

memo

School Children's Trust Section
Utah State Board of Education

To: Utah State Charter School Board
From: Paula Plant, Director
Natalie Gordon, Specialist
Date: February 19, 2021
Re: Discussion and possible action on new charter schools and the School LAND Trust program distribution.

BACKGROUND

Currently, R277-477-5(6)(c) requires the superintendency through the School Children's Trust section to distribute an amount for first-year charter schools based on their estimated enrollment. There is a true-up in the second year, with the distribution for year two adjusted to reflect actual enrollment from year one. In some circumstances, the second year true-up has resulted in the distribution for year two to be reduced by thousands of dollars.

In determining School LAND Trust program funding for charter schools, every LEA receives at least a base amount of .4% of the total charter distribution. For FY21, the base amount is \$41,337. If every first-year school and newly opening satellite school were to receive the base distribution, the true-up would still be completed in year two. Schools with a larger enrollment than the calculated base enrollment would receive a one-time true up in the second year. There would no longer be a need to decrease a school's distribution in the second year.

Satellite schools may receive a reduction in funding in year two, but it would be less likely to be a large amount that would affect other schools in the LEA.

Every LEA would still receive the same amount of money over the two-year period. This change may make the first-year distribution smaller for some new schools but would provide for an ongoing stable revenue source into year two.

Possible motion: That the SCSB recommend a change to **R277-477 Distributions of Funds from the Trust Distribution Account and Administration of the School LAND Trust Program** to distribute the base amount as defined in R277-477 to first year charter schools and newly opening satellite schools.

Thank you for your consideration.