

## HB0109S01 compared with HB0109

~~deleted text~~ shows text that was in HB0109 but was deleted in HB0109S01.

inserted text shows text that was not in HB0109 but was inserted into HB0109S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Ken Ivory proposes the following substitute bill:

### PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION

2014 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ken Ivory**

Senate Sponsor: \_\_\_\_\_

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#### LONG TITLE

##### General Description:

This bill modifies and provides funding for the Capital Outlay Enrollment Growth Program.

##### Highlighted Provisions:

This bill:

- ▶ modifies eligibility requirements for a school district to receive funds through the Capital Outlay Enrollment Growth Program;
- ▶ creates a restricted account known as the Enrollment Growth Account;
- ▶ requires a portion of an Education Fund revenue surplus to be deposited in the Enrollment Growth Account;
- ▶ requires ~~unallocated~~ a portion of unexpended balances in certain programs of the Minimum School Program at the end of the fiscal year to be deposited in the

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Enrollment Growth Account; and

- ▶ requires the State Board of Education to allocate money appropriated from the Enrollment Growth Account to school districts eligible to receive funds through the Capital Outlay Enrollment Growth Program.

### Money Appropriated in this Bill:

This bill appropriates in fiscal year 2015:

- ▶ to School Building Programs as a one-time appropriation:
  - from the Education Fund, one-time, ~~+\$122~~\$61,000,000.

### Other Special Clauses:

This bill takes effect on July 1, 2014.

### Utah Code Sections Affected:

AMENDS:

[53A-17a-105, as last amended by Laws of Utah 2013, Chapter 310](#)

[53A-21-301](#), as last amended by Laws of Utah 2010, Chapter 185

ENACTS:

[53A-21-303](#), Utah Code Annotated 1953

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

[Section 1. Section 53A-17a-105 is amended to read:](#)

**53A-17a-105. Powers and duties of State Board of Education to adjust Minimum School Program allocations.**

(1) Except as provided in Subsection (2) or (4), if the number of weighted pupil units in a program is underestimated, the State Board of Education shall reduce the value of the weighted pupil unit in that program so that the total amount paid for the program does not exceed the amount appropriated for the program.

(2) If the number of weighted pupil units in a program is overestimated, the State Board of Education shall spend excess money appropriated for the following purposes giving priority to the purpose described in Subsection (2)(a):

(a) to support the value of the weighted pupil unit in a program within the basic state-supported school program in which the number of weighted pupil units is underestimated;

(b) to support the state guarantee per weighted pupil unit provided under the voted

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local levy program established in Section 53A-17a-133 or the board local levy program established in Section 53A-17a-164, if:

(i) local contributions to the voted local levy program or board local levy program are overestimated; or

(ii) the number of weighted pupil units within school districts qualifying for a guarantee is underestimated;

(c) to support the state supplement to local property taxes allocated to charter schools, if the state supplement is less than the amount prescribed by Subsection 53A-1a-513(4); or

(d) to support a school district with a loss in student enrollment as provided in Section 53A-17a-139.

(3) If local contributions from the minimum basic tax rate imposed under Section 53A-17a-135 are overestimated, the State Board of Education shall reduce the value of the weighted pupil unit for all programs within the basic state-supported school program so the total state contribution to the basic state-supported school program does not exceed the amount of state funds appropriated.

(4) If local contributions from the minimum basic tax rate imposed under Section 53A-17a-135 are underestimated, the State Board of Education shall:

(a) spend the excess local contributions for the purposes specified in Subsection (2), giving priority to supporting the value of the weighted pupil unit in programs within the basic state-supported school program in which the number of weighted pupil units is underestimated; and

(b) reduce the state contribution to the basic state-supported school program so the total cost of the basic state-supported school program does not exceed the total state and local funds appropriated to the basic state-supported school program plus the local contributions necessary to support the value of the weighted pupil unit in programs within the basic state-supported school program in which the number of weighted pupil units is underestimated.

(5) Except as provided in Subsection (2) or (4), the State Board of Education shall reduce the guarantee per weighted pupil unit provided under the voted local levy program established in Section 53A-17a-133 or board local levy program established in Section 53A-17a-164, if:

(a) local contributions to the voted local levy program or board local levy program are

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overestimated; or

(b) the number of weighted pupil units within school districts qualifying for a guarantee is underestimated.

(6) ~~Money~~ Except as provided in Section 53A-21-303, money appropriated to the State Board of Education is nonlapsing.

(7) The State Board of Education shall report actions taken by the board under this section to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

Section ~~41~~2. Section **53A-21-301** is amended to read:

### **53A-21-301. Capital Outlay Enrollment Growth Program -- Definitions.**

(1) There is created the Capital Outlay Enrollment Growth Program to provide capital outlay funding to school districts experiencing net enrollment increases.

(2) As used in this part:

(a) "Account" means the Enrollment Growth Account created in Section 53A-21-303.

~~(a)~~ (b) "Average annual net enrollment increase" means the quotient of:

(i) (A) enrollment in the prior fiscal year, based on October 1 enrollment counts; minus

(B) enrollment in the year four years prior, based on October 1 enrollment counts;

divided by

(ii) three.

(c) "Education Fund revenue surplus" has the meaning defined in Section 63J-1-313.

(d) "Education Fund revenue surplus balance" means the balance of an Education Fund revenue surplus remaining after the Division of Finance:

(i) transfers Education Fund revenue surplus money to the Education Budget Reserve Account as required by Section 63J-1-313; and

(ii) transfers from the Education Fund revenue surplus any year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law.

~~(b)~~ ~~(d)~~(e) "Eligible district" or "eligible school district" means a school district that:

(i) has an average annual net enrollment increase; and

(ii) has a property tax base per ADM in the year two years prior that is less than ~~two~~ times] the statewide average property tax base per ADM in the year two years prior.

~~(e)~~(f) "Operating deficit" has the meaning defined in Section 63J-1-313.

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Section ~~{2}~~3. Section **53A-21-303** is enacted to read:

### **53A-21-303. Enrollment Growth Account.**

(1) There is created within the Education Fund a restricted account known as the Enrollment Growth Account.

(2) The Enrollment Growth Account consists of:

(a) an Education Fund revenue surplus transferred to the account pursuant to

Subsection (3):

(b) ~~{unallocated}~~unexpended balances in the following programs within the Minimum School Program at the end of a fiscal year that are transferred to the account pursuant to

Subsection (4):

(i) the Basic Program; and

(ii) the Related to Basic Programs; and

(c) interest on account funds.

(3) The Division of Finance shall transfer ~~{to}~~ the ~~{ Enrollment Growth Account the balance of an}~~ Education Fund revenue surplus ~~{remaining after:~~

~~—— (a) the transfer of Education Fund revenue surplus money to the Education Budget Reserve Account as required by Section 63J-1-313; and~~

~~—— (b) any year-end contingency appropriations, year-end set-asides, or other year-end transfers required by law}~~balance, up to a maximum \$75,000,000, to the Enrollment Growth Account.

(4) The Division of Finance shall transfer to the Enrollment Growth Account ~~{unallocated balances}~~33% of the unexpended balance in each of the following programs within the Minimum School Program at the end of a fiscal year:

(a) the Basic Program; and

(b) the Related to Basic Programs.

(5) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of Finance determines that an operating deficit exists, the Division of Finance may reduce the transfer to the Enrollment Growth Account by the amount necessary to eliminate the operating deficit.

(6) Upon the appropriation of money from the Enrollment Growth Account to the State Board of Education, the State Board of Education shall allocate the money to an eligible school

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district as provided by Section 53A-21-302.

### Section ~~{3}~~4. **Appropriation.**

Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or accounts indicated. These sums of money are in addition to any amounts previously appropriated for fiscal year 2015.

#### To School Building Programs

From Education Fund, one-time ~~}{\$122}~~\$61,000,000

#### Schedule of Programs:

Capital Outlay Enrollment Growth Program ~~}{\$122}~~\$61,000,000

### Section ~~{4}~~5. **Effective date.**

This bill takes effect on July 1, 2014.

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#### **Legislative Review Note**

~~———— as of 2-5-14 12:09 PM~~

~~———— Office of Legislative Research and General Counsel}~~