

PUBLIC EDUCATION CAPITAL OUTLAY

AMENDMENTS

2000 GENERAL SESSION

STATE OF UTAH

Sponsor: Thomas V. Hatch

AN ACT RELATING TO PUBLIC SCHOOLS; MODIFYING THE CRITERIA AND FORMULA FOR DISTRIBUTING CAPITAL OUTLAY FOUNDATION MONIES AND EMERGENCY SCHOOL BUILDING AID; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

53A-21-103, as last amended by Chapter 129, Laws of Utah 1999

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **53A-21-103** is amended to read:

53A-21-103. Qualifications for participation in the foundation program -- Distribution of monies -- Distribution formulas.

(1) In order for a school district to qualify for monies under the capital outlay foundation program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of [up to] at least .0024 per dollar of taxable value for capital outlay and debt service.

~~[(2) (a) The State Board of Education shall adopt a rule in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that allows a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district.]~~

~~[(b) The rules may include hold harmless provisions for up to two years.]~~

(2) To equalize tax effort for capital outlay and debt service a district's assessed valuation will be multiplied by a .0042 tax rate.

(3) (a) ~~[Through June 30, 2001, 20% of the monies in the capital outlay foundation program shall be used in]~~ There is established an emergency school building ~~[needs]~~ aid program.

28 (b) ~~[Beginning July 1, 2001, the emergency school building needs]~~ The program shall be
29 [terminated and the monies otherwise spent in that program shall be used for the general purposes
30 of the capital outlay foundation program] supplementary to the capital outlay foundation program
31 established in Subsection 53A-21-102(1) and funded from monies in the capital outlay foundation
32 program.

33 (c) The monies designated for the emergency school building aid program shall be based
34 upon \$2,000 per net new student averaged over a five-year period for qualifying school districts.

35 (d) To qualify for the emergency school building aid program, a school district must levy
36 a tax rate of at least .0024 for capital outlay and debt service, have experienced growth in its
37 student population, and demonstrated a need for emergency aid.

38 (4) The State Board of Education shall distribute monies in the capital outlay foundation
39 program and the emergency school building ~~[needs]~~ aid program in accordance with formulas
40 developed by the state superintendent of public instruction.

41 (a) The board shall distribute capital outlay foundation monies on the basis of a minimum
42 guarantee per average daily membership as computed by the state superintendent of public
43 instruction using:

44 (i) available monies; and

45 (ii) the assessed valuation per three-year average daily membership in each school district,
46 multiplied by the .0042 tax rate, minus capital outlay bond principal and interest repayments per
47 student.

48 (iii) (A) Qualifying bond issues under Subsection (4)(a)(ii) must have a minimum
49 repayment period of at least ten years or be prorated as though debt repayment would have been
50 calculated on a minimum of ten years, and bond principal and interest repayments are calculated
51 on a three-year average.

52 (B) Only bonds and debt incurred for new school space shall be included in the
53 calculations, excluding any part of the levy not used for capital facilities, such as technology or
54 instructional improvement programs.

55 (b) The formula for the emergency school building ~~[needs]~~ aid distribution shall include
56 the following components:

57 (i) a school district's ability and effort to raise money for ~~[school building needs as related~~
58 ~~to the assessed valuation per student for real property within the school district;]~~ new school space

59 as equalized by available income for capital per student, which is determined in the same manner
60 described in Subsection (4)(a); and

61 (ii) multiply Subsection (4)(b)(i) by need as reflected [by:] in the net growth over the last
62 five years in a district's student population averaged over that time frame.

63 [~~(A) the current number of students in the school district who are in alternative housing;~~
64 ~~and]~~

65 [~~(B) growth, both within the district and compared to the state as a whole; and]~~

66 [~~(iii) the school district's effort to raise money based on:]~~

67 [~~(A) the district's total tax rate; and]~~

68 [~~(B) the district's bond and bond interest payments compared to its ability to raise~~
69 ~~revenue.]~~

70 Section 2. **Effective date.**

71 This act takes effect on July 1, 2000.

Legislative Review Note
as of 12-28-99 8:46 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel