

HB0109S02 compared with HB0109S01

~~{deleted text}~~ shows text that was in HB0109S01 but was deleted in HB0109S02.

inserted text shows text that was not in HB0109S01 but was inserted into HB0109S02.

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Representative ~~{Ken Ivory}~~ David E. Lifferth proposes the following substitute bill:

PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: _____

LONG TITLE

General Description:

This bill ~~{modifies and}~~ provides funding for ~~{the Capital Outlay Enrollment Growth Program}~~ public education capital outlay programs.

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}~~ Capital Outlay Account;
- ▶ requires a portion of an Education Fund revenue surplus to be deposited in the ~~{Enrollment Growth}~~ Capital Outlay Account;
- ▶ requires a portion of unexpended balances in certain programs of the Minimum

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School Program at the end of ~~{the}~~a fiscal year to be deposited in the ~~{Enrollment Growth}~~Capital Outlay Account; and

- ▶ requires the State Board of Education to allocate money appropriated from the ~~{Enrollment Growth}~~Capital Outlay Account to school districts eligible to receive funds through the Capital Outlay Enrollment Growth Program or Capital Outlay Foundation 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, \$61,000,000.}~~None

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}~~53A-21-601, Utah Code Annotated 1953

53A-21-602, Utah Code Annotated 1953

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):

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(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 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

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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 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}~~ Subsection 53A-21-602(4), 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 2. Section ~~{53A-21-301}~~ 53A-21-601 is ~~{amended}~~ enacted to read:

~~{53A-21-301}~~ 53A-21-601. ~~{Capital}~~ Capital Outlay ~~{Enrollment Growth Program}~~ Account -- 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}~~ 1. "Account" means the ~~{Enrollment Growth}~~ Capital Outlay 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)}~~ (B) enrollment in the year four years prior, based on October 1 enrollment counts;

divided by

~~{(ii)}~~ three.

~~{c}~~ 53A-21-602.

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

~~{d}~~ 3. "Education Fund revenue surplus balance" means the balance of an Education Fund revenue surplus remaining after the Division of Finance:

~~{i}~~ a. transfers Education Fund revenue surplus money to the Education Budget Reserve Account as required by Section 63J-1-313; and

~~{ii}~~ b. transfers {from the Education Fund revenue surplus} any year-end contingency

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appropriations, year-end set-asides, or other year-end transfers required by law;

~~[(b)] (c) "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.~~

~~(f) from the Education Fund revenue surplus.~~

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

Section 3. Section ~~{53A-21-303}~~53A-21-602 is enacted to read:

~~{53A-21-303}~~53A-21-602.~~{ Enrollment Growth}~~ Capital Outlay Account.

(1) There is created within the Education Fund a restricted account known as the ~~{Enrollment Growth}~~Capital Outlay Account.

(2) The ~~{Enrollment Growth}~~Capital Outlay Account consists of:

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

Subsection (3);

(b) 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 the Education Fund revenue surplus balance, up to a maximum of \$75,000,000 annually, to the ~~{Enrollment Growth}~~Capital Outlay Account.

(4) The Division of Finance shall transfer to the ~~{Enrollment Growth}~~Capital Outlay Account 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}~~Capital Outlay Account by the amount necessary to

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eliminate the operating deficit.

(6) Upon the appropriation of money from the ~~{Enrollment Growth}~~ Capital Outlay Account to the State Board of Education, the State Board of Education shall ~~{allocate the money to an eligible school district as provided by Section 53A-21-302.~~

~~Section 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~~

~~\$61,000,000~~

~~Schedule of Programs:~~

~~1:~~

~~(a) (i) allocate 75% of the money to the Capital Outlay Enrollment Growth Program;~~

~~\$61,000,000~~

~~Section 5}; and~~

~~(ii) distribute the money to school districts in accordance with Section 53A-21-302;~~

and

~~(b) (i) allocate 25% of the money to the Capital Outlay Foundation Program; and~~

~~(ii) distribute the money to school districts in accordance with Section 53A-21-202.~~

Section 4. Effective date.

This bill takes effect on July 1, 2014.