

**MINUTES OF HOUSE EDUCATION  
STANDING COMMITTEE**

Room 445, State Capitol

February 28, 2012

**MEMBERS PRESENT:** Rep. Francis Gibson, Chair  
Rep. Bill Wright, Vice Chair  
Rep. Patrice Arent  
Rep. LaVar Christensen  
Rep. Becky Edwards  
Rep. Steven Eliason  
Rep. John G. Mathis  
Rep. Kay L. McIff  
Rep. Carol Spackman Moss  
Rep. Merlynn Newbold  
Rep. Marie H. Poulson  
Rep. Kraig Powell

**MEMBERS EXCUSED:** Rep. Greg H. Hughes  
Rep. Rebecca D. Lockhart

**MEMBERS ABSENT:** Ken W. Sumsion

**STAFF PRESENT:** Constance C. Steffen, Policy Analyst  
Linda Service, Committee Secretary

**Note:** List of visitors and copy of handouts are filed with committee minutes.

Chair Gibson called the meeting to order at 8:10 a.m.

**H.B. 156 Public Education Program Amendments (Rep. M. Newbold)**

Rep. Newbold explained the bill eliminates public education programs and requirements.

Supt. Larry Shumway, Utah State Office of Education, addressed committee members' questions.

**MOTION:** Rep. Eliason moved to amend the bill as follows:

1. Page 1, Lines 12 through 13:

12       ▶     { ~~eliminates the requirement to take a course in financial literacy to~~  
~~graduate from~~  
13 ~~high school;~~}     requires the State Board of Education to provide a general  
financial literacy test-out option;

2. *Page 6, Lines 160 through 163:*

160 (a) use competency-based standards and assessments; { ~~and~~ }  
161 { }+ (b) include instruction that stresses general financial literacy from  
basic budgeting to  
162 financial investments, including bankruptcy education and a general financial  
literacy test-out option ; and { } +  
163 { }+ { (c) { + } ~~(b)~~ } increase graduation requirements in language arts  
mathematics, and science to

The motion passed unanimously with Rep. Christensen and Rep. Mathis absent for the vote.

**MOTION:** Rep. Moss moved to amend the bill as follows:

Delete lines 17, 29, 52, 232, and 239.

**SUBSTITUTE MOTION:** Rep. Powell moved amend the bill as follows:

1. *Page 1, Line 17:*

17 { ~~eliminates a requirement to assign a mentor to a provisional  
educator;~~ }

2. *Page 2, Lines 28 through 29:*

28 { ~~the Quality Teaching Block Grant Program;~~  
29 ~~the retirement and Social Security program;~~ }

3. *Page 2, Line 52:*

52 { ~~53A-10-108, as last amended by Laws of Utah 2009, Chapter 2}~~ }

4. *Page 2, Lines 55 through 56:*

55 { ~~53A-17a-124, as last amended by Laws of Utah 2010, Chapter 3~~  
56 ~~53A-17a-125, as last amended by Laws of Utah 2010, Chapter 3~~ }

5. *Page 8, Line 232:*

232 { ~~Section 53A-10-108, Mentor for provisional educator.~~ }

6. *Page 8, Lines 237 through 239:*

237 { ~~Section 53A-17a-124, Quality Teaching Block Grant Program--State~~ }

- 238 ~~contributions.~~  
239 ~~—Section 53A-17a-125, Appropriation for retirement and Social Security.~~}

The motion passed with Rep. Eliason, Rep. Newbold, Rep. Gibson, and Rep. Wright voting in opposition. Rep. Christensen was absent for the vote.

**MOTION:** Rep. Arent moved to pass the bill out as amended with a favorable recommendation. The motion passed unanimously. Rep. Christensen was absent for the vote.

**H.B. 392 Charter School Funding Revisions (Rep. S. Sandstrom)**

Rep. Sandstrom introduced the bill which modifies provisions pertaining to funding for charter schools.

Ms. Patti Harrington, representing the Utah School Boards Association, Utah School Superintendents Association, and School Business Officials Association, spoke in support of the bill.

The following commented on the bill:

Supt. Larry Shumway, Utah State Office of Education  
Mr. Peter Cannon, citizen

**MOTION:** Rep. Arent moved to amend the bill as follows:

1. Page 1, Lines 12 through 13:  
12 { ~~→ modifies a school district's contribution of school district revenues for~~  
~~charter~~  
13 ~~school students; and~~}
2. Page 1, Line 22:  
22 { ~~53A-1a-513, as last amended by Laws of Utah 2011, Chapter 371-~~
3. Page 1, Line 26 through Page 6, Line 155:  
26 { ~~Section 1. Section 53A-1a-513 is amended to read:~~  
27 ~~—53A-1a-513. Funding for charter schools.~~  
28 ~~—(1) As used in this section:~~  
29 ~~—(a) "Charter school students' average local revenues" means the amount~~  
~~determined as~~

30 follows:

31 ~~—(i) for each student enrolled in a charter school on the previous October 1,~~  
32 ~~calculate the~~  
33 ~~district per pupil local revenues of the school district in which the student resides;~~  
34 ~~—(ii) sum the district per pupil local revenues for each student enrolled in a~~  
35 ~~charter~~  
36 ~~school on the previous October 1; and~~  
37 ~~—(iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of~~  
38 ~~students~~  
39 ~~enrolled in charter schools on the previous October 1:~~  
40 ~~—(b) "District local property tax revenues" means the sum of a school district's~~  
41 ~~revenue~~  
42 ~~received from the following levies:~~  
43 ~~—(i) (A) a voted levy imposed under Section 53A-17a-133;~~  
44 ~~—(B) a board levy imposed under Section 53A-17a-134;~~  
45 ~~—(C) a 10% of basic levy imposed under Section 53A-17a-145;~~  
46 ~~—(D) a tort liability levy imposed under Section 63G-7-704;~~  
47 ~~—(E) a capital outlay levy imposed under Section 53A-16-107; and~~  
48 ~~—(F) a voted capital outlay levy imposed under Section 53A-16-110; or~~  
49 ~~—(ii) (A) a voted local levy imposed under Section 53A-17a-133;~~  
50 ~~—(B) a board local levy imposed under Section 53A-17a-164, excluding revenues~~  
51 ~~expended for:~~  
52 ~~—(I) recreational facilities and activities authorized under Title 11, Chapter 2,~~  
53 ~~Playgrounds;~~  
54 ~~—(H) pupil transportation, up to the amount of revenue generated by a .0003 per~~  
55 ~~dollar of~~  
56 ~~taxable value of the school district's board local levy; and~~  
57 ~~—(II) the K-3 Reading Improvement Program, up to the amount of revenue~~  
58 ~~generated by~~  
59 ~~a .000121 per dollar of taxable value of the school district's board local levy; and~~  
60 ~~—(C) a capital local levy imposed under Section 53A-16-113.~~  
61 ~~—(c) "District per pupil local revenues" means an amount equal to the following,~~  
62 ~~using~~  
63 ~~data from the most recently published school district annual financial reports and~~  
64 ~~state~~

- 57 ~~superintendent's annual report:~~
- 58 ~~——(i) district local property tax revenues; divided by~~
- 59 ~~——(ii) the sum of:~~
- 60 ~~——(A) a school district's average daily membership; and~~
- 61 ~~——(B) the average daily membership of a school district's resident students who~~  
~~attend~~
- 62 ~~charter schools:~~
- 63 ~~——(d) "Resident student" means a student who is considered a resident of the~~  
~~school~~
- 64 ~~district under Title 53A, Chapter 2, Part 2, District of Residency:~~
- 65 ~~——(e) "Statewide average debt service revenues" means the amount determined~~  
~~as~~
- 66 ~~follows, using data from the most recently published state superintendent's annual~~  
~~report:~~
- 67 ~~——(i) sum the revenues of each school district from the debt service levy imposed~~  
~~under~~
- 68 ~~Section 11-14-310; and~~
- 69 ~~——(ii) divide the sum calculated under Subsection (1)(e)(i) by statewide school~~  
~~district~~
- 70 ~~average daily membership:~~
- 71 ~~——(2) (a) Charter schools shall receive funding as described in this section, except~~
- 72 ~~Subsections (3) through (8) do not apply to charter schools described in Subsection~~  
~~(2)(b):~~
- 73 ~~——(b) Charter schools authorized by local school boards that are converted from~~  
~~district~~
- 74 ~~schools or operate in district facilities without paying reasonable rent shall receive~~  
~~funding as~~
- 75 ~~prescribed in Section 53A-1a-515:~~
- 76 ~~——(3) (a) Except as provided in Subsection (3)(b), a charter school shall receive~~  
~~state~~
- 77 ~~funds, as applicable, on the same basis as a school district receives funds:~~
- 78 ~~——(b) In distributing funds under Chapter 17a, Minimum School Program Act, to~~  
~~charter~~
- 79 ~~schools, charter school pupils shall be weighted, where applicable, as follows:~~
- 80 ~~——(i) .55 for kindergarten pupils;~~

81 ~~——(ii) .9 for pupils in grades 1 through 6;~~  
82 ~~——(iii) .99 for pupils in grades 7 through 8; and~~  
83 ~~——(iv) 1.2 for pupils in grades 9 through 12.~~  
84 ~~——(4) (a) (i) A school district shall allocate a portion of school district revenues for~~  
85 ~~each~~  
86 ~~resident student of the school district who is enrolled in a charter school on October~~  
87 ~~1 equal to~~  
88 ~~[25%] 20.6% of [the lesser of: (A)] district per pupil local revenues[; or];~~  
89 ~~——[(B) charter school students' average local revenues.]~~  
90 ~~——(ii) Nothing in this Subsection (4)(a) affects the school bond guarantee program~~  
91 ~~established under Chapter 28, Utah School Bond Guaranty Act.~~  
92 ~~——(b) The State Board of Education shall:~~  
93 ~~——(i) deduct an amount equal to the allocation provided under Subsection (4)(a)~~  
94 ~~from~~  
95 ~~state funds the school district is authorized to receive under Chapter 17a, Minimum~~  
96 ~~School~~  
97 ~~Program Act; and~~  
98 ~~——[(ii) remit the money to the student's charter school.]~~  
99 ~~——(ii) use the money deducted under Subsection (4)(b)(i), together with money~~  
100 ~~appropriated under Subsection (4)(d), to provide funds to charter schools in the~~  
101 ~~amount of~~  
102 ~~charter school students' average local revenues for each student enrolled in a~~  
103 ~~charter school on~~  
104 ~~October 1.~~  
105 ~~——(c) Notwithstanding the method used to transfer school district revenues to~~  
106 ~~charter~~  
107 ~~schools as provided in Subsection (4)(b), a school district may deduct the allocations~~  
108 ~~to charter~~  
109 ~~schools under this section from:~~  
110 ~~——(i) unrestricted revenues available to the school district; or~~  
111 ~~——(ii) the revenue sources listed in Subsection (1)(b) based on the portion of the~~  
112 ~~allocations to charter schools attributed to each of the revenue sources listed in~~  
113 ~~Subsection~~  
114 ~~(1)(b):~~  
115 ~~——(d) (i) Subject to future budget constraints, the Legislature shall provide an~~

107 ~~appropriation for charter schools for each student enrolled on October 1 to~~  
108 ~~supplement the~~  
109 ~~allocation of school district revenues under Subsection (4)(a):~~  
110 ~~—(ii) Except as provided in Subsection (4)(d)(iii), the amount of money provided~~  
111 ~~by the~~  
112 ~~state for a charter school student shall be the sum of:~~  
113 ~~—(A) charter school students' average local revenues minus the allocation of~~  
114 ~~school~~  
115 ~~district revenues under Subsection (4)(a); and~~  
116 ~~—(B) statewide average debt service revenues.~~  
117 ~~—(iii) If the total of a school district's allocation for a charter school student~~  
118 ~~under~~  
119 ~~Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is~~  
120 ~~less than~~  
121 ~~\$1427, the state shall provide an additional supplement so that a charter school~~  
122 ~~receives at least~~  
123 ~~\$1427 per student under this Subsection (4):~~  
124 ~~—(iv) (A) If the appropriation provided under this Subsection (4)(d) is less than~~  
125 ~~the~~  
126 ~~amount prescribed by Subsection (4)(d)(ii) or (4)(d)(iii), the appropriation shall be~~  
127 ~~allocated~~  
128 ~~among charter schools in proportion to each charter school's enrollment as a~~  
129 ~~percentage of the~~  
130 ~~total enrollment in charter schools.~~  
131 ~~—(B) If the State Board of Education makes adjustments to Minimum School~~  
132 ~~Program~~  
133 ~~allocations as provided under Section 53A-17a-105, the allocation provided in~~  
134 ~~Subsection~~  
135 ~~(4)(d)(iv)(A) shall be determined after adjustments are made under Section~~  
136 ~~53A-17a-105:~~  
137 ~~—(c) Of the money provided to a charter school under this Subsection (4), 10%~~  
138 ~~shall be~~  
139 ~~expended for funding school facilities only.~~  
140 ~~—(5) Charter schools are eligible to receive federal funds if they meet all~~  
141 ~~applicable~~

128 ~~federal requirements and comply with relevant federal regulations.~~  
129 ~~—(6) The State Board of Education shall distribute funds for charter school~~  
130 ~~students~~  
131 ~~directly to the charter school.~~  
132 ~~—(7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive~~  
133 ~~state~~  
134 ~~transportation funding.~~  
135 ~~—(b) The board shall also adopt rules relating to the transportation of students to~~  
136 ~~and~~  
137 ~~from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.~~  
138 ~~—(c) The governing body of the charter school may provide transportation~~  
139 ~~through an~~  
140 ~~136 agreement or contract with the local school board, a private provider, or with~~  
141 ~~parents.~~  
142 ~~—(8) (a) (i) The state superintendent of public instruction may allocate grants for~~  
143 ~~both~~  
144 ~~start-up and ongoing costs to eligible charter school applicants from money~~  
145 ~~appropriated for~~  
146 ~~the implementation of this part.~~  
147 ~~—(ii) Applications for the grants shall be filed on a form determined by the state~~  
148 ~~superintendent and in conjunction with the application for a charter.~~  
149 ~~—(iii) The amount of a grant may vary based upon the size, scope, and special~~  
150 ~~circumstances of the charter school.~~  
151 ~~—(iv) The governing board of the charter school shall use the grant to meet the~~  
152 ~~expenses~~  
153 ~~of the school as established in the school's charter.~~  
154 ~~—(b) The State Board of Education shall coordinate the distribution of federal~~  
155 ~~money~~  
156 ~~appropriated to help fund costs for establishing and maintaining charter schools~~  
157 ~~within the~~  
158 ~~state.~~  
159 ~~—(9) (a) A charter school may receive, hold, manage and use any devise, bequest,~~  
160 ~~grant,~~  
161 ~~endowment, gift, or donation of any property made to the school for any of the~~  
162 ~~purposes of this~~

- 151 ~~part.~~  
152 ~~—(b) It is unlawful for any person affiliated with a charter school to demand or~~  
~~request~~  
153 ~~any gift, donation, or contribution from a parent, teacher, employee, or other person~~  
~~affiliated~~  
154 ~~with the charter school as a condition for employment or enrollment at the school or~~  
~~continued~~  
155 ~~attendance at the school.~~

~~4. Page 7, Lines 199 through 200:—~~

- 199 This bill takes effect on { ~~July 1, 2012, except the amendments in this bill to~~  
~~Section~~  
200 ~~59-2-1317 take effect on~~ } January 1, 2013.

{ —  
The motion passed unanimously

**MOTION:** Rep. Arent moved to pass the bill out as amended with a favorable recommendation. The motion passed unanimously.

**H.B. 398 Allocation of School Trust Lands Funds (Rep. C. Herrod)**

Rep. Herrod introduced the bill which modifies the formula for distributing school trust lands funds to school districts and charter schools.

**MOTION:** Rep. Mathis moved to amend the bill as follows:

1. Page 1, Lines 16 through 18:

- 16 • { ~~a-~~ if a school district has an enrollment of fewer than 20,000  
students, the school { ~~district may not lose more than~~  
~~\$2-~~ } district's allocation per student may not be less than the  
school  
17 district's per student allocation in the 2011-12 school year as a result of the  
18 change in the formula.

2. Page 3, Lines 59 through 63:

- 59 (b) (i) The State Board of Education shall annually distribute funds to a school

- district  
60 so that a school district { ~~does not lose more than \$2.00 per student~~ with an  
enrollment of fewer than 20,000 students does not receive less money per student —  
compared to the school  
61 district's per student allocation under this section in the 2011-12 school year as a result of  
the  
62 change in the distribution formula under Subsection (3)(a) beginning with the 2012-13  
school  
63 year.

The motion passed unanimously with Rep. Moss absent for the vote.

The following spoke in support of the bill:

Ms. Kim Frank, Utah Charter Network  
Ms. Julie Adamic, charter schools  
Mr. Peter Cannon, citizen

The following spoke in opposition to the bill:

Ms. Dawn Davies, Utah PTA  
Ms. Patti Harrington, Utah School Boards Association, Utah School  
Superintendents Association, and School Business Officials Association.

**MOTION:** Rep. Newbold moved to place the bill in interim study. The motion passed with Rep. Gibson and Rep. Mathis voting in opposition. Rep. Christensen and Rep. Wright were absent for the vote.

**H.B. 364 School District Financial Reporting Amendments** (*Rep. J. Dougall*)

The Chair announced that H.B. 364 would be on the next agenda.

**MOTION:** Rep. Poulson moved to adjourn. The motion passed unanimously. Chair Gibson adjourned the meeting at 9:28 a.m.

