

1 **SCHOOL LAND TRUST PROGRAM**

2 **RESTRICTED ACCOUNT**

3 2004 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: David Clark**

6

7 **LONG TITLE**

8 **General Description:**

9 This bill creates a restricted account for the deposit of the earnings derived from the
10 investment of the permanent State School Fund.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ creates within the Uniform School Fund a restricted account that consists of:
 - 14 • interest and dividends derived from the investment of the permanent State
 - 15 School Fund; and
 - 16 • interest on the account monies; and
- 17 ▶ provides for the use of monies in the restricted account.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill takes effect on July 1, 2004.

22 **Utah Code Sections Affected:**

23 **AMENDS:**

24 **53A-16-101**, as last amended by Chapter 226, Laws of Utah 2003

25 **53A-16-101.5**, as last amended by Chapters 226 and 320, Laws of Utah 2003

26 **53A-17a-131.17**, as last amended by Chapter 320, Laws of Utah 2003

27 **53A-17a-149**, as enacted by Chapter 320, Laws of Utah 2003



28

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

30 Section 1. Section **53A-16-101** is amended to read:

31 **53A-16-101. Uniform School Fund -- Contents -- Interest and Dividends Account.**

32 (1) The Uniform School Fund established by Utah Constitution, Article X, Section 5,
33 consists of:

34 ~~[(1)]~~ (a) interest and dividends derived from the investment of monies in the permanent
35 State School Fund established by Utah Constitution, Article X, Section 5;

36 ~~[(2)]~~ (b) money transferred to the fund pursuant to Title 67, Chapter 4a, Unclaimed
37 Property Act;

38 ~~[(3)]~~ (c) revenue from the sale of forfeited property as provided by Title 24, Chapter 1,
39 Utah Uniform Forfeiture Procedures Act; and

40 ~~[(4)]~~ (d) all other constitutional or legislative allocations to the fund, including
41 revenues received under Utah Constitution, Article XIII, Section ~~[12(3)]~~ 5, from taxes on
42 income or intangible property, except for those income tax revenues appropriated to the state's
43 higher education system.

44 (2) (a) There is created within the Uniform School Fund a restricted account known as
45 the Interest and Dividends Account.

46 (b) The Interest and Dividends Account consists of:

47 (i) interest and dividends derived from the investment of monies in the permanent State
48 School Fund referred to in Subsection (1)(a); and

49 (ii) interest on account monies.

50 (3) (a) Upon appropriation by the Legislature, monies from the Interest and Dividends
51 Account shall be used for:

52 (i) the School LAND Trust Program as provided in Section 53A-16-101.5; and

53 (ii) teachers' classroom supplies as provided in Section 53A-17a-149.

54 (b) The Legislature may appropriate any remaining balance for the support of the
55 public education system.

56 Section 2. Section **53A-16-101.5** is amended to read:

57 **53A-16-101.5. School LAND Trust Program -- Purpose -- Distribution of funds --**
58 **School plans for use of funds.**

59 (1) There is established the School LAND (Learning And Nurturing Development)
60 Trust Program for the state's public schools to provide financial resources to enhance or
61 improve student academic achievement and implement a component of the school
62 improvement plan.

63 (2) (a) The program shall be funded each fiscal year [~~from that portion of the Uniform~~
64 ~~School Fund consisting of the interest and dividends received in the immediately preceding~~
65 ~~fiscal year from the investment of monies in the permanent State School Fund.]:~~

66 (i) from the Interest and Dividends Account created in Section 53A-16-101; and

67 (ii) in the amount of the sum of the following:

68 (A) the interest and dividends from the investment of monies in the permanent State
69 School Fund deposited to the Interest and Dividends Account in the immediately preceding
70 year; and

71 (B) interest accrued on monies in the Interest and Dividends Account in the
72 immediately preceding fiscal year.

73 (b) On and after July 1, 2003, the program shall be funded as provided in Subsection
74 (2)(a) up to a maximum of \$12,000,000 each fiscal year.

75 (c) The Legislature shall annually allocate, through an appropriation to the State Board
76 of Education, a portion of School LAND Trust Program monies for the administration of the
77 program.

78 (3) (a) The State Board of Education shall allocate the monies referred to in Subsection
79 (2) annually for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter as
80 follows:

81 (i) school districts shall receive 10% of the funds on an equal basis; and

82 (ii) the remaining 90% of the funds shall be distributed on a per student basis, with
83 each district receiving its allocation on the number of students in the district as compared to the
84 state total.

85 (b) Each school district shall distribute its allocation under Subsection (3)(a) to each
86 school within the district on an equal per student basis.

87 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
88 board may make rules regarding the time and manner in which the student count shall be made
89 for allocation of the monies.

90 (4) In order to receive its allocation under Subsection (3), a school shall have
91 established a school community council under Section 53A-1a-108.

92 (5) (a) The school community council or its subcommittee shall develop a program to
93 use its allocation under Subsection (3) to implement a component of the school's improvement
94 plan, including:

- 95 (i) the school's identified most critical academic needs;
- 96 (ii) a recommended course of action to meet the identified academic needs;
- 97 (iii) a specific listing of any programs, practices, materials, or equipment which the
98 school will need to implement a component of its school improvement plan to have a direct
99 impact on the instruction of students and result in measurable increased student performance;
- 100 and

101 (iv) how the school intends to spend its allocation of funds under this section to
102 enhance or improve academic excellence at the school.

103 (b) The school may develop a multiyear program, but the program shall be presented
104 and approved by the school community council and the local school board of the district in
105 which the school is located annually and as a prerequisite to receiving program funds allocated
106 under this section.

107 (6) (a) Each school shall:

- 108 (i) implement the program as approved by the school community council and approved
109 by the local school board;
- 110 (ii) provide ongoing support for the council's or its subcommittee's program;
- 111 (iii) meet school board reporting requirements regarding financial and performance
112 accountability of the program; and

113 (iv) publicize to its patrons and the general public on how the funds it received under
114 this section were used to enhance or improve academic excellence at the school and implement
115 a component of the school's improvement plan, including the results of those efforts.

116 (b) (i) Each school through its council or its subcommittee shall prepare and present an
117 annual report of the program to its local school board at the end of the school year.

118 (ii) The report shall detail the use of program funds received by the school under this
119 section and an assessment of the results obtained from the use of the funds.

120 Section 3. Section **53A-17a-131.17** is amended to read:

121 **53A-17a-131.17. State contribution for School LAND Trust Program.**

122 (1) (a) Except as provided in Subsection (1)(b), there is appropriated \$10,050,000 to
123 the State Board of Education as the state's contribution for the School LAND Trust Program for
124 the fiscal year beginning July 1, 2003.

125 (b) If the amount of money [~~in the Uniform School Fund described in Subsection~~
126 ~~53A-16-101.5(2)] prescribed for funding the School LAND Trust Program in Section~~
127 ~~53A-16-101.5~~ is less than or greater than \$10,050,000, the appropriation shall be equal to the
128 amount of money [~~in the Uniform School Fund described in Subsection 53A-16-101.5(2)]~~
129 ~~prescribed for funding the School LAND Trust Program in Section 53A-16-101.5~~, up to a
130 maximum of \$12,000,000.

131 (2) The State Board of Education shall distribute the money appropriated in Subsection
132 (1) in accordance with Section 53A-16-101.5 and rules established by the board in accordance
133 with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

134 Section 4. Section **53A-17a-149** is amended to read:

135 **53A-17a-149. Funds for classroom supplies.**

136 (1) If [~~the interest and dividends deposited in the Uniform School Fund from the~~
137 ~~investment of]~~ monies in the [~~Permanent State School Fund]~~ Interest and Dividends Account
138 created in Section 53A-16-101 are sufficient to provide the maximum amount of funds to the
139 School LAND Trust Program as provided in Section 53A-16-101.5, the balance of the [~~interest~~
140 ~~and dividends,]~~ account monies up to a maximum of \$10,000,000, shall be appropriated by the
141 Legislature for teachers' classroom supplies.

142 (2) (a) Money appropriated for classroom supplies pursuant to Subsection (1) shall be
143 distributed to classroom teachers in school districts, the Schools for the Deaf and the Blind, the
144 Edith Bowen Laboratory School, and charter schools on the basis of the number of classroom
145 teachers in each school as compared to the total number of classroom teachers.

146 (b) Each teacher in grades kindergarten through six shall receive up to \$225 and each
147 teacher in grades seven through 12 shall receive up to \$175 from the appropriation.

148 (c) Teachers shall spend the money for school supplies, materials, or field trips under
149 rules adopted by the State Board of Education.

150 Section 5. **Effective date.**

151 This bill takes effect on July 1, 2004.

Legislative Review Note
as of 12-17-03 10:15 AM

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

Office of Legislative Research and General Counsel

State Impact

Passage of this bill would provide statutory provisions for current practice by the Division of Finance. Revenue deposited into the Interest and Dividends restricted account may accrue additional interest depending on the amount of revenue deposited and the length of time the revenue remains unallocated. Due to these factors, it is unknown exactly how much additional interest revenue may be generated for the Interest and Dividends Account. Had the statutory provisions outlined in this bill been in effect for the end of FY 2003, approximately \$7,400 in interest earned on the revenue would have remained in the Uniform School Fund Restricted Account instead of being deposited into the General Fund. Any additional revenue generated from the interest on the account would remain restricted for use in the School LAND Trust Program.

Individual and Business Impact

No Fiscal Impact
