

Senator Howard A. Stephenson proposes the following substitute bill:

MINIMUM SCHOOL PROGRAM BUDGET

AMENDMENTS

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Merlynn T. Newbold

Senate Sponsor: Howard A. Stephenson

LONG TITLE

General Description:

This bill provides funding for the Minimum School Program.

Highlighted Provisions:

This bill:

- ▶ establishes a ceiling for the state contribution to the Minimum School Program for fiscal year 2009-10 of \$2,138,232,586;
- ▶ appropriates \$22,499,700 to the State Board of Education for fiscal year 2009-10 for school building aid programs for school districts;
- ▶ modifies the funding of charter schools;
- ▶ modifies the district administrative cost formula;
- ▶ makes one-time appropriations for fiscal year 2009-10; and
- ▶ makes one-time appropriations for fiscal year 2008-09.

Monies Appropriated in this Bill:

This bill appropriates:

- ▶ the following Minimum School Program monies:
 - \$2,031,884,786 from the Uniform School Fund for fiscal year 2009-10;
 - \$20,000,000 from the Uniform School Fund Restricted - Interest and Dividends



- 26 Account for fiscal year 2009-10;
- 27 • \$86,347,800 from the Uniform School Fund for fiscal year 2009-10 only;
 - 28 • (\$84,167,200) from the Uniform School Fund for fiscal year 2008-09 only;
 - 29 • \$207,176,000 from Federal Funds - American Recovery and Reinvestment Act
- 30 (H.R. 1, 111th Congress) for fiscal year 2009-10 only; and
- 31 • \$91,200,000 from Federal Funds - American Recovery and Reinvestment Act
- 32 (H.R. 1, 111th Congress) for fiscal year 2008-09 only; and
- 33 ▶ the following School Building Program monies:
 - 34 • \$22,499,700 from the Uniform School Fund for fiscal year 2009-10; and
 - 35 • \$3,171,700 from the Uniform School Fund for fiscal year 2008-09 only.

36 **Other Special Clauses:**

37 This bill provides an effective date.

38 This bill coordinates with S.B. 4, Current School Year Supplemental Minimum School
39 Program Budget Adjustments, by providing superseding and substantive amendments.

40 **Utah Code Sections Affected:**

41 AMENDS:

- 42 **53A-1a-502.5**, as last amended by Laws of Utah 2008, Chapter 397
- 43 **53A-1a-513**, as last amended by Laws of Utah 2008, Chapters 382 and 397
- 44 **53A-17a-104**, as last amended by Laws of Utah 2008, Chapters 1 and 397
- 45 **53A-17a-108**, as last amended by Laws of Utah 2008, Chapters 1 and 397
- 46 **53A-17a-120.5**, as enacted by Laws of Utah 2007, Chapter 368
- 47 **53A-17a-125**, as last amended by Laws of Utah 2004, Chapter 330
- 48 **53A-17a-127**, as last amended by Laws of Utah 2008, Chapter 397
- 49 **53A-17a-133**, as last amended by Laws of Utah 2008, Chapters 61, 231, and 236
- 50 **53A-17a-134**, as last amended by Laws of Utah 2008, Chapter 231
- 51 **53A-17a-135**, as last amended by Laws of Utah 2008, Chapter 1
- 52 **53A-17a-148**, as last amended by Laws of Utah 2008, Chapter 289
- 53 **53A-21-501**, as last amended by Laws of Utah 2008, Chapter 1 and renumbered and
- 54 amended by Laws of Utah 2008, Chapter 236

55

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

57 Section 1. Section **53A-1a-502.5** is amended to read:

58 **53A-1a-502.5. Charter schools -- Maximum authorized students.**

59 (1) The State Charter School Board and local school boards may only authorize a
60 combined maximum student capacity of:

61 (a) 32,921 students for the charter schools in the 2008-09 school year; and

62 (b) beginning in the 2009-10 school year, an annual increase in charter school
63 enrollment capacity equal to 1.4% of total school district enrollment as of October 1 of the
64 previous school year.

65 (2) (a) The State Board of Education, in consultation with the State Charter School
66 Board, shall allocate the students under Subsection (1) between the State Charter School Board
67 and local school boards.

68 (b) One-third of the student capacity described under Subsection (1)(b) shall be
69 allocated to increase the maximum student capacity of operating charter schools.

70 (c) If the operating charter schools do not use the allocation described under
71 Subsection (2)(b), the remaining student capacity may be used by new charter schools.

72 (3) An increase in charter school enrollment capacity in the 2011-12 school year or
73 thereafter shall receive:

74 (a) tentative approval by the State Board of Education by November 30 of the year that
75 is two years before the year that the increase in charter school enrollment capacity takes effect;
76 and

77 (b) final approval by the State Board of Education by the following April 1, subject to
78 legislative authorization of the increase in charter school enrollment capacity.

79 Section 2. Section **53A-1a-513** is amended to read:

80 **53A-1a-513. Funding for charter schools.**

81 (1) As used in this section:

82 (a) "Charter school students' average local revenues" means the amount determined as
83 follows:

84 (i) for each student enrolled in a charter school on the previous October 1, calculate the
85 district per pupil local revenues of the school district in which the student resides;

86 (ii) sum the district per pupil local revenues for each student enrolled in a charter
87 school on the previous October 1; and

88 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students
89 enrolled in charter schools on the previous October 1.

90 (b) "District per pupil local revenues" means the amount determined as follows, using
91 data from the most recently published school district annual financial reports and state
92 superintendent's annual report:

93 (i) calculate the sum of a school district's revenue received from:

94 (A) a voted levy imposed under Section 53A-17a-133;

95 (B) a board levy imposed under Section 53A-17a-134;

96 (C) 10% of the cost of the basic program levy imposed under Section 53A-17a-145;

97 (D) a tort liability levy imposed under Section 63G-7-704;

98 (E) a capital outlay levy imposed under Section 53A-16-107; and

99 (F) a voted capital outlay levy imposed under Section 53A-16-110; and

100 (ii) divide the sum calculated under Subsection (1)(b)(i) by the sum of:

101 (A) a school district's average daily membership; and

102 (B) the average daily membership of a school district's resident students who attend
103 charter schools.

104 (c) "Resident student" means a student who is considered a resident of the school
105 district under Title 53A, Chapter 2, Part 2, District of Residency.

106 (d) "Statewide average debt service revenues" means the amount determined as
107 follows, using data from the most recently published state superintendent's annual report:

108 (i) sum the revenues of each school district from the debt service levy imposed under
109 Section 11-14-310; and

110 (ii) divide the sum calculated under Subsection (1)(d)(i) by statewide school district
111 average daily membership.

112 (2) (a) Charter schools shall receive funding as described in this section, except
113 Subsections (3) through (8) do not apply to charter schools described in Subsection (2)(b).

114 (b) Charter schools authorized by local school boards that are converted from district
115 schools or operate in district facilities without paying reasonable rent shall receive funding as
116 prescribed in Section 53A-1a-515.

117 (3) (a) Except as provided in Subsection (3)(b), a charter school shall receive state
118 funds, as applicable, on the same basis as a school district receives funds.

119 (b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act,
120 to charter schools, charter school pupils shall be weighted, where applicable, as follows:

- 121 (i) .55 for kindergarten pupils;
122 (ii) .9 for pupils in grades 1-6;
123 (iii) .99 for pupils in grades 7-8; and
124 (iv) 1.2 for pupils in grades 9-12.

125 (4) (a) (i) [~~Except as provided in Subsection (4)(a)(ii), a~~] A school district shall
126 allocate a portion of school district revenues for each resident student of the school district who
127 is enrolled in a charter school on October 1 [~~equal to 25% of the lesser of~~] as follows:

128 (A) in fiscal years 2008-09 and 2009-10, the allocation shall equal 25% of the lesser of:

129 [~~(A)~~] (I) district per pupil local revenues; or

130 [~~(B)~~] (II) charter school students' average local revenues[.];

131 (B) in fiscal year 2010-11, the allocation shall equal 50% of the lesser of:

132 (I) district per pupil local revenues; or

133 (II) charter school students' average local revenues;

134 (C) in fiscal year 2011-12, the allocation shall equal 75% of the lesser of:

135 (I) district per pupil local revenues; or

136 (II) charter school students' average local revenues; and

137 (D) beginning in fiscal year 2012-13, the allocation shall equal 100% of the lesser of:

138 (I) district per pupil local revenues; or

139 (II) charter school students' average local revenues.

140 (ii) For the purpose of allocating school district revenues under Subsection (4)(a)(i) in
141 fiscal year 2008-09 only, a kindergarten student who is enrolled in less than a full-day
142 kindergarten program is weighted as .55 of a student.

143 (iii) Nothing in this Subsection (4)(a) affects the school bond guarantee program
144 established under Chapter 28, Utah School Bond Guaranty Act.

145 (b) The State Board of Education shall:

146 (i) deduct an amount equal to the allocation provided under Subsection (4)(a) from
147 state funds the school district is authorized to receive under Title 53A, Chapter 17a, Minimum
148 School Program Act; and

149 (ii) remit the money to the student's charter school.

150 (c) Notwithstanding the method used to transfer school district revenues to charter
151 schools as provided in Subsection (4)(b), a school district may deduct the allocations to charter
152 schools under this section from:

153 (i) unrestricted revenues available to the school district; or

154 (ii) the revenue sources listed in Subsections (1)(b)(i)(A) through (F) based on the
155 portion of the allocations to charter schools attributed to each of the revenue sources listed in
156 Subsections (1)(b)(i)(A) through (F).

157 (d) (i) Subject to future budget constraints, the Legislature shall provide an
158 appropriation for charter schools for each student enrolled on October 1 to supplement the
159 allocation of school district revenues under Subsection (4)(a).

160 (ii) Except as provided in [~~Subsections~~] Subsection (4)(d)(iii) [~~and (iv)~~], the amount of
161 money provided by the state for a charter school student shall be the sum of:

162 (A) charter school students' average local revenues minus the allocation of school
163 district revenues under Subsection (4)(a); and

164 (B) statewide average debt service revenues.

165 (iii) If the total of a school district's allocation for a charter school student under
166 Subsection (4)(a) and the amount provided by the state under Subsection (4)(d)(ii) is less than
167 \$1427, the state shall provide an additional supplement so that a charter school receives at least
168 \$1427 per student under this Subsection (4).

169 [~~(iv) For the purpose of providing state monies for charter school students under this
170 Subsection (4)(d), a kindergarten student who is enrolled in less than a full-day kindergarten
171 program is weighted as .55 of a student.]~~

172 (e) Of the monies provided to a charter school under this Subsection (4), 10% shall be
173 expended for funding school facilities only.

174 (5) Charter schools are eligible to receive federal funds if they meet all applicable
175 federal requirements and comply with relevant federal regulations.

176 (6) The State Board of Education shall distribute funds for charter school students
177 directly to the charter school.

178 (7) (a) Notwithstanding Subsection (3), a charter school is not eligible to receive state
179 transportation funding.

180 (b) The board shall also adopt rules relating to the transportation of students to and

181 from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

182 (c) The governing body of the charter school may provide transportation through an
183 agreement or contract with the local school board, a private provider, or with parents.

184 (8) (a) (i) The state superintendent of public instruction may allocate grants for both
185 start-up and ongoing costs to eligible charter school applicants from monies appropriated for
186 the implementation of this part.

187 (ii) Applications for the grants shall be filed on a form determined by the state
188 superintendent and in conjunction with the application for a charter.

189 (iii) The amount of a grant may vary based upon the size, scope, and special
190 circumstances of the charter school.

191 (iv) The governing board of the charter school shall use the grant to meet the expenses
192 of the school as established in the school's charter.

193 (b) The State Board of Education shall coordinate the distribution of federal monies
194 appropriated to help fund costs for establishing and maintaining charter schools within the
195 state.

196 (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant,
197 endowment, gift, or donation of any property made to the school for any of the purposes of this
198 part.

199 (b) It is unlawful for any person affiliated with a charter school to demand or request
200 any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated
201 with the charter school as a condition for employment or enrollment at the school or continued
202 attendance at the school.

203 Section 3. Section **53A-17a-104** is amended to read:

204 **53A-17a-104. Amount of state's contribution toward minimum school program.**

205 (1) The total contribution of the state toward the cost of the minimum school program
206 may not exceed the sum of [~~\$2,497,012,086~~] \$2,138,232,586 for the fiscal year beginning July
207 1, [~~2008~~] 2009, except as otherwise provided by the Legislature through supplemental
208 appropriations.

209 (2) There is appropriated from state and local funds for fiscal year [~~2008-09~~] 2009-10
210 for distribution to school districts and charter schools, in accordance with this chapter, monies
211 for the following purposes and in the following amounts:

- 212 (a) basic program - kindergarten, [~~\$65,182,638 (25,294 WPU)s~~] \$68,424,504 (26,552
 213 WPU)s;
- 214 (b) basic program - grades 1-12, [~~\$1,258,253,751 (488,263 WPU)s~~] \$1,291,316,661
 215 (501,093 WPU)s;
- 216 (c) basic program - professional staff, [~~\$116,307,741 (45,133 WPU)s~~] \$118,627,041
 217 (46,033 WPU)s;
- 218 (d) basic program - administrative costs, \$4,174,740 (1,620 WPU)s);
- 219 (e) basic program - necessarily existent small schools and units for consolidated
 220 schools, \$19,711,473 (7,649 WPU)s);
- 221 (f) special education - regular program - add-on WPU)s for students with disabilities,
 222 [~~\$155,789,958 (60,454 WPU)s~~] \$160,029,123 (62,099 WPU)s);
- 223 (g) preschool special education program, [~~\$22,082,313 (8,569 WPU)s~~] \$22,623,483
 224 (8,779 WPU)s);
- 225 (h) self-contained regular WPU)s, [~~\$34,573,032 (13,416 WPU)s~~] \$35,632,179 (13,827
 226 WPU)s);
- 227 (i) extended year program for severely disabled, [~~\$968,952 (376 WPU)s~~] \$992,145
 228 (385 WPU)s);
- 229 (j) special education programs in state institutions and district impact aid, [~~\$4,293,282~~
 230 ~~(1,666 WPU)s~~] \$4,398,939 (1,707 WPU)s);
- 231 (k) career and technical education district programs, [~~\$67,530,285 (26,205 WPU)s~~]
 232 \$68,656,434 (26,642 WPU)s, including [~~\$1,154,458~~] \$1,174,084 for summer career and
 233 technical education agriculture programs;
- 234 [~~(l) career and technical education district set-aside, \$2,878,509 (1,117 WPU)s~~];
- 235 [~~(m)~~] (l) class size reduction, [~~\$88,373,061 (34,293 WPU)s~~] \$90,537,741 (35,133
 236 WPU)s);
- 237 [~~(n)~~] (m) Social Security and retirement programs, [~~\$349,906,049~~] \$13,987,831;
- 238 [~~(o)~~] (n) pupil transportation to and from school, [~~\$74,446,865~~] \$65,646,865, of which
 239 not less than \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay
 240 for transportation costs of the schools' students;
- 241 [~~(p)~~] (o) guarantee transportation levy, \$500,000;
- 242 [~~(q) Local Discretionary Block Grant Program, \$21,820,748~~];

243 ~~[(r)]~~ (p) Interventions for Student Success Block Grant Program, [~~\$18,844,111~~
244 \$15,000,000;
245 ~~[(s)]~~ Quality Teaching Block Grant Program, \$77,615,641;
246 ~~[(t)]~~ (q) highly impacted schools, [~~\$5,123,207~~] \$4,610,907;
247 ~~[(u)]~~ (r) at-risk programs, [~~\$31,411,241~~] \$28,270,141;
248 ~~[(v)]~~ (s) adult education, [~~\$10,266,146~~] \$9,266,146;
249 ~~[(w)]~~ (t) accelerated learning programs, [~~\$4,295,581~~] \$3,566,081;
250 ~~[(x)]~~ (u) concurrent enrollment, [~~\$9,672,586~~] \$8,705,286;
251 ~~[(y)]~~ (v) High-ability Student Initiative Program, [~~\$500,000~~] \$495,000;
252 ~~[(z)]~~ (w) English Language Learner Family Literacy Centers, [~~\$2,000,000~~] \$1,800,000;
253 ~~[(aa)]~~ (x) electronic high school, \$2,000,000;
254 ~~[(bb)]~~ (y) School LAND Trust Program, [~~\$26,499,500~~] \$20,000,000;
255 ~~[(cc)]~~ (z) state supplement to local property taxes for charter schools, pursuant to
256 Section 53A-1a-513, [~~\$36,957,646~~] \$45,288,446;
257 ~~[(dd)]~~ (aa) charter school administrative costs, [~~\$2,898,600~~] \$3,677,000;
258 ~~[(ee)]~~ (bb) K-3 Reading Improvement Program, \$15,000,000;
259 ~~[(ff)]~~ (cc) Public Education Job Enhancement Program, [~~\$2,430,000~~] \$2,187,000;
260 ~~[(gg)]~~ (dd) educator salary adjustments, \$148,260,200;
261 ~~[(hh)]~~ (ee) Teacher Salary Supplement Restricted Account, [~~\$4,300,000~~] \$4,000,000;
262 ~~[(ii)]~~ (ff) library books and electronic resources, [~~\$1,500,000~~] \$500,000;
263 ~~[(jj)]~~ (gg) school nurses, [~~\$1,000,000~~] \$900,000;
264 ~~[(kk)]~~ (hh) critical languages, \$230,000;
265 ~~[(ll)]~~ (ii) extended year for special educators, [~~\$2,900,000~~] \$2,610,000;
266 ~~[(mm)]~~ (jj) USTAR Centers, [~~\$6,900,000~~] \$6,210,000;
267 ~~[(nn)]~~ (kk) state-supported voted leeway, [~~\$273,337,346~~] \$278,396,150;
268 ~~[(oo)]~~ (ll) state-supported board leeway, [~~\$71,575,858~~] \$73,324,640; and
269 ~~[(pp)]~~ (mm) state-supported board leeway for K-3 Reading Improvement Program,
270 \$15,000,000.

271 Section 4. Section **53A-17a-108** is amended to read:

272 **53A-17a-108. Weighted pupil units for small school district administrative costs**

273 -- **Appropriation for charter school administrative costs.**

274 (1) Administrative costs weighted pupil units are computed and distributed to small
275 school districts in accordance with the following schedule:

276 Administrative Costs Schedule

277 School District Enrollment as of October 1	Weighted Pupil Units
278 1 - [2,000] <u>500</u> students	[53] <u>95</u>
279 [2,001-10,000] <u>501 - 1,000</u> students	[48] <u>80</u>
280 [10,001-20,000] <u>1,001 - 2,000</u> students	[25] <u>70</u>
281 [20,001 and above] <u>2,001 - 5,000</u> students	[16] <u>60</u>

282 (2) (a) Money appropriated to the State Board of Education for charter school
283 administrative costs, including an appropriation in Section 53A-17a-104, shall be distributed to
284 charter schools in the amount of \$100 for each charter school student in enrollment.

285 (b) Charter schools are encouraged to identify and use cost-effective methods of
286 performing administrative functions, including contracting for administrative services with the
287 State Charter School Board as provided in Section 53A-1a-501.6.

288 (3) Charter schools are not eligible for funds for administrative costs under Subsection
289 (1).

290 Section 5. Section **53A-17a-120.5** is amended to read:

291 **53A-17a-120.5. Appropriation for concurrent enrollment.**

292 (1) Money appropriated to the State Board of Education in Section 53A-17a-104 for
293 concurrent enrollment shall be allocated as follows:

- 294 (a) 60% of the monies shall be allocated to local school boards and charter schools; and
- 295 (b) 40% of the monies shall be allocated to the State Board of Regents.

296 (2) The State Board of Education shall make rules providing that a school participating
297 in the concurrent enrollment programs offered under Section 53A-15-101 shall receive an
298 allocation from the monies described in Subsection (1)(a) as provided in Section 53A-15-101.

299 (3) The State Board of Regents shall make rules providing that an institution of higher
300 education participating in the concurrent enrollment programs offered under Section
301 53A-15-101 shall receive an allocation from the monies described in Subsection (1)(b) as
302 provided in the rules.

303 (4) [~~Each year~~] Subject to budget constraints, the Legislature shall annually increase
304 the money appropriated to the State Board of Education in Section 53A-17a-104 for concurrent

305 enrollment based on:

306 (a) enrollment growth in concurrent enrollment from additional students enrolled,
307 courses offered, and credit hours taken; and

308 (b) the percentage increase in the value of the weighted pupil unit.

309 (5) The State Board of Education and the State Board of Regents shall annually report
310 to the Public Education Appropriations Subcommittee:

311 (a) an accounting of the money appropriated for concurrent enrollment; and

312 (b) a justification of the split described in Subsections (1)(a) and (b).

313 Section 6. Section **53A-17a-125** is amended to read:

314 **53A-17a-125. Appropriation for retirement and Social Security.**

315 (1) The employee's retirement contribution shall be 1% for employees who are under
316 the state's contributory retirement program.

317 (2) The employer's contribution under the state's contributory retirement program is
318 determined under Section 49-12-301, subject to the 1% contribution under Subsection (1).

319 (3) (a) The employer-employee contribution rate for employees who are under the
320 state's noncontributory retirement program is determined under Section 49-13-301.

321 (b) The same contribution rate used under Subsection (3)(a) shall be used to calculate
322 the appropriation for charter schools described under Subsection (5).

323 (4) (a) Money appropriated to the State Board of Education in Section 53A-17a-104 for
324 retirement and Social Security monies shall be allocated to school districts and charter schools
325 based on a district's or charter school's total weighted pupil units compared to the total
326 weighted pupil units for all districts in the state.

327 (b) ~~The~~ Subject to budget constraints, monies needed to support retirement and
328 Social Security shall be determined by taking the district's prior year allocation and adjusting it
329 for:

330 (i) student growth;

331 (ii) the percentage increase in the value of the weighted pupil unit; and

332 (iii) the effect of any change in the rates for retirement, Social Security, or both.

333 (5) A charter school that has made an election of nonparticipation in the Utah State
334 Retirement Systems in accordance with Section 53A-1a-512 and Title 49, Utah State
335 Retirement and Insurance Benefit Act, shall use the funds described under this section for

336 retirement to provide its own compensation, benefit, and retirement programs.

337 Section 7. Section **53A-17a-127** is amended to read:

338 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus**
339 **routes -- Additional local tax.**

340 (1) A student eligible for state-supported transportation means:

341 (a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles
342 from school;

343 (b) a student enrolled in grades seven through 12 who lives at least two miles from
344 school; and

345 (c) a student enrolled in a special program offered by a school district and approved by
346 the State Board of Education for trainable, motor, multiple-disabled, or other students with
347 severe disabilities who are incapable of walking to school or where it is unsafe for students to
348 walk because of their disabling condition, without reference to distance from school.

349 (2) If a school district implements double sessions as an alternative to new building
350 construction, with the approval of the State Board of Education, those affected elementary
351 school students residing less than 1-1/2 miles from school may be transported one way to or
352 from school because of safety factors relating to darkness or other hazardous conditions as
353 determined by the local school board.

354 (3) (a) The State Board of Education shall distribute transportation monies to school
355 districts based on:

356 (i) an allowance per mile for approved bus routes;

357 (ii) an allowance per hour for approved bus routes; and

358 [~~(iii) an annual allowance for equipment and overhead costs based on approved bus~~
359 ~~routes and the age of the equipment; and]~~

360 [~~(iv)~~] (iii) a minimum allocation for each school district eligible for transportation
361 funding.

362 (b) The State Board of Education shall distribute appropriated transportation funds
363 based on the prior year's eligible transportation costs as legally reported under Subsection
364 53A-17a-126(3).

365 [~~(c) In order for a bus to be considered for the equipment allowance under Subsection~~
366 ~~(3)(a)(iii), it must meet federal and state regulations and standards for school buses.]~~

367 ~~[(d)]~~ (c) The State Board of Education shall annually review the allowance per mile[;]
368 and the allowance per hour[~~;- and the annual equipment and overhead allowance~~] and adjust the
369 ~~[allowance]~~ allowances to reflect current economic conditions.

370 (4) (a) Approved bus routes for funding purposes shall be determined on fall data
371 collected by October 1.

372 (b) Approved route funding shall be determined on the basis of the most efficient and
373 economic routes.

374 (5) A Transportation Advisory Committee with representation from local school
375 superintendents, business officials, school district transportation supervisors, and the state
376 superintendent's staff shall serve as a review committee for addressing school transportation
377 needs, including recommended approved bus routes.

378 (6) (a) A local school board may provide for the transportation of students who are not
379 eligible under Subsection (1), regardless of the distance from school, from:

380 (i) general funds of the district; and

381 (ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.

382 (b) A local school board may use revenue from the tax to pay for transporting
383 participating students to interscholastic activities, night activities, and educational field trips
384 approved by the board and for the replacement of school buses.

385 (c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002,
386 the state may contribute an amount not to exceed 85% of the state average cost per mile,
387 contingent upon the Legislature appropriating funds for a state contribution.

388 (ii) The state superintendent's staff shall distribute the state contribution according to
389 rules enacted by the State Board of Education.

390 (d) (i) The amount of state guarantee money which a school district would otherwise be
391 entitled to receive under Subsection (6)(c) may not be reduced for the sole reason that the
392 district's levy is reduced as a consequence of changes in the certified tax rate under Section
393 59-2-924 due to changes in property valuation.

394 (ii) Subsection (6)(d)(i) applies for a period of two years following the change in the
395 certified tax rate.

396 Section 8. Section **53A-17a-133** is amended to read:

397 **53A-17a-133. State-supported voted leeway program authorized -- Election**

398 requirements -- State guarantee -- Reconsideration of the program.

399 (1) An election to consider adoption or modification of a voted leeway program is
400 required if initiative petitions signed by 10% of the number of electors who voted at the last
401 preceding general election are presented to the local school board or by action of the board.

402 (2) (a) (i) To establish a voted leeway program, a majority of the electors of a district
403 voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a
404 special tax.

405 (ii) The tax rate may not exceed .002 per dollar of taxable value.

406 (b) The district may maintain a school program which exceeds the cost of the program
407 referred to in Section 53A-17a-145 with this voted leeway.

408 (c) In order to receive state support the first year, a district must receive voter approval
409 no later than December 1 of the year prior to implementation.

410 (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient
411 to guarantee [~~\$17.54~~] \$25.25 per weighted pupil unit for each .0001 of the first .0016 per dollar
412 of taxable value.

413 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
414 of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized
415 in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of
416 taxable value if a school district levies a tax rate under both programs.

417 (c) (i) Beginning July 1, [~~2005~~] 2009, the [~~\$17.54~~] \$25.25 guarantee under Subsections
418 (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the
419 value of the guarantee equal to [~~.008544~~] .009798 times the value of the prior year's weighted
420 pupil unit.

421 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
422 pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of
423 the prior year's weighted pupil unit.

424 (d) (i) The amount of state guarantee money to which a school district would otherwise
425 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's
426 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
427 pursuant to changes in property valuation.

428 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in

429 the certified tax rate.

430 (4) (a) An election to modify an existing voted leeway program is not a reconsideration
431 of the existing program unless the proposition submitted to the electors expressly so states.

432 (b) A majority vote opposing a modification does not deprive the district of authority to
433 continue an existing program.

434 (c) If adoption of a leeway program is contingent upon an offset reducing other local
435 school board levies, the board must allow the electors, in an election, to consider modifying or
436 discontinuing the program prior to a subsequent increase in other levies that would increase the
437 total local school board levy.

438 (d) Nothing contained in this section terminates, without an election, the authority of a
439 school district to continue an existing voted leeway program previously authorized by the
440 voters.

441 (5) Notwithstanding Section 59-2-918, a school district may budget an increased
442 amount of ad valorem property tax revenue derived from a voted leeway imposed under this
443 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without
444 having to comply with the advertisement requirements of Section 59-2-918, if:

445 (a) the voted leeway is approved:

446 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

447 (ii) within the four-year period immediately preceding the year in which the school
448 district seeks to budget an increased amount of ad valorem property tax revenue derived from
449 the voted leeway; and

450 (b) for a voted leeway approved or modified in accordance with this section on or after
451 January 1, 2009, the school district complies with the requirements of Subsection (7).

452 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this
453 section that exceeds the certified tax rate without having to comply with the advertisement
454 requirements of Section 59-2-919 if:

455 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an
456 increased amount of ad valorem property tax revenue derived from a voted leeway imposed
457 under this section;

458 (b) if the voted leeway was approved:

459 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

460 (ii) within the four-year period immediately preceding the year in which the school
461 district seeks to budget an increased amount of ad valorem property tax revenue derived from
462 the voted leeway; and

463 (c) for a voted leeway approved or modified in accordance with this section on or after
464 January 1, 2009, the school district complies with requirements of Subsection (7).

465 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the
466 electors regarding the adoption or modification of a voted leeway program shall contain the
467 following statement:

468 "A vote in favor of this tax means that (name of the school district) may increase
469 revenue from this property tax without advertising the increase for the next five years."

470 Section 9. Section **53A-17a-134** is amended to read:

471 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

472 (1) Each local school board may levy a tax rate of up to .0004 per dollar of taxable
473 value to maintain a school program above the cost of the basic school program as follows:

474 (a) a local school board shall use the monies generated by the tax for class size
475 reduction within the school district;

476 (b) if a local school board determines that the average class size in the school district is
477 not excessive, it may use the monies for other school purposes but only if the board has
478 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

479 (c) a district may not use the monies for other school purposes under Subsection (1)(b)
480 until it has certified in writing that its class size needs are already being met and has identified
481 the other school purposes for which the monies will be used to the State Board of Education
482 and the state board has approved their use for other school purposes.

483 (2) (a) The state shall contribute an amount sufficient to guarantee [~~\$17.54~~] \$25.25 per
484 weighted pupil unit for each .0001 per dollar of taxable value.

485 (b) The guarantee shall increase in the same manner as provided for the voted leeway
486 guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).

487 (c) (i) The amount of state guarantee money to which a school district would otherwise
488 be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's
489 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924
490 pursuant to changes in property valuation.

491 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in
492 the certified tax rate.

493 (3) The levy authorized under this section is not in addition to the maximum rate of
494 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax
495 rate under that section.

496 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not
497 require voter approval, but the board may require voter approval if requested by a majority of
498 the board.

499 (5) An election to consider disapproval of the board-authorized levy is required, if
500 within 60 days after the levy is established by the board, referendum petitions signed by the
501 number of legal voters required in Section 20A-7-301, who reside within the school district, are
502 filed with the school district.

503 (6) (a) A local school board shall establish its board-approved levy by April 1 to have
504 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an
505 election is required under this section, the levy applies to the fiscal year beginning July 1 of the
506 next calendar year.

507 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall
508 occur at a general election in even-numbered years, except that a vote required under this
509 section in odd-numbered years shall occur at a special election held on a day in odd-numbered
510 years that corresponds to the general election date. The school district shall pay for the cost of
511 a special election.

512 (7) (a) Modification or termination of a voter-approved leeway rate authorized under
513 this section is governed by Section 53A-17a-133.

514 (b) A board-authorized leeway rate may be modified or terminated by a majority vote
515 of the board subject to disapproval procedures specified in this section.

516 (8) A board levy election does not require publication of a voter information pamphlet.

517 Section 10. Section **53A-17a-135** is amended to read:

518 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

519 (1) (a) In order to qualify for receipt of the state contribution toward the basic program
520 and as its contribution toward its costs of the basic program, each school district shall impose a
521 minimum basic tax rate per dollar of taxable value that generates [~~\$260,731,750~~] \$273,950,764

522 in revenues statewide.

523 (b) The preliminary estimate for the [~~2008-09~~] 2009-10 minimum basic tax rate is
524 [~~.00125~~] .001303.

525 (c) The State Tax Commission shall certify on or before June 22 the rate that generates
526 [~~\$260,731,750~~] \$273,950,764 in revenues statewide.

527 (d) If the minimum basic tax rate exceeds the certified revenue levy as defined in
528 Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.

529 (2) (a) The state shall contribute to each district toward the cost of the basic program in
530 the district that portion which exceeds the proceeds of the levy authorized under Subsection
531 (1).

532 (b) In accord with the state strategic plan for public education and to fulfill its
533 responsibility for the development and implementation of that plan, the Legislature instructs
534 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each
535 of the coming five years to develop budgets that will fully fund student enrollment growth.

536 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the
537 cost of the basic program in a school district, no state contribution shall be made to the basic
538 program.

539 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of
540 the basic program shall be paid into the Uniform School Fund as provided by law.

541 Section 11. Section **53A-17a-148** is amended to read:

542 **53A-17a-148. Use of nonlapsing balances.**

543 (1) As used in this section:

544 (a) "Education entity" means a school district, charter school, or the Utah Schools for
545 the Deaf and the Blind.

546 (b) (i) "New educator" means a person who:

547 (A) is an educator as defined in Section 53A-17a-153;

548 (B) is hired by an education entity to begin teaching during the 2008-09 school year;

549 (C) did not work in this state as an educator for an education entity during the 2007-08
550 school year; and

551 (D) has never received a signing bonus in this state.

552 (ii) A new educator may include a person who is returning to education after one or

553 more years of interrupted service.

554 (2) The State Board of Education may use Minimum School Program nonlapsing
555 balances to restore special education funding as follows:

556 (a) up to \$902,538 is authorized in fiscal year 2005-06; and

557 (b) up to \$902,538 is authorized in fiscal year 2006-07.

558 (3) The State Board of Education shall ~~use~~ allocate \$5,000,000 of Minimum School
559 Program nonlapsing balances in fiscal year 2008-09 ~~as follows: (a) \$5,000,000 shall be~~
560 ~~allocated~~ to education entities to provide one-time signing bonuses for new educators as
561 provided under Subsection (4), including money for the following employer-paid benefits:

562 ~~[(i)]~~ (a) retirement;

563 ~~[(ii)]~~ (b) workers' compensation;

564 ~~[(iii)]~~ (c) Social Security; and

565 ~~[(iv)]~~ (d) Medicare~~;~~ ~~and~~.

566 ~~[(b) \$20,000,000 shall be allocated to education entities to provide one-time~~
567 ~~performance-based compensation as provided under Subsection (5).]~~

568 (4) (a) Subject to the availability of funding, education entities shall provide a one-time
569 signing bonus of \$1,000 to a new educator.

570 (b) If the total cost of bonuses and employer-paid benefits under Subsection (4)(a) for
571 all education entities exceeds \$5,000,000, all bonuses shall be reduced pro rata so that the total
572 cost does not exceed \$5,000,000.

573 (c) To qualify for a bonus, a new educator shall:

574 (i) be hired prior to October 1, 2008; and

575 (ii) work for at least 90 days for the education entity.

576 ~~[(5) (a) The \$20,000,000 for performance-based compensation shall be allocated to~~
577 ~~qualifying education entities on a per pupil basis.]~~

578 ~~[(b) (i) To receive an allocation under Subsection (5)(a), an education entity shall:]~~

579 ~~[(A) submit, prior to July 1, 2008, a written performance-based compensation plan to~~
580 ~~the State Board of Education that conforms to guidelines established by the State Board of~~
581 ~~Education in rule; and]~~

582 ~~[(B) receive approval of the plan by the State Board of Education.]~~

583 ~~[(ii) The performance-based compensation plan shall provide specific information~~

584 about how the education entity intends to spend its allocation, including:]

585 [~~(A) who is eligible for the performance-based compensation;~~]

586 [~~(B) criteria for awarding performance-based compensation;~~]

587 [~~(C) the instruments or assessments that may be used to measure or evaluate~~

588 performance;]

589 [~~(D) the amount of performance-based compensation that may be awarded; and]~~

590 [~~(E) whether the performance-based compensation will be based on individual, team,~~
591 ~~or school-based performance, or a combination of those.]~~

592 [~~(iii) The State Board of Education shall send the approved plans to the Executive~~
593 ~~Appropriations Committee and the Education Interim Committee by August 1, 2008 for review~~
594 ~~and comment.]~~

595 [~~(e) (i) An education entity shall award performance-based compensation from monies~~
596 ~~distributed under this section for employee performance during the 2008-09 school year.]~~

597 [~~(ii) Performance-based compensation monies may only be used in accordance with an~~
598 ~~education entity's performance-based compensation plan.]~~

599 [~~(iii) If an education entity uses performance-based compensation monies for purposes~~
600 ~~other than those stated in this Subsection (5) and its performance-based compensation plan, the~~
601 ~~education entity shall reimburse the monies that were improperly used.]~~

602 [~~(d) An education entity that awards performance-based compensation from monies~~
603 ~~distributed under this section shall report the following information to the Executive~~
604 ~~Appropriations Committee by June 30, 2009:]~~

605 [~~(i) the number of employees who received performance-based compensation;~~]

606 [~~(ii) the total number of employees;~~]

607 [~~(iii) the average performance-based compensation awarded to employees; and]~~

608 [~~(iv) the maximum performance-based compensation awarded to an employee.]~~

609 [~~(6)] (5) The State Board of Education may make rules as necessary to administer this~~

610 section, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

611 Section 12. Section **53A-21-501** is amended to read:

612 **53A-21-501. State contribution to capital outlay programs.**

613 (1) As an ongoing appropriation subject to future budget constraints, there is

614 appropriated from the Uniform School Fund for fiscal year [~~2008-09, \$27,288,900~~] 2009-10,

615 \$22,499,700 to the State Board of Education for the capital outlay programs created in this
616 chapter.

617 (2) Of the monies appropriated in Subsection (1), the State Board of Education shall
618 distribute:

619 (a) [~~\$24,358,000~~] \$19,568,800 in accordance with the Capital Outlay Foundation
620 Program pursuant to Section 53A-21-202; and

621 (b) \$2,930,900 in accordance with the Capital Outlay Enrollment Growth Program
622 pursuant to Section 53A-21-302.

623 **Section 13. One-time appropriations for fiscal year 2009-10.**

624 (1) There is appropriated from the Uniform School Fund to the State Board of
625 Education for fiscal year 2009-10 only:

626 (a) \$75,597,800 for Social Security and retirement as provided in Section
627 53A-17a-125; and

628 (b) \$750,000 for critical language and dual immersion pilot programs as provided in
629 Sections 53A-15-104 and 53A-15-105.

630 (2) There is appropriated from Federal Funds - American Recovery and Reinvestment
631 Act (H.R. 1, 111th Congress) to the State Board of Education for fiscal year 2009-10 only,
632 \$207,176,000 for Social Security and retirement as provided in Section 53A-17a-125.

633 **Section 14. One-time appropriation for classroom supplies.**

634 (1) There is appropriated from the Uniform School Fund to the State Board of
635 Education for fiscal year 2009-10 only, \$10,000,000 for classroom supplies and materials.

636 (2) (a) Of the amount appropriated in Subsection (1), the board shall distribute
637 \$7,500,000 to classroom teachers in school districts, the Utah Schools for the Deaf and the
638 Blind, and charter schools on the basis of the number of classroom teachers in each school as
639 compared to the total number of classroom teachers.

640 (b) Teachers shall receive up to the following amounts:

641 (i) a teacher on salary schedule steps one through three teaching in grades kindergarten
642 through six or preschool handicapped - \$360;

643 (ii) a teacher on salary schedule steps one through three teaching in grades seven
644 through twelve - \$310;

645 (iii) a teacher on salary schedule step four or higher teaching in grades kindergarten

646 through six or preschool handicapped - \$285; and

647 (iv) a teacher on salary schedule step four or higher teaching in grades seven through
648 twelve - \$235.

649 (c) If the appropriation in Subsection (1) is not sufficient to provide to each teacher the
650 full amount allowing under Subsection (2)(b), teachers on salary schedule steps one through
651 three shall receive the full amount allowed with the remaining monies apportioned to all other
652 teachers.

653 (3) (a) Of the amount appropriated in Subsection (1), the State Board of Education
654 shall distribute \$2,500,000 for classroom supplies and materials in accordance with a
655 distribution formula established by rule.

656 (b) The State Board of Education shall make rules in accordance with Subsections
657 (3)(c) and (d) and Title 63G, Chapter 3, Utah Administrative Rulemaking Act, for the
658 distribution of the \$2,500,000.

659 (c) The rules shall give priority to teachers in any grade in the first year of teaching in
660 the awarding of the monies.

661 (d) The rules may allow the monies to be distributed to teachers in any grade in the
662 second through fifth year of teaching.

663 (4) Teachers shall spend the money appropriated in Subsection (1) for school supplies,
664 materials, or field trips under rules adopted by the State Board of Education.

665 (5) As used in this section, "classroom teacher" or "teacher" means permanent teacher
666 positions filled by one teacher or two or more job-sharing teachers:

667 (a) who are licensed personnel;

668 (b) who are paid on the teacher's salary schedule;

669 (c) who are hired for an entire contract period; and

670 (d) whose primary function is to provide instructional or a combination of instructional
671 and counseling services to students in public schools.

672 **Section 15. One-time appropriations for fiscal year 2008-09.**

673 (1) There is appropriated from the Uniform School Fund to the State Board of
674 Education for fiscal year 2008-09 only:

675 (a) \$11,016,400 for the contribution of the state toward the cost of the minimum school
676 program as provided in Subsection 53A-17a-104(1);

677 (b) (\$91,200,000) for the offset of the ongoing locally determined reduction as
678 provided in Subsection (1) of Uncodified Section 5, Appropriation, in 2009 General Session,
679 S.B. 4, Current School Year Supplemental Minimum School Program Budget Adjustments;

680 (c) \$1,585,900 for the Capital Outlay Foundation Program for allocation pursuant to
681 Section 53A-21-202;

682 (d) \$1,585,800 for the Capital Outlay Enrollment Growth Program for allocation
683 pursuant to Section 53A-21-302; and

684 (e) (\$3,983,600) for educator salary adjustments as provided in Section 53A-17a-153.

685 (2) There is appropriated from Federal Funds - American Recovery and Reinvestment
686 Act (H.R. 1, 111th Congress) to the State Board of Education for fiscal year 2008-09 only,
687 \$91,200,000.

688 Section 16. **Effective date.**

689 This bill takes effect on July 1, 2009, except:

690 (1) if approved by two-thirds of all the members elected to each house, Uncodified
691 Section 15, One-time appropriations for fiscal year 2008-09, takes effect upon approval by the
692 governor, or the day following the constitutional time limit of Utah Constitution Article VII,
693 Section 8, without the governor's signature, or in the case of a veto, the date of veto override;
694 and

695 (2) Section 53A-1a-513 takes effect on May 12, 2009.

696 Section 17. **Coordinating H.B. 2 with S.B. 4 -- Superseding and substantive**
697 **amendments.**

698 If this H.B. 2 and S.B. 4, Current School Year Supplemental Minimum School Program
699 Budget Adjustments, both pass, it is the intent of the Legislature that when the Office of
700 Legislative Research and General Counsel prepares the Utah Code database for publication,
701 effective July 1, 2009:

702 (1) the amendments to Subsection 53A-17a-104(1) in this H.B. 2 shall replace the
703 amendments to Subsection 53A-17a-104(1) in S.B. 4;

704 (2) Subsection 53A-17a-104(2)(q) in S.B. 4 shall be deleted;

705 (3) Subsection 53A-17a-104(2)(gg) in S.B. 4 shall be renumbered and read as follows:
706 "(dd) educator salary adjustments, \$148,260,200;"

707 (4) the word "and" in Subsection 53A-17a-104(2)(oo) in S.B. 4 shall be reinserted;

708 (5) the amendment to Subsection 53A-17a-104(2)(pp) in S.B. 4 shall be deleted; and

709 (6) Subsection 53A-17a-104(qq) in S.B. 4 shall be deleted.

H.B. 2 1st Sub. (Buff) - Minimum School Program Budget Amendments

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill appropriates \$2,054,384,486 in ongoing Uniform School Funds, \$86,347,800 in one-time Uniform School Funds, \$20,000,000 in ongoing Uniform School Fund Restricted - Interest and Dividends, and \$207,176,000 in one-time American Recovery and Reinvestment Act monies to the Minimum School Program for FY 2010. As a supplemental appropriation in FY 2009, enactment of this bill appropriates (\$84,167,200) in one-time Uniform School Funds, \$91,200,000 in one-time American Recovery and Reinvestment Act monies to the Minimum School Program. As a supplemental appropriation in FY 2009, enactment of this bill appropriates \$3,171,700 in one-time Uniform School Funds to the Capital Outlay Foundation and Capital Outlay Enrollment Growth Programs. Enactment of this bill provides for a total Minimum School Budget of approximately \$2.9 billion in FY 2010 and the Weighted Pupil Unit value remains at \$2,577 per WPU. In FY 2011, the estimated increase of approximately 6,276 students in charter schools may increase the state cost towards the Charter School Local Replacement Program and the Charter School Administrative Cost program. This increased cost is estimated at \$7,344,500, with \$6,716,900 for the Local Replacement Program and \$627,600 for the Enrollment Growth Program.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Uniform School Fund	\$0	\$2,054,384,486	\$2,061,728,986	\$0	\$0	\$0
Uniform School Fund, One-time	(\$80,995,500)	\$86,347,800	\$0	\$0	\$0	\$0
Uniform School Fund Restricted	\$0	\$20,000,000	\$20,000,000	\$0	\$0	\$0
Federal Funds	\$91,200,000	\$207,176,000	\$0	\$0	\$0	\$0
Total	\$10,204,500	\$2,367,908,286	\$2,081,728,986	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill increases or decreases funding for programs within the Minimum School Program and School Building Programs that is distributed to support the operation of public schools. School districts and charter schools may see a change in their state fund allocations based on their individual level of participation in programs being increased or decreased. Individuals and businesses may also be impacted through their associated dealings with school districts and charter schools, the extent of which is dependent on the overall impact to each school district or charter school. Enactment of this bill will increase a school districts contribution to the cost of the Charter School Local Replacement beginning in FY 2011, FY 2012, and FY 2013. School districts and charter schools may see a change in their state fund allocation based on their level of participation in the program.