School Finance Authority shall meet with the authorizer to determine whether the deficiency
1009 may be remedied in lieu of termination of the qualifying charter school's charter agreement.

1010 (3) An authorizer may not terminate the charter agreement of a qualifying charter
1011 school with outstanding bonds issued in accordance with Part 6, Charter School Credit
1012 Enhancement Program, without mutual agreement of the Utah Charter School Finance
1013 Authority and the authorizer.

1014 (4) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
1015 the state board shall make rules that require a charter school to report any threats to the health,
1016 safety, or welfare of ~~[its]~~ the charter school's students to the State Charter School Board in a
1017 timely manner.

1018 (b) The rules under Subsection (4)(a) shall also require the charter school report to
1019 include what steps the charter school has taken to remedy the threat.

1020 (5) Subject to the requirements of Subsection (3), the authorizer may terminate a
1021 charter agreement immediately if good cause has been shown or if the health, safety, or welfare
1022 of the students at the charter school is threatened.

1023 (6) If a charter agreement is terminated, the following entities may apply to the charter
1024 school's authorizer to assume operation of the school:

- 1025 (a) the school district where the charter school is located;
- 1026 (b) the charter school governing board of another charter school;
- 1027 (c) a private management company; or
- 1028 (d) the governing board of a nonprofit corporation.

1029 (7) (a) If a charter agreement is terminated, a student who attended the school may
1030 apply to and shall be enrolled in another public school under the enrollment provisions ~~[of]~~ in
1031 accordance with Chapter 6, Part 3, School District Residency, subject to space availability.

1032 (b) Normal application deadlines shall be disregarded under Subsection (7)(a).

1033 Section 22. Section **53G-5-504** is amended to read:

1034 **53G-5-504. Charter school closure.**

1035 (1) As used in this section, "receiving charter school" means a charter school that an
1036 authorizer permits under Subsection (12)(a), to accept enrollment applications from students of
1037 a closing charter school.

1038 (2) If a charter school is closed for any reason, including the termination of a charter
1039 agreement in accordance with Section **53G-5-503** or the conversion of a charter school to a
1040 private school, the provisions of this section apply.

1041 (3) A decision to close a charter school is made:

1042 (a) when a charter school authorizer approves a motion to terminate described in
1043 Subsection [~~53G-5-503(2)(c)] 53G-5-503;~~

1044 (b) when the state board takes final action described in Subsection
1045 [~~53G-5-503(2)(d)(ii)] 53G-5-503; or~~

1046 (c) when a charter school provides notice to the charter school's authorizer that the
1047 charter school is relinquishing the charter school's charter.

1048 (4) (a) No later than 10 days after the day on which a decision to close a charter school

1049 is made, the charter school shall:

1050 (i) provide notice to the following, in writing, of the decision:

1051 (A) if the charter school made the decision to close, the charter school's authorizer;

1052 [~~(B)~~] ~~the State Charter School Board;~~

1053 [~~(C)~~] (B) if the state board did not make the decision to close, the state board;

1054 [~~(D)~~] (C) parents of students enrolled at the charter school;

1055 [~~(E)~~] (D) the charter school's creditors;

1056 [~~(F)~~] (E) the charter school's lease holders;

1057 [~~(G)~~] (F) the charter school's bond issuers;

1058 [~~(H)~~] (G) other entities that may have a claim to the charter school's assets;

1059 [~~(I)~~] (H) the school district in which the charter school is located and other charter
1060 schools located in that school district; and

1061 [~~(J)~~] (I) any other person that the charter school determines to be appropriate; and

1062 (ii) publish notice of the decision for the school district in which the charter school is
1063 located, as a class A notice under Section [63G-30-102](#), for at least 30 days.

1064 (b) The notice described in Subsection (4)(a) shall include:

1065 (i) the proposed date of the charter school closure;

1066 (ii) the charter school's plans to help students identify and transition into a new school;

1067 and

1068 (iii) contact information for the charter school during the transition.

1069 (5) No later than 10 days after the day on which a decision to close a charter school is
1070 made, the closing charter school shall:

1071 (a) designate a custodian for the protection of student files and school business records;

1072 (b) designate a base of operation that will be maintained throughout the charter school
1073 closing, including:

1074 (i) an office;

1075 (ii) hours of operation;

1076 (iii) operational telephone service with voice messaging stating the hours of operation;

1077 and

1078 (iv) a designated individual to respond to questions or requests during the hours of
1079 operation;

1080 (c) assure that the charter school will maintain private insurance coverage or risk
1081 management coverage for covered claims that arise before closure, throughout the transition to
1082 closure and for a period following closure of the charter school as specified by the charter
1083 school's authorizer;

1084 (d) assure that the charter school will complete by the set deadlines for all fiscal years
1085 in which funds are received or expended by the charter school a financial audit and any other
1086 procedure required by state board rule;

1087 (e) inventory all assets of the charter school; and

1088 (f) list all creditors of the charter school and specifically identify secured creditors and
1089 assets that are security interests.

1090 (6) The closing charter school's authorizer shall oversee the closing charter school's
1091 compliance with Subsection (5).

1092 (7) (a) Unless a different order is determined by a bankruptcy court under 11 U.S.C.
1093 Sec. 1001 et seq., a closing charter school shall distribute the assets of the closing charter
1094 school in the following order:

1095 (i) return assets donated by a private donor to the private donor if:

1096 (A) the assets were donated for a specific purpose;

1097 (B) the private donor restricted use of the assets to only that specific purpose; and

1098 (C) the closing charter school has assets that have not been used for the specific
1099 purpose;

1100 (ii) distribute assets to satisfy outstanding payroll obligations for employees of the
1101 closing charter school;

1102 (iii) distribute assets to creditors of the closing charter school; and

1103 (iv) distribute assets to satisfy any outstanding liability or obligation to the state board,
1104 state, or federal government.

1105 (b) A closing charter school shall return any assets remaining, after all liabilities and
1106 obligations of the closing charter school are paid or discharged consistent with Subsection
1107 (7)(a), to the closing charter school's authorizer.

1108 (c) Upon receipt of the assets under Subsection (7)(b), the closing charter school's
1109 authorizer shall:

1110 (i) liquidate assets at fair market value; or

- 1111 (ii) assign the assets to another public school.
- 1112 (d) The closing charter school's authorizer shall oversee liquidation of assets and
- 1113 payment of liabilities and obligations in accordance with this section, Sections [53F-9-307](#) and
- 1114 [53G-5-501](#), and state board rule.
- 1115 (8) The closing charter school shall:
- 1116 (a) comply with all state and federal reporting requirements; and
- 1117 (b) submit all documentation and complete all state and federal reports required by the
- 1118 closing charter school's authorizer or the state board, including documents to verify the closing
- 1119 charter school's compliance with procedural requirements and satisfaction of all financial
- 1120 issues.
- 1121 (9) When the closing charter school's financial affairs are closed out and dissolution is
- 1122 complete, the authorizer shall ensure that a final audit of the charter school is completed.
- 1123 (10) [~~On or before January 1, 2017, the~~] The state board shall, in accordance with Title
- 1124 63G, Chapter 3, Utah Administrative Rulemaking Act, and after considering suggestions from
- 1125 charter school authorizers, make rules that:
- 1126 (a) provide additional closure procedures for charter schools; and
- 1127 (b) establish a charter school closure process.
- 1128 (11) (a) Upon termination of the charter school's charter agreement:
- 1129 (i) notwithstanding provisions [~~to the contrary in~~] of Title 16, Chapter 6a, Part 14,
- 1130 Dissolution, the nonprofit corporation under which the charter school is organized and
- 1131 managed may be unilaterally dissolved by the authorizer; and
- 1132 (ii) the net assets of the charter school shall revert to the authorizer as described in
- 1133 Subsection (7).
- 1134 (b) The charter school and the authorizer shall mutually agree in writing on the
- 1135 effective date and time of the dissolution described in Subsection (11)(a).
- 1136 (c) The effective date and time of dissolution described in Subsection (11)(b) may not
- 1137 exceed five years after the date of the termination of the charter agreement.
- 1138 (12) Notwithstanding the provisions of Chapter 6, Part 5, Charter School Enrollment:
- 1139 (a) an authorizer may permit a specified number of students from a closing charter
- 1140 school to be enrolled in another charter school, if the receiving charter school:
- 1141 (i) (A) is authorized by the same authorizer as the closing charter school; or

1142 (B) is authorized by a different authorizer and the authorizer of the receiving charter
1143 school approves the increase in enrollment; and

1144 (ii) agrees to accept enrollment applications from students of the closing charter
1145 school;

1146 (b) a receiving charter school shall give new enrollment preference to applications
1147 from students of the closing charter school in the first school year in which the closing charter
1148 school is not operational; and

1149 (c) a receiving charter school's enrollment capacity is increased by the number of
1150 students enrolled in the receiving charter school from the closing charter school under this
1151 Subsection (12).

1152 (13) A member of the governing board or staff of the receiving charter school that is
1153 also a member of the governing board of the receiving charter school's authorizer, shall recuse
1154 [~~himself or herself~~] oneself from a decision regarding the enrollment of students from a closing
1155 charter school as described in Subsection (12).

1156 Section 23. **Effective date.**

1157 This bill takes effect on May 1, 2024.