

Bill Text

Status

Hearings/Debate

Amended

S.B. 38

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This document includes Senate Committee Amendments incorporated into the bill on Wed, Jan 27, 2016 at 9:47 AM by lpoole.

1

**SCHOOL FUNDING AMENDMENTS**

2

2016 GENERAL SESSION

3

STATE OF UTAH

4

**Chief Sponsor: Howard A. Stephenson**

5

House Sponsor: Steve Eliason

6

**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]**

21a **▶ amends the allocation that a school district makes for**

**resident students enrolled in a**

21b **charter school; and** ←**§**

▶ makes technical corrections.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

**Bill Sponsor:**



Sen. Stephenson,  
Howard A.

**Floor Sponsor:**



Rep. Eliason,  
Steve

**Drafting Attorney:** Victoria Ashby

**Fiscal Analyst:** Ben Leishman

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**Bill Text**

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**Other Versions**

- [Sub 1 \(Not Adopted\)](#)

**Related Documents**

- [Fiscal Note](#)
- [Senate Transmittal Letter 1](#)
- [Senate Committee Amendment 1](#)
- [Agency Perf Note](#)

**Information**

- **Last Action:** 11 Feb 2016,

26 This bill provides a special effective date.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **53A-1a-513**, as last amended by Laws of Utah 2015, Chapters  
64 and 380  
30

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

House/ to standing  
committee

- o **Last Location:** House  
Education Committee

**Similar Bills**

- o Charter Schools
- o Education
- o School Finance

**Sections Affected**

- o 53A-1a-513

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 ~~Ŝ~~ → **of the**

101a **prior year** ← ~~Ŝ~~ equal to

102 25% of the district per pupil local revenues ~~Ŝ~~ → **[:] excluding the  
amount of revenues described in**

102a **Subsection (1)(c)(iv) collected by the district** ← ~~Ŝ~~

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.

### Legislative Review Note

Office of Legislative Research and General Counsel

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