

1 **R277. Education, Administration.**

2 **R277-552. Charter School Timelines and Approval Processes.**

3 **R277-552-1. Authority and Purpose.**

4 (1) This rule is authorized by:

5 (a) Utah Constitution [Article X, Section 3](#), which vests general control and
6 supervision over public education in the Board;

7 (b) Subsection [53E-3-401\(4\)](#), which allows the Board to adopt rules in
8 accordance with its responsibilities;

9 (c) Subsection [53G-6-504\(5\)](#), which requires the Board to make rules regarding
10 a charter school expansion or satellite campus;

11 (d) Sections [53G-5-304](#) through [53G-5-306](#), which require the Board to make a
12 rule providing a timeline for the opening of a charter school;

13 (e) Section [53F-2-702](#), which directs the Board to distribute funds for charter
14 school students directly to the charter school;

15 (f) the Charter School Expansion Act of 1998, 20 U.S.C. Sec. 8063, which
16 directs the Board to submit specific information before a charter school's receipt of
17 federal funds; and

18 (g) Subsection [53G-5-205\(5\)](#), which requires the Board to make rules
19 establishing minimum standards that an authorizer is required to apply in authorizing
20 and monitoring charter schools.

21 (2) The purpose of this rule is to:

22 (a) establish procedures for timelines and approval processes for new charter
23 schools; and

24 (b) provide criteria and standards for consideration of high performing charter
25 schools to expand and request new schools that are satellite schools.

26

27 ~~**[R277-552-2. Definitions.**~~

28 ~~—— (1) "Large expansion" means a charter school's request for expansion if the
29 expansion request:~~

30 ~~—— (a) is for more than 50 students;~~

31 ~~—— (b) would necessitate significant renovation; or~~

- 32 ~~—— (c) is for more than one additional grade level.~~
- 33 ~~—— [(2)] “Market analysis” means a qualitative and quantitative analysis of the~~
- 34 ~~educational market near a proposed charter school, including:~~
- 35 ~~—— (a) the school’s target demographics;~~
- 36 ~~—— (b) population and development trends in the area;~~
- 37 ~~—— (c) nearby competing public schools;~~
- 38 ~~—— (d) the proposed school’s own forecasts, along with supporting data; and~~
- 39 ~~—— (e) any risks, barriers, or regulations that may impact a proposed school’s~~
- 40 ~~success.~~
- 41 ~~—— (3) “Significant school remodel” means new construction or a renovation that~~
- 42 ~~requires:~~
- 43 ~~—— (i) a building permit from a local municipality or county; or~~
- 44 ~~—— (ii) a project number from the Board as described in Rule R277-471.~~
- 45 ~~—— (4) “Small expansion request” means a charter school’s request for expansion if~~
- 46 ~~the expansion request:~~
- 47 ~~—— (a) is for 50 or fewer students;~~
- 48 ~~—— (b) would not necessitate a significant renovation; and~~
- 49 ~~—— (c) is for no more than one additional grade.]~~

50

51 **R277-552-[3]2. Charter School Authorization Process.**

- 52 (1) An individual or non-profit organization as described in Subsection [53G-5-](#)
- 53 [302\(2\)\(b\)](#) may apply to open a charter school from any statutorily approved authorizer.
- 54 (2) An authorizer shall submit a process to the Board for approval of:
- 55 (a) a new charter school;
- 56 (b) a request from a school to change authorizers;
- 57 (c) a charter school expansion; or
- 58 (d) a satellite school.
- 59 (3) A new authorizer shall submit a new charter school application process to the
- 60 Board for approval at least six months before accepting applications for a new charter
- 61 school.
- 62 (4) An existing authorizer may not authorize a new charter school for the 2021-

63 22 school year and beyond until the Board approves the authorizer's application
64 process.

65 (5)(a) The Board shall approve or deny an authorizer's proposed application
66 process, including expansion and satellite approval processes, within 90 days of receipt
67 of the proposed process from an authorizer.

68 (b) If the Board denies an application process, the Superintendent shall provide
69 a written explanation of the reasons for the denial to the applicant within 45 days.

70 (c) If an authorizer's application process is denied, the authorizer may submit a
71 revised application process for approval at any time.

72 (6) An authorizer shall have an application and charter agreement, which shall
73 include all elements required by [Title 53G, Chapter 5, Part 3](#), Charter School
74 Authorization.

75 (7) An authorizer shall maintain the official signed charter agreement, which
76 shall presumptively be the final, and complete agreement between a school and the
77 school's authorizer.

78 (8) An authorizer's review process for a new charter school shall include:

79 (a) a plan for mandatory pre-operational and other trainings;

80 (b) an evaluation of the school's governing board, including:

81 (i) a review of the resumes of and background information of proposed
82 governing board members; and

83 (ii) a capacity interview of the proposed governing board;

84 (c) an evaluation of the school's financial viability, including:

85 (i) a market analysis;

86 (ii) anticipated enrollment; and

87 (iii) anticipated and break even budgets;

88 (d) an evaluation of the school's academic program and academic standards by
89 which the authorizer will hold the school accountable; and

90 (e) an evaluation of the school's proposed pre-operational plan, including
91 implementation of:

92 (i) applicable legal requirements for public schools;

93 (ii) required policies;

- 94 (iii) student data systems, including student data privacy requirements;
- 95 (iv) reporting; and
- 96 (v) financial management.

97 (9) An authorizer's review process shall include contacting the school district in
98 which a proposed charter school will be located and consideration of any feedback
99 provided by the district.

100 (10) An authorizer shall design its approval process so that the authorizer
101 notifies the Superintendent of an authorizer approval of a request identified in
102 Subsection (2) no later than October 1, one fiscal year before the state fiscal year the
103 charter school intends to serve students.

104

105 **R277-552-[4]3. Timelines - Charter School Starting Date and Facilities.**

106 (1) A charter school may receive state start-up funds if the charter school is
107 approved as a new charter school by October 1, one fiscal year before the state fiscal
108 year the charter school intends to serve students.

109 (2) Before receiving state start-up funds an authorizer, other than the State
110 Charter School Board, shall certify in writing to the State Charter School Board that a
111 charter school has:

- 112 (a) completed all required financial documents;
- 113 (b) completed background checks for each governing board member; and
- 114 (c) executed a signed charter agreement, which includes academic goals.

115 (3) Before an LEA receives state start-up funds, the State Charter School Board
116 shall require the LEA to submit documentation supporting the information required in
117 Subsections (2)(a) and (c) to the Superintendent.

118 (4) A charter school may receive state funds, including minimum school program
119 funds, if the charter school authorizer certifies in writing to the Superintendent by June
120 30 before the school's first operational year that:

- 121 (a) the charter school meets the requirements of Subsection (2);
- 122 (b) the charter school's governing board has adopted all policies required by
123 statute or Board rule, including a draft special education policies and procedures
124 manual;

125 (c) the charter school's governing board has adopted an annual calendar in an
126 open meeting and has submitted the calendar to the Superintendent;

127 (d) the authorizer has received the charter school's facility contract as required
128 by Subsection [53G-5-404\(9\)](#);

129 (e) the charter school has met the requirements of Subsections (5) and (6) and
130 that the school's building is scheduled for completion, including all required inspections,
131 before occupancy;

132 (f)(i) the charter school has hired an executive director and a business
133 administrator; or

134 (ii)(A) the charter school governing board has designated an executive director
135 or business administrator employed by a third party; and

136 (B) the charter school governing board has established policies regarding the
137 charter school's supervision of the charter school's third-party contractors;

138 (g) the charter school's enrollment is on track to be sufficient to meet the
139 school's financial obligations and implement the charter school agreement;

140 (h) the charter school has an approved student data system that has
141 successfully communicated with UTREx, including meeting the compatibility
142 requirements of Subsection [R277-484-5\(3\)](#);

143 (i) the charter school has a functional accounting system; and

144 (j) the charter school has a budgeted net lease adjusted debt burden ratio of
145 under 30% based on the school's executed facility agreement; and

146 (k) the charter school has complied with all legal requirements for new charter
147 schools in a school's pre-operational year.

148 (5) An authorizer shall:

149 (a) create a process to verify the requirements in Subsection (4);

150 (b) maintain documentation of Subsection (5)(a); and

151 (c) provide the documentation described in Subsection (5)(b) to the
152 Superintendent upon request; and

153 (d) submit a copy of the process required in Subsection (5)(a) to the Board for
154 approval along with the authorizer's process for approving new charters under
155 Subsection [R277-552-\[3\]2\(2\)](#).

156 (6) A charter school shall begin construction on a new or existing facility
157 requiring significant renovation no later than January 1 of the year the charter school is
158 scheduled to open.

159 (7) A charter school that intends to occupy a facility requiring only minimal
160 renovation, such as renovation not requiring a project number according to Rule [R277-](#)
161 [471](#), shall enter into a written agreement no later than May 1 of the calendar year the
162 charter school is scheduled to open.

163 (8) If a charter school fails to meet the requirements of this section within 36
164 months of approval, the approval of the charter school shall expire.

165

166 **R277-552-~~[5]~~4. Charter Amendment Requests.**

167 (1) An authorizer shall have a policy establishing a process for consideration of
168 proposed amendments to a school's charter agreement.

169 (2) An authorizer's timeline for consideration of an amendment to a charter
170 agreement may not conflict with any funding deadline established in Board rule.

171

172 **R277-552-~~[6]~~5. Charter School Small Expansion Requests.**

173 (1) An authorization process developed by an authorizer in accordance with
174 Subsection R277-552-~~[3]~~2(2) shall comply with Sections R277-552-~~[6]~~5 and R277-552-
175 ~~[7]~~6 for a charter school expansion.

176 (2) An authorizer may approve a small expansion request in accordance with an
177 authorizer's standards and established criteria.

178 (3) An authorizer may approve an application from a charter school for a large
179 expansion if the charter school meets the requirements for a satellite school described
180 in Section R277-552-~~[7]~~6.

181 (4) An authorizer may provide additional requirements in addition to the
182 requirements described in Sections R277-552-~~[6]~~5 and R277-552-~~[7]~~6.

183 (5) An authorizer shall provide documentation of an applicant school's eligibility
184 for an expansion under Subsection (2) or Section R277-552-~~[7]~~6 to the Superintendent
185 upon request.

186 (6) An authorizer shall:

187 (a) approve a proposed expansion before October 1 of the state fiscal year
188 before the school year that the charter school intends to expand; and

189 (b) provide the total number of students by grade that the charter school
190 expansion is authorized to enroll to the Superintendent on or before October 1 of the
191 state fiscal year before the school year that the school intends to expand.

192

193 **R277-552-[7]6. Requests for a New Satellite School or Large Expansion.**

194 (1) An authorization process developed by an authorizer in accordance with
195 Subsection R277-552-[3]2(2) shall comply with this Section R277-552-[7]6 for a satellite
196 school or large expansion request.

197 (2) An authorizer may not consider an application for a satellite school from a
198 charter school governed by a different authorizer.

199 (3) An authorizer may only approve an application from a charter school for a
200 satellite school or large expansion if:

201 (a) the charter school is in compliance with the requirements of federal and state
202 law, regulations, and Board rule;

203 (b) the charter school meets the academic and other standards and
204 requirements of the charter school authorizer, and is in good standing according to the
205 standards established by the charter school's authorizer in the authorizer's process for
206 charter school expansion or satellite school described in Subsection R277-552-[3]2(2),
207 including whether the charter LEA, as a whole, qualifies as high performing under the
208 charter school's authorizer's approved definition of high performing;

209 (d) subject to Subsection (4), the charter school is operationally successful,
210 taking into consideration at least two years of data for every school under the charter
211 agreement;

212 (e) the charter school has plans for the new satellite school or large expansion
213 to:

214 (i) provide educational services consistent with state law and Board rule;

215 (ii) administer and have capacity to carry out statewide assessments including
216 proctoring statewide assessments, consistent with Section [53E-4-303](#) and Rule [R277-](#)

217 [404](#); and

218 (iii) provide evidence-based instruction for special populations as required by
219 federal law;

220 (f) the charter school has adequate qualified administrators and staff to meet the
221 needs of the proposed student population at the new school;

222 (g) the school is in compliance with all public school legal obligations;

223 (h) the charter school is in good standing with its authorizer;

224 (i) the charter school has no outstanding corrective action that has not yet been
225 resolved by the completion of a corrective action plan;

226 (j) the charter school provides a market analysis, including documentation of the
227 school's potential for enrollment stability; and

228 (k) the charter school provides any additional information or documentation
229 requested by the authorizer.

230 (4)(a) For purposes of this Subsection (4), "debt coverage ratio" means:

231 (i) a debt coverage ratio calculated using (revenue - expenditures + interest cost
232 + depreciation) divided by annual debt service; or

233 (ii) if the charter school's facilities are leased and not owned, a debt coverage
234 ratio calculated using (revenue - expenditures + facility lease payment + real property
235 taxes + depreciation) divided by annual debt service.

236 (b) A charter school is considered to be operationally successful if:

237 (i) for each of the schools under the charter agreement, the charter school
238 meets the following criteria:

239 (A) for a school with 350 or less students enrolled in the school, at least 120%
240 debt coverage ratio for each of the three years before the request for a satellite;

241 (B) for a school with between 351 and 499 students enrolled in the school, at
242 least 115% debt coverage ratio for each of the three years before the request for a
243 satellite;

244 (C) for a school with between 500 and 750 students enrolled in the school, at
245 least 110% debt coverage ratio for each of the three years before the request for a
246 satellite; or

247 (D) for a school with more than 750 students enrolled in the school, at least
248 105% debt coverage ratio for each of the three years before the request for a satellite;

249 (ii) the charter school is financially viable, as evidenced by the charter school's
250 financial records, including the charter school's:

251 (A) most recent annual financial report (AFR);

252 (B) annual program report (APR); and

253 (C) audited financial statements;

254 (iii) the charter school has maintained a net lease adjusted debt burden ratio of
255 under 25% for each of the last three years; and

256 (iv) the charter school's financial statements report revenues in excess of
257 expenditures for at least three of the last four years;

258 (v) the charter school is meeting the terms of its charter agreement;

259 (vi) the charter school has maintained for each of the last three years:

260 (A) a re-enrollment rate of at least 80%;

261 (B) a wait list of at least 40% of its annual enrollment; or

262 (C) there is a demonstrated demand for the proposed satellite or large
263 expansion, taking into consideration the market analysis required under Subsection
264 (3)(j).

265 (5) An authorizer may provide additional requirements for a charter school in
266 addition to the minimum requirements described in this Section R277-552-[7]6.

267 (6) An authorizer shall provide documentation of an applicant school's eligibility
268 for a satellite school or large expansion under Subsection (3) to the Superintendent
269 upon request.

270 (7) An authorizer shall:

271 (a) approve a proposed large expansion request or satellite school before
272 October 1 of the state fiscal year before the school year that the proposed school
273 intends to first serve students;

274 (b) provide the total number of students by grade that the expanded or satellite
275 school is authorized to enroll to the Superintendent on or before October 1 of the state
276 fiscal year before the school year that the proposed school intends to first serve
277 students; and

278 (c) ensure that a proposed school that will receive School LAND Trust funds has
279 a charter trust land council and satisfies all requirements of Rule [R277-477](#), including

280 transparency of information for parents.

281 (8) A charter school and all of the charter school's satellite schools are a single
282 LEA for purposes of public school funding and reporting.

283 (9) If a satellite charter school does not open within 36 months of approval, the
284 approval shall expire.

285 (10) If an authorizer denies an application for a satellite school, the school may
286 immediately apply for a new charter in accordance with an authorizer's approved
287 processes.

288

289 **R277-552-[8]7. Procedures and Timelines to Change Charter School Authorizers.**

290 (1) A charter school may transfer to another charter school authorizer.

291 (2) A charter school shall submit an application to the new charter school
292 authorizer at least 90 days before the proposed transfer.

293 (3) The charter school authorizer transfer application shall include:

294 (a) the name and contact information of all current governing board members;

295 (b) financial records that demonstrate the charter school's financial position,
296 including the following:

297 (i) most recent annual financial report (AFR);

298 (ii) annual program report (APR); and

299 (iii) audited financial statements;

300 (c) test scores, including all state required assessments;

301 (d) current employees and assignments;

302 (e) board minutes for the most recent 12 months; and

303 (f) affidavits, signed by all board members certifying:

304 (i) the charter school's compliance with all state and federal laws and
305 regulations, including documentation if requested;

306 (ii) all information on the transfer application is complete and accurate;

307 (iii) the charter school is current with all required charter school governing board
308 policies;

309 (iv) the charter school is operating consistent with the charter school's charter
310 agreement; and

311 (v) there are no outstanding lawsuits, judgments, or liens against the charter
312 school.

313 (4) The current authorizer of a charter school seeking to transfer charter school
314 authorizers shall submit a position statement to the new charter school authorizer about:

315 (a) the charter school's status;

316 (b) compliance with the charter school authorizer requirements; and

317 (c) unresolved concerns.

318 (5) If a school applies to change authorizer's, the existing authorizer shall advise
319 the proposed authorizer if there is any outstanding debt to the existing authorizer or the
320 state.

321 (6) If a school applies to change authorizers, the request shall extend to all
322 satellite schools.

323 (7) A new charter school authorizer shall review an application for transferring to
324 another charter school authorizer within 60 days of submission of a complete
325 application, including all required documentation.

326 (8) Before accepting a charter school's transfer from another authorizer, the new
327 authorizer shall request and consider information from the Board and current authorizer
328 concerning the charter school's financial and academic performance.

329 (9) The Superintendent and current authorizer shall provide the information
330 described in Subsection (7) to a new charter authorizer within 30 days of request
331 described in Subsection (7).

332 (10) If an authorizer accepts the transfer of a charter school, the new authorizer
333 shall notify the Superintendent within 30 days.

334

335 **R277-552-[9]8. Requirements for Board Approval of Process Updates Due to**
336 **Changes in Board Rule.**

337 (1) An authorizer with a previously Board approved process shall re-submit the
338 authorizer's updated processes described in Subsection R277-552-[3]2(2) within six
339 months of the new effective date of this rule if the updates to this rule include new or
340 amended requirements.

341 (2) An authorizer may submit only those portions of the processes that were

342 impacted by the updates to this rule.

343

344 **KEY: training, timelines, expansion, satellite**

345 **Date of Last Change: May 23, 2023**

346 **Notice of Continuation: July 13, 2023**

347 **Authorizing, and Implemented or Interpreted Law: [Art X Sec 3](#); [53E-3-401](#); [53G-5-](#)**

348 **[205](#); [53F-2-702](#); 53G-6-503**