

1                                   **CHARTER SCHOOL START-UP AMENDMENTS**

2   2012 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Brad L. Dee**

5                                   Senate Sponsor: Howard A. Stephenson

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7 **LONG TITLE**

8 **General Description:**

9           This bill provides money for charter school start-up costs.

10 **Highlighted Provisions:**

11           This bill:

12           ▶ provides for grants to charter schools for expenses for planning and implementation  
13 of a charter school;

14           ▶ allows the State Charter School Board to use a portion of the money appropriated  
15 for charter school start-up costs for financial monitoring of new charter schools,  
16 professional development or technical assistance for governing board members and  
17 staff of new charter schools, and a mentoring program for new and existing charter  
18 schools;

19           ▶ directs the State Board of Education to make rules:

- 20           • for the award and use of grants for charter school start-up costs; and
- 21           • establishing a mentoring program for new and existing charter schools; and

22           ▶ repeals provisions related to charter school start-up costs on July 1, 2017.

23 **Money Appropriated in this Bill:**

24           This bill appropriates:

25           ▶ to the State Board of Education - State Charter School Board, as an ongoing  
26 appropriation for fiscal year 2012-13:

- 27           • from the Education Fund, \$2,500,000.

28 **Other Special Clauses:**

29           This bill provides an effective date.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **53A-1a-513**, as last amended by Laws of Utah 2011, Chapter 371

33 **63I-2-253**, as last amended by Laws of Utah 2011, Chapters 303, 330, and 419

34 ENACTS:

35 **53A-1a-513.5**, Utah Code Annotated 1953



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

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

39 **53A-1a-513. Funding for charter schools.**

40 (1) As used in this section:

41 (a) "Charter school students' average local revenues" means the amount determined as  
42 follows:

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

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

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

49 (b) "District local property tax revenues" means the sum of a school district's revenue  
50 received from the following levies:

51 (i) (A) a voted levy imposed under Section 53A-17a-133;

52 (B) a board levy imposed under Section 53A-17a-134;

53 (C) a 10% of basic levy imposed under Section 53A-17a-145;

54 (D) a tort liability levy imposed under Section 63G-7-704;

55 (E) a capital outlay levy imposed under Section 53A-16-107; and

56 (F) a voted capital outlay levy imposed under Section 53A-16-110; or

57 (ii) (A) a voted local levy imposed under Section 53A-17a-133;

58 (B) a board local levy imposed under Section 53A-17a-164, excluding revenues  
59 expended for:

60 (I) recreational facilities and activities authorized under Title 11, Chapter 2,  
61 Playgrounds;

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

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

66 (C) a capital local levy imposed under Section 53A-16-113.

67 (c) "District per pupil local revenues" means an amount equal to the following, using  
68 data from the most recently published school district annual financial reports and state  
69 superintendent's annual report:

70 (i) district local property tax revenues; divided by

71 (ii) the sum of:

72 (A) a school district's average daily membership; and

73 (B) the average daily membership of a school district's resident students who attend  
74 charter schools.

75 (d) "Resident student" means a student who is considered a resident of the school  
76 district under Title 53A, Chapter 2, Part 2, District of Residency.

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

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

81 (ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school district  
82 average daily membership.

83 (2) (a) Charter schools shall receive funding as described in this section, except  
84 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

85 (b) Charter schools authorized by local school boards that are converted from district

86 schools or operate in district facilities without paying reasonable rent shall receive funding as  
87 prescribed in Section 53A-1a-515.

88 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state  
89 funds, as applicable, on the same basis as a school district receives funds.

90 (b) In distributing funds under Chapter 17a, Minimum School Program Act, to charter  
91 schools, charter school pupils shall be weighted, where applicable, as follows:

- 92 (i) .55 for kindergarten pupils;
- 93 (ii) .9 for pupils in grades 1 through 6;
- 94 (iii) .99 for pupils in grades 7 through 8; and
- 95 (iv) 1.2 for pupils in grades 9 through 12.

96 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
97 resident student of the school district who is enrolled in a charter school on October 1 equal to  
98 25% of the lesser of:

- 99 (A) district per pupil local revenues; or
- 100 (B) charter school students' average local revenues.

101 (ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program  
102 established under Chapter 28, Utah School Bond Guaranty Act.

103 (b) The State Board of Education shall:

104 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from  
105 state funds the school district is authorized to receive under Chapter 17a, Minimum School  
106 Program Act; and

107 (ii) remit the money to the student's charter school.

108 (c) Notwithstanding the method used to transfer school district revenues to charter  
109 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter  
110 schools under this section from:

- 111 (i) unrestricted revenues available to the school district; or
- 112 (ii) the revenue sources listed in Subsection (1)(b) based on the portion of the  
113 allocations to charter schools attributed to each of the revenue sources listed in Subsection

114 (1)(b).

115 (d) (i) Subject to future budget constraints, the Legislature shall provide an  
116 appropriation for charter schools for each student enrolled on October 1 to supplement the  
117 allocation of school district revenues under Subsection (4)(a).

118 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the  
119 state for a charter school student shall be the sum of:

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

122 (B) statewide average debt service revenues.

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

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

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

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

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

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

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

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

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

146 (8) (a) (i) ~~[The state superintendent of public instruction]~~ In accordance with Section  
147 53A-1a-513.5, the State Charter School Board may allocate grants for ~~[both]~~ start-up ~~[and~~  
148 ~~ongoing]~~ costs to ~~[eligible]~~ charter ~~[school applicants]~~ schools from money appropriated for  
149 ~~[the implementation of this part]~~ charter school start-up costs.

150 ~~[(ii) Applications for the grants shall be filed on a form determined by the state~~  
151 ~~superintendent and in conjunction with the application for a charter.]~~

152 ~~[(iii) The amount of a grant may vary based upon the size, scope, and special~~  
153 ~~circumstances of the charter school.]~~

154 ~~[(iv)]~~ (ii) The governing board of ~~[the]~~ a charter school that receives money from a  
155 grant under Section 53A-1a-513.5 shall use the grant ~~[to meet the]~~ for expenses ~~[of the school~~  
156 ~~as established in the school's charter]~~ for planning and implementation of the charter school.

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

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

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

167 Section 2. Section **53A-1a-513.5** is enacted to read:

168 **53A-1a-513.5. Charter school start-up costs.**

169 (1) (a) The State Charter School Board shall use money appropriated for charter school

170 start-up costs to provide grants to charter schools to pay for expenses for the planning and  
171 implementation of a charter school.

172 (b) The State Charter School Board:

173 (i) may use up to 8% of the money appropriated for charter school start-up costs for  
174 financial monitoring of new charter schools and to provide professional development or  
175 technical assistance for governing board members and staff of new charter schools; and

176 (ii) in accordance with rules adopted by the State Board of Education, may use up to  
177 \$200,000 of the money appropriated for charter school start-up costs for a mentoring program  
178 for new and existing charter schools.

179 (2) The amount of a grant for charter school start-up costs shall be based on the  
180 authorized enrollment of the charter school.

181 (3) The State Board of Education shall make rules consistent with this section  
182 specifying:

183 (a) procedures for applying for and awarding grants for charter school start-up costs;

184 (b) permitted uses of grant money; and

185 (c) requirements for a charter school to submit the following to the State Charter  
186 School Board:

187 (i) a budget for the grant money; and

188 (ii) a final report on the expenditure of the grant money.

189 (4) The State Board of Education shall make rules establishing a mentoring program  
190 for new and existing charter schools.

191 Section 3. Section **63I-2-253** is amended to read:

192 **63I-2-253. Repeal dates -- Titles 53, 53A, and 53B.**

193 (1) Section 53A-1-403.5 is repealed July 1, 2012.

194 (2) Subsection 53A-1-603(5) is repealed July 1, 2015.

195 (3) Section 53A-1a-513.5 is repealed July 1, 2017.

196 [~~3~~] (4) Title 53A, Chapter 1a, Part 10, UPSTART, is repealed July 1, 2014.

197 [~~4~~] (5) Subsection 53A-13-110(4) is repealed July 1, 2013.

198           ~~[(5)]~~ (6) Section 53A-15-1215 is repealed July 1, 2012.

199           Section 4. **Appropriation.**

200           Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
201 following sums of money are appropriated from resources not otherwise appropriated, out of  
202 the funds or accounts indicated for the fiscal year beginning July 1, 2012 and ending June 30,  
203 2013. These are additions to any amounts previously appropriated for fiscal year 2013.

204           To State Board of Education - State Charter School Board

205                     From Education Fund   \$2,500,000

206                     Schedule of Programs:

207                                 Charter School Start-up Costs                                     \$2,500,000

208           The Legislature intends that the appropriation under this section:

209           (1) is ongoing, subject to availability of funds;

210           (2) is for fiscal years 2012-13, 2013-14, 2014-15, 2015-16, and 2016-17 only;

211           (3) be used as provided in Section 53A-1a-513.5; and

212           (4) not lapse at the end of each fiscal year.

213           Section 5. **Effective date.**

214           (1) Except as provided in Subsection (2), this bill takes effect on May 8, 2012.

215           (2) Uncodified Section 3, Appropriation, takes effect on July 1, 2012.