

**SCHOOL FUNDING AMENDMENTS**

2016 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Howard A. Stephenson**

House Sponsor: \_\_\_\_\_

**LONG TITLE**

**Committee Note:**

The Charter School Funding Task Force recommended this bill.

Membership: 8 legislators 6 non-legislators

Legislative Vote: 6 voting for 2 voting against 0 absent

**General Description:**

This bill amends provisions related to charter school funding.

**Highlighted Provisions:**

This bill:

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

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**



28 AMENDS:

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



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

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

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

34 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 66           (i) district local property tax revenues; divided by
- 67           (ii) the sum of:
  - 68           (A) a school district's average daily membership; and
  - 69           (B) the average daily membership of a school district's resident students who attend
  - 70 charter schools.

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

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

- 75           (i) sum the revenues of each school district from the debt service levy imposed under
- 76 Section [11-14-310](#); and
- 77           (ii) divide the sum calculated under Subsection (1)~~(e)~~(i)~~(f)~~(i) by statewide school
- 78 district average daily membership.

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

81           (b) Charter schools authorized by local school boards that are converted from district  
82 schools or operate in district facilities without paying reasonable rent shall receive funding as  
83 prescribed in Section [53A-1a-515](#).

84           (3) (a) Except as provided in Subsections (3)(b) and (3)(c), a charter school shall  
85 receive state funds, as applicable, on the same basis as a school district receives funds.

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

- 89           (i) based on the higher of:

90 (A) October 1 enrollment in the current school year; or  
91 (B) average daily membership in the prior school year plus growth as determined under  
92 Section 53A-17a-106; and

93 (ii) weighted as provided in Subsection (3)(c).

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

96 (i) .55 for kindergarten pupils;

97 (ii) .9 for pupils in grades 1 through 6;

98 (iii) .99 for pupils in grades 7 through 8; and

99 (iv) 1.2 for pupils in grades 9 through 12.

100 (4) (a) (i) A school district shall allocate a portion of school district revenues for each  
101 resident student of the school district who is enrolled in a charter school on October 1 equal to  
102 25% of the district per pupil local revenues.

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

105 (b) The State Board of Education shall:

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

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

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

113 (i) unrestricted revenues available to the school district; or

114 (ii) the revenue sources listed in Subsection (1)~~(b)~~(c) based on the portion of the  
115 allocations to charter schools attributed to each of the revenue sources listed in Subsection  
116 ~~(1)(b)~~(c).

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

120 (ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided by the

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

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

124 (B) statewide average debt service revenues.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

164 Section 2. **Effective date.**

165 This bill takes effect on July 1, 2016.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**