

(Draft – Awaiting Approval)

**MINUTES OF THE
CHARTER SCHOOL FUNDING TASK FORCE**

Monday, November 23, 2015 – 1:00 p.m. – Room 445 State Capitol

Members Present:

Sen. Howard A. Stephenson, Senate Chair
Rep. Steve Eliason, House Chair
Sen. Jani Iwamoto
Sen. Ann Millner
Sen. Jerry W. Stevenson
Rep. Joel K. Briscoe
Rep. John Knotwell
Rep. Bradley G. Last
Mr. Dave Crandall
Mr. Howard Headlee
Mr. Jefferson Moss

Mr. Brad Taylor
Mr. Leon Wilcox

Members Absent:

Ms. Jennifer A. Johnson

Staff Present:

Ms. Tiffany A. Stanley, Policy Analyst
Ms. Allyson R. Goldstein, Policy Analyst
Mr. Ben Leishman, Fiscal Analyst
Ms. Victoria Ashby, Associate General Counsel
Ms. Debra Hale, Legislative Assistant

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Task Force Business

Chair Stephenson called the meeting to order at 1:26 p.m. Ms. Johnson was excused from the meeting.

MOTION: Rep. Knotwell moved to approve the minutes of the October 29, 2015, meeting. The motion passed unanimously. Sen. Stevenson was absent for the vote.

2. Local Education Agency Input Regarding Local Replacement

Mr. Leishman described a chart, "Charter School Local Replacement – School District Contributions," that details, for each school district, the proportion of the school district's average per student local property tax revenue contributed to local replacement compared to the property tax revenue that remains in a school district for a student within the school district's boundaries who attends a charter school.

Mr. Mark Caldwell, President, Board of Education, Uintah School District, explained that due to the opening of a new charter school within the school district's boundaries, the school district will now be contributing approximately \$500,000 for local replacement and has had to look for ways to make up the deficit.

Dr. Cade Douglas, Superintendent, Sevier School District, said that local replacement, in the amount of \$25,000 for the district, is a strain on the district's budget, because the district operates as efficiently as possible. He added that students transferring from charter schools to the district after October 1 create staffing and budgeting issues. He concluded that he does not believe charter schools belong in rural communities.

Mr. Robert W. Smith, Business Administrator, Alpine School District, said that local replacement means that local school boards, which are composed of elected members, lose funding to other boards that are not held accountable for the use of those funds. Regarding the proposal to include property tax revenues expended for transportation in the calculation of local replacement, he suggested that transportation is

already underfunded and raised questions about the implications of including it in the formula. Regarding the proposal to include revenue from the voted, board, and capital state guarantee programs in the local replacement formula, he suggested it would add revenue intended to equalize per student funding across school districts to an already equalized mechanism for distributing funds to charter schools (local replacement). Mr. Smith recommended that the task force consider replacing local replacement with a statewide tax levy to fund charter schools.

Mr. Caldwell, Dr. Douglas, and Mr. Smith responded to questions from the task force.

3. Charter School Funding (Draft Legislation)

Ms. Ashby reviewed draft legislation "School Funding Amendments" (2016FL-495/003), which amends provisions related to charter school funding.

MOTION (1): Rep. Last moved to amend draft legislation "School Funding Amendments" by reverting Lines 75-103 to existing statute. The motion passed with Sen. Iwamoto, Sen. Stevenson, Rep. Briscoe, and Mr. Wilcox voting in opposition.

MOTION (2): Mr. Wilcox moved to amend draft legislation "School Funding Amendments" as follows:

Line 39: reinstate "levies"

Line 46: reinstate "and"

Line 47: reinstate "."

Lines 47-49: delete all language after the semi-colon

The motion failed with Sen. Iwamoto, Rep. Briscoe, and Mr. Wilcox voting in favor of the motion.

MOTION (3): Rep. Last moved to amend draft legislation "School Funding Amendments" as follows:

Line 42: reinstate ":"

Line 43-44: after "(B)" insert "(A)" and reinstate "pupil transportation, up to the amount of revenue generated by a .0003 per dollar of taxable value of the school district's board local levy; and"

Line 44: delete "(C)" and insert "(B)"

Lines 146-149: reinstate language

Line 150: reinstate "(c)" and strike "(7)"

The motion passed with Chair Stephenson, Sen. Stevenson, Mr. Headlee, Mr. Moss, and Mr. Taylor voting in opposition.

MOTION (4): Mr. Headlee moved that the task force:

(1) amend draft legislation "School Funding Amendments" as follows:

Lines 146-149: delete language that was reinstated by Motion (3)

Line 150: 'delete "(c)" and insert "(7)"; and

(2) recommend that Section 53A-17A-127 be amended to provide for transportation funding to flow to charter schools on a limited basis.

WITHDRAWAL OF MOTION: Mr. Headlee withdrew the motion.

MOTION (5): Rep. Last moved that draft legislation "School Funding Amendments," as amended, be adopted as a task force bill. The motion passed with Sen. Iwamoto, Rep. Briscoe, and Mr. Wilcox voting in opposition.

MOTION (6): Mr. Headlee moved that the task force recommend that the Public Education Appropriations Subcommittee consider providing limited transportation funding for charter schools in certain situations, in consultation with the State Board of Education. The motion passed with Sen. Iwamoto, Rep. Briscoe, Rep. Last, and Mr. Wilcox voting in opposition.

4. Property Tax Notice and Public Hearing Requirements (Draft Legislation)

Ms. Ashby described draft legislation "Charter School Funding Notice" (2016FL-0496/014), which modified notice and public hearing requirements related to school funding, including: requiring a school district, at a public hearing, to state the percentage of property tax revenue that represents revenue distributed to charter schools; and requiring a property tax notice to state the amount of property taxes imposed on the taxpayer that represents revenue distributed to charter schools for local replacement.

MOTION: Rep. Briscoe moved that draft legislation "Charter School Funding Notice" be adopted as a task force bill. The motion failed with Sen. Iwamoto, Sen. Millner, Rep. Briscoe, Rep. Eliason, Rep. Last, and Mr. Wilcox voting in favor of the bill.

5. Other Items/Adjourn

MOTION: Rep. Knotwell moved to adjourn the meeting. The motion passed unanimously.

Chair Stephenson adjourned the meeting at 4:25 p.m.