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~~deleted text~~ shows text that was in HB0114 but was deleted in HB0114S01.

Inserted text shows text that was not in HB0114 but was inserted into HB0114S01.

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Representative Bruce R. Cutler proposes the following substitute bill:

LOCAL SCHOOL ENTITY AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Bruce R. Cutler

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to the Minimum School Program Act.

Highlighted Provisions:

This bill:

- ▶ amends certain references to education entities in Title 53A, Chapter 17a, Minimum School Program Act;
- ▶ repeals outdated language; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

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Utah Code Sections Affected:

AMENDS:

- 53A-1a-106, as last amended by Laws of Utah 2012, Chapter 315
- 53A-2-214, as last amended by Laws of Utah 2011, Chapter 371
- 53A-17a-103, as last amended by Laws of Utah 2016, Chapter 367
- 53A-17a-105, as last amended by Laws of Utah 2016, Chapter 229
- 53A-17a-105.5, as last amended by Laws of Utah 2016, Chapter 200
- 53A-17a-106, as last amended by Laws of Utah 2001, Chapter 73
- 53A-17a-107, as last amended by Laws of Utah 2008, Chapter 382
- 53A-17a-108, as last amended by Laws of Utah 2010, Chapters 3 and 399
- 53A-17a-109, as last amended by Laws of Utah 2013, Chapter 106
- 53A-17a-111, as last amended by Laws of Utah 2011, Chapter 342
- 53A-17a-111.5, as last amended by Laws of Utah 2003, Chapter 221
- 53A-17a-112, as last amended by Laws of Utah 2011, Chapters 359 and 366
- 53A-17a-113, as last amended by Laws of Utah 2010, Chapter 3
- 53A-17a-116, as last amended by Laws of Utah 2010, Chapter 3
- 53A-17a-119, as last amended by Laws of Utah 2010, Chapter 3
- 53A-17a-124, as last amended by Laws of Utah 2014, Chapter 346
- 53A-17a-124.5, as last amended by Laws of Utah 2016, Chapter 188
- 53A-17a-125, as last amended by Laws of Utah 2010, Chapter 3
- 53A-17a-126, as last amended by Laws of Utah 2016, Chapter 214
- 53A-17a-127, as last amended by Laws of Utah 2011, Chapters 366 and 371
- 53A-17a-133, as last amended by Laws of Utah 2016, Chapters 2, 350, and 367
- 53A-17a-134, as last amended by Laws of Utah 2013, Chapter 178
- 53A-17a-135, as last amended by Laws of Utah 2016, Chapter 2
- 53A-17a-139, as enacted by Laws of Utah 1991, Chapter 72
- 53A-17a-140, as enacted by Laws of Utah 1991, Chapter 72
- 53A-17a-141, as enacted by Laws of Utah 1991, Chapter 72
- 53A-17a-143, as last amended by Laws of Utah 2011, Chapter 371
- 53A-17a-144, as last amended by Laws of Utah 2011, Chapter 342
- 53A-17a-145, as last amended by Laws of Utah 2011, Chapter 371

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53A-17a-146, as last amended by Laws of Utah 2011, Chapters 371 and 381

53A-17a-150, as last amended by Laws of Utah 2016, Chapter 188

53A-17a-151, as last amended by Laws of Utah 2011, Chapter 371

53A-17a-153, as last amended by Laws of Utah 2010, Chapter 3

53A-17a-159, as enacted by Laws of Utah 2008, Chapter 397

53A-17a-165, as last amended by Laws of Utah 2015, Chapter 258

53A-17a-166, as enacted by Laws of Utah 2011, Chapter 359

53A-17a-167, as last amended by Laws of Utah 2015, Chapter 372

53A-17a-171, as last amended by Laws of Utah 2016, Chapter 188

63J-1-220, as enacted by Laws of Utah 2015, Chapter 407

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

Section 1. Section **53A-1a-106** is amended to read:

53A-1a-106. School district and individual school powers -- Student education/occupation plan (SEOP) definition.

(1) In order to acquire and develop the characteristics listed in Section 53A-1a-104, each school district and each public school within its respective district shall implement a comprehensive system of accountability in which students advance through public schools by demonstrating competency in required skills and mastery of required knowledge through the use of diverse assessment instruments such as authentic and criterion referenced tests, projects, and portfolios.

(2) (a) Each school district and public school shall:

(i) develop and implement programs integrating technology into the curriculum, instruction, and student assessment;

(ii) provide for teacher and parent involvement in policymaking at the school site;

(iii) implement a public school choice program to give parents, students, and teachers greater flexibility in designing and choosing among programs with different focuses through schools within the same district and other districts, subject to space availability, demographics, and legal and performance criteria;

(iv) establish strategic planning at both the district and school level and site-based decision making programs at the school level;

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(v) provide opportunities for each student to acquire and develop academic and occupational knowledge, skills, and abilities;

(vi) participate in ongoing research and development projects primarily at the school level aimed at improving the quality of education within the system; and

(vii) involve business and industry in the education process through the establishment of partnerships with the business community at the district and school level.

(b) (i) As used in this title, "student education/occupation plan" or "SEOP" means a plan developed by a student and the student's parent or guardian, in consultation with school counselors, teachers, and administrators that:

(A) is initiated at the beginning of grade 7;

(B) identifies a student's skills and objectives;

(C) maps out a strategy to guide a student's course selection; and

(D) links a student to post-secondary options, including higher education and careers.

(ii) Each local school board, in consultation with school personnel, parents, and school community councils or similar entities shall establish policies to provide for the effective implementation of a personalized student education plan (SEP) or student education/occupation plan (SEOP) for each student at the school site.

(iii) The policies shall include guidelines and expectations for:

(A) recognizing the student's accomplishments, strengths, and progress towards meeting student achievement standards as defined in U-PASS;

(B) planning, monitoring, and managing education and career development; and

(C) involving students, parents, and school personnel in preparing and implementing SEPs and SEOPs.

(iv) A parent may request conferences with school personnel in addition to SEP or SEOP conferences established by local school board policy.

(v) Time spent during the school day to implement SEPs and SEOPs is considered part of the school term referred to in Subsection 53A-17a-103~~(4)~~(7).

(3) A school district or public school may submit proposals to modify or waive rules or policies of a supervisory authority within the public education system in order to acquire or develop the characteristics listed in Section 53A-1a-104.

(4) (a) Each school district and public school shall make an annual report to its patrons

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on its activities under this section.

(b) The reporting process shall involve participation from teachers, parents, and the community at large in determining how well the district or school is performing.

Section 2. Section **53A-2-214** is amended to read:

53A-2-214. Online students' participation in extracurricular activities.

(1) As used in this section:

(a) "Online education" means the use of information and communication technologies to deliver educational opportunities to a student in a location other than a school.

(b) "Online student" means a student who:

(i) participates in an online education program sponsored or supported by the State Board of Education, a school district, or charter school; and

(ii) generates funding for the school district or school pursuant to Subsection 53A-17a-103[~~(4)~~](7) and rules of the State Board of Education.

(2) An online student is eligible to participate in extracurricular activities at:

(a) the school within whose attendance boundaries the student's custodial parent or legal guardian resides; or

(b) the public school from which the student withdrew for the purpose of participating in an online education program.

(3) A school other than a school described in Subsection (2)(a) or (b) may allow an online student to participate in extracurricular activities other than:

(a) interschool competitions of athletic teams sponsored and supported by a public school; or

(b) interschool contests or competitions for music, drama, or forensic groups or teams sponsored and supported by a public school.

(4) An online student is eligible for extracurricular activities at a public school consistent with eligibility standards as applied to full-time students of the public school.

(5) A school district or public school may not impose additional requirements on an online school student to participate in extracurricular activities that are not imposed on full-time students of the public school.

(6) (a) The State Board of Education shall make rules establishing fees for an online school student's participation in extracurricular activities at school district schools.

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(b) The rules shall provide that:

(i) online school students pay the same fees as other students to participate in extracurricular activities;

(ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;

(iii) for each online school student who participates in an extracurricular activity at a school district school, the online school shall pay a share of the school district's costs for the extracurricular activity; and

(iv) an online school's share of the costs of an extracurricular activity shall reflect state and local tax revenues expended, except capital facilities expenditures, for an extracurricular activity in a school district or school divided by total student enrollment of the school district or school.

(c) In determining an online school's share of the costs of an extracurricular activity under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees statewide based on average costs statewide or average costs within a sample of school districts.

(7) When selection to participate in an extracurricular activity at a public school is made on a competitive basis, an online student is eligible to try out for and participate in the activity as provided in this section.

Section 3. Section **53A-17a-103** is amended to read:

53A-17a-103. Definitions.

As used in this chapter:

(1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each school district or charter school by the value established each year in statute, except as otherwise provided in this chapter.

(2) (a) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue equal to the sum of:

(i) the amount of ad valorem property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Section 53A-17a-135; and

(ii) the product of:

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(A) eligible new growth, as defined in Section 59-2-924 and rules of the State Tax Commission; and

(B) the minimum basic tax rate certified by the State Tax Commission for the previous year.

(b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not include property tax revenue received statewide from personal property that is:

(i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County Assessment; and

(ii) semiconductor manufacturing equipment.

(c) For purposes of calculating the certified revenue levy described in this Subsection (2), the State Tax Commission shall use:

(i) the taxable value of real property assessed by a county assessor contained on the assessment roll;

(ii) the taxable value of real and personal property assessed by the State Tax Commission; and

(iii) the taxable year end value of personal property assessed by a county assessor contained on the prior year's assessment roll.

(3) "Charter school governing board" means the governing board, as defined in Section 53A-1a-501.3, that governs a charter school.

(4) "Local education board" means a local school board or charter school governing board.

(5) "Local school board" means a board elected under Title 20A, Chapter 14, Part 2, Election of Members of Local Boards of Education.

~~[(3)]~~ (6) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

~~[(4)]~~ (7) (a) "State-supported minimum school program" or "Minimum School Program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection ~~[(4)]~~ (7).

(b) The minimum school program established in school districts and charter schools shall include the equivalent of a school term of nine months as determined by the State Board of Education.

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(c) (i) The board shall establish the number of days or equivalent instructional hours that school is held for an academic school year.

(ii) Education, enhanced by utilization of technologically enriched delivery systems, when approved by [~~local school boards or charter school governing boards~~] a local education board, shall receive full support by the State Board of Education as it pertains to fulfilling the attendance requirements, excluding time spent viewing commercial advertising.

(d) (i) A local [~~school board or charter school governing~~] education board may reallocate up to 32 instructional hours or four school days established under Subsection [~~(4)~~] (7)(c) for teacher preparation time or teacher professional development.

(ii) A reallocation of instructional hours or school days under Subsection [~~(4)~~] (7)(d)(i) is subject to the approval of two-thirds of the members of a local [~~school board or charter school governing~~] education board voting in a regularly scheduled meeting:

(A) at which a quorum of the local [~~school board or charter school governing~~] education board is present; and

(B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

(iii) If a local [~~school board or charter school governing~~] education board reallocates instructional hours or school days as provided by this Subsection [~~(4)~~] (7)(d), the school district or charter school shall notify students' parents and guardians of the school calendar at least 90 days before the beginning of the school year.

(iv) Instructional hours or school days reallocated for teacher preparation time or teacher professional development pursuant to this Subsection [~~(4)~~] (7)(d) is considered part of a school term referred to in Subsection [~~(4)~~] (7)(b).

(e) The Minimum School Program includes a program or allocation funded by a line item appropriation or other appropriation designated as follows:

- (i) Basic School Program;
- (ii) Related to Basic Programs;
- (iii) Voted and Board Levy Programs; or
- (iv) Minimum School Program.

[~~(5)~~] (8) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each school district or charter school.

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Section 4. 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 -- Use of remaining funds at the end of a fiscal year.

(1) For purposes of this section:

(a) "Board" means the State Board of Education.

(b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.

Sec. 6301 et seq.

~~[(c) "LEA" means:]~~

~~[(i) a school district; or]~~

~~[(ii) a charter school.]~~

~~[(d)]~~ (c) "Program" means a program or allocation funded by a line item appropriation or other appropriation designated as:

(i) Basic Program;

(ii) Related to Basic Programs;

(iii) Voted and Board Levy Programs; or

(iv) Minimum School Program.

(2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units in a program is underestimated, the board 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.

(3) If the number of weighted pupil units in a program is overestimated, the board shall spend excess money appropriated for the following purposes giving priority to the purpose described in Subsection (3)(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 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

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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 Section 53A-1a-513; or

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

(4) If local contributions from the minimum basic tax rate imposed under Section 53A-17a-135 are overestimated, the board 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.

(5) If local contributions from the minimum basic tax rate imposed under Section 53A-17a-135 are underestimated, the board shall:

(a) spend the excess local contributions for the purposes specified in Subsection (3), 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.

(6) Except as provided in Subsection (3) or (5), the board 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 overestimated; or

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

~~[(7)(a) The board may use program funds as described in Subsection (7)(b) if:]~~

~~[(i) the state loses flexibility due to the U.S. Department of Education's rejection of the state's renewal application for flexibility under the ESEA; and]~~

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~~[(ii) the state is required to fully implement the requirements of Title I of the ESEA, as amended by the No Child Left Behind Act of 2001.]~~

~~[(b) Subject to the requirements of Subsections (7)(a) and (c), for fiscal year 2016, after any transfers or adjustments described in Subsections (2) through (6) are made, the board may use up to \$15,000,000 of excess money appropriated to a program, remaining at the end of fiscal year 2015, to mitigate a budgetary impact to an LEA due to the LEA's loss of flexibility related to implementing the requirements of Title I of the ESEA, as amended by the No Child Left Behind Act of 2001.]~~

~~[(c) In addition to the reporting requirement described in Subsection (9), the board shall report actions taken by the board under this Subsection (7) to the Executive Appropriations Committee.]~~

~~[(8) (7) Money appropriated to the board is nonlapsing.~~

~~[(9) (8) The board 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 5. Section **53A-17a-105.5** is amended to read:

53A-17a-105.5. Flexibility in the use of program funds.

(1) As used in this section, "qualifying program" means:

(a) the Enhancement for At-Risk Students Program created in Section 53A-17a-166;

(b) the Enhancement for Accelerated Students Program created in Section 53A-17a-165; and

(c) the concurrent enrollment program established in Section 53A-15-1703.

(2) If a school district or charter school receives an allocation of state funds for a qualifying program that is less than \$10,000, the ~~[school district or charter school]~~ local education board of the receiving school district or charter school may:

(a) (i) combine the funds with one or more qualifying program fund allocations each of which is less than \$10,000; and

(ii) use the combined funds in accordance with the program requirements for any of the qualifying programs that are combined; or

(b) (i) transfer the funds to a qualifying program for which the school district or charter school received an allocation of funds that is greater than or equal to \$10,000; and

(ii) use the combined funds in accordance with the program requirements for the

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qualifying program to which the funds are transferred.

Section 6. Section **53A-17a-106** is amended to read:

53A-17a-106. Determination of weighted pupil units.

The number of weighted pupil units in the minimum school program for each year is the total of the units for each school district and, subject to Section 53A-1a-513, charter school, determined as follows:

(1) The number of units is computed by adding the average daily membership of all pupils of the school district or charter school attending schools, other than kindergarten and self-contained classes for children with a disability.

(2) The number of units is computed by adding the average daily membership of all pupils of the school district or charter school enrolled in kindergarten and multiplying the total by .55.

(a) In those school districts or charter schools that do not ~~elect to~~ hold kindergarten for a full nine-month term, the local school board or charter school governing board may approve a shorter term of nine weeks' duration.

(b) Upon local ~~school~~ education board approval, the number of pupils in average daily membership at the short-term kindergarten shall be counted for the purpose of determining the number of units allowed in the same ratio as the number of days the short-term kindergarten is held, not exceeding nine weeks, compared to the total number of days schools are held in that school district or charter school in the regular school year.

(3) (a) The State Board of Education shall use prior year plus growth to determine average daily membership in distributing money under the minimum school program where the distribution is based on kindergarten through grade 12 ADMs or weighted pupil units.

(b) Under prior year plus growth, kindergarten through grade 12 average daily membership for the current year is based on the actual kindergarten through grade 12 average daily membership for the previous year plus an estimated percentage growth factor.

(c) The growth factor is the percentage increase in total average daily membership on the first school day of October in the current year as compared to the total average daily membership on the first school day of October of the previous year.

Section 7. Section **53A-17a-107** is amended to read:

53A-17a-107. Professional staff weighted pupil units.

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(1) Professional staff weighted pupil units are computed and distributed in accordance with the following schedule:

(a) Professional Staff Cost Formula

Years of Experience	Bachelor's Degree	Bachelor's +30 Qt. Hr.	Master's Degree	Master's Degree	
				+45 Qt. Hr.	Doctorate
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9			1.50	1.55	1.60
10				1.60	1.65
11					1.70

(b) Multiply the number of full-time or equivalent professional personnel in each applicable experience category in Subsection (1)(a) by the applicable weighting factor.

(c) Divide the total of Subsection (1)(b) by the number of professional personnel included in Subsection (1)(b) and reduce the quotient by 1.00.

(d) Multiply the result of Subsection (1)(c) by 1/4 of the weighted pupil units computed in accordance with Sections 53A-17a-106 and 53A-17a-109.

(2) The State Board of Education shall enact rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, [~~which~~] that require a certain percentage of a school district's or charter school's professional staff to be certified in the area in which [~~they teach~~] the staff teaches in order for the school district or charter school to receive full funding under the schedule.

(3) If an individual's teaching experience is a factor in negotiating a contract of employment to teach in the state's public schools, then the local [~~school~~] education board is

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encouraged to accept as credited experience all of the years the individual has taught in the state's public schools.

Section 8. Section **53A-17a-108** is amended to read:

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

(1) Administrative costs weighted pupil units are computed [~~and distributed to small school districts~~] for a small school district and distributed to the small school district in accordance with the following schedule:

Administrative Costs Schedule

School District Enrollment as of October 1	Weighted Pupil Units
1 - 500 students	95
501 - 1,000 students	80
1,001 - 2,000 students	70
2,001 - 5,000 students	60

(2) (a) Except as provided in Subsection (2)(b), money appropriated to the State Board of Education for charter school administrative costs shall be distributed to charter schools in the amount of \$100 for each charter school student in enrollment.

(b) (i) If money appropriated for charter school administrative costs is insufficient to provide the amount per student prescribed in Subsection (2)(a), the appropriation shall be allocated among charter schools in proportion to each charter school's enrollment as a percentage of the total enrollment in charter schools.

(ii) If the State Board of Education makes adjustments to Minimum School Program allocations under Section 53A-17a-105, the allocation provided in Subsection (2)(b)(i) shall be determined after adjustments are made under Section 53A-17a-105.

(c) Charter [~~schools~~] school governing boards are encouraged to identify and use cost-effective methods of performing administrative functions, including contracting for administrative services with the State Charter School Board as provided in Section 53A-1a-501.6.

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

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Section 9. Section **53A-17a-109** is amended to read:

53A-17a-109. Necessarily existent small schools -- Computing additional weighted pupil units -- Consolidation of small schools.

(1) As used in this section:

(a) "Board" means the State Board of Education.

(b) "Necessarily existent small schools funding balance" means the difference between:

(i) the amount appropriated for the necessarily existent small schools program in a fiscal year; and

(ii) the amount distributed to school districts for the necessarily existent small schools program in the same fiscal year.

(2) (a) Upon application by a [~~school district~~] local school board, the board shall, in consultation with the local school board, classify schools in the school district as necessarily existent small schools, in accordance with this section and board rules adopted under [~~this section~~] Subsection (3).

(b) An application must be submitted to the board before April 2, and the board must report a decision to a [~~school district~~] local school board before June 2.

(3) The board shall adopt standards and make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to:

(a) govern the approval of necessarily existent small schools consistent with principles of efficiency and economy [~~and which shall~~] that serve the purpose of eliminating schools where consolidation is feasible by participation in special school units; and

(b) ensure that school districts are not building secondary schools in close proximity to one another where economy and efficiency would be better served by one school meeting the needs of secondary students in a designated geographical area.

(4) A one or two-year secondary school that has received necessarily existent small school money under this section prior to July 1, 2000, may continue to receive such money in subsequent years [~~under board rule~~].

(5) The board shall prepare and publish objective standards and guidelines for determining which small schools are necessarily existent after consultation with local school boards.

(6) (a) Additional weighted pupil units for schools classified as necessarily existent

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small schools shall be computed using regression formulas adopted by the board.

(b) The regression formulas establish the following maximum sizes for funding under the necessarily existent small school program:

(i) an elementary school	160
(ii) a one or two-year secondary school	300
(iii) a three-year secondary school	450
(iv) a four-year secondary school	500
(v) a six-year secondary school	600

(c) Schools with fewer than 10 students shall receive the same add-on weighted pupil units as schools with 10 students.

(d) The board shall prepare and distribute an allocation table based on the regression formula to each school district.

(7) (a) To avoid penalizing a school district financially for consolidating [its] the school district's small schools, additional weighted pupil units may be allowed a school district each year, not to exceed two years.

(b) The additional weighted pupil units may not exceed the difference between what the school district receives for a consolidated school and what [it] the school district would have received for the small schools had [~~they~~] the small schools not been consolidated.

(8) (a) Subject to Subsection (8)(b), the board may distribute a portion of necessarily existent small schools funding in accordance with a formula adopted by the board that considers the tax effort of a local school board.

(b) The amount distributed in accordance with Subsection (8)(a) may not exceed the necessarily existent small schools fund in balance of the prior fiscal year.

(9) A [~~district~~] local school board may use the money allocated under this section for maintenance and operation of school programs or for other school purposes as approved by the board.

Section 10. Section **53A-17a-111** is amended to read:

**53A-17a-111. Weighted pupil units for programs for students with disabilities --
Local school board allocation.**

(1) The number of weighted pupil units for students with disabilities shall reflect the direct cost of programs for those students conducted in accordance with rules established by the

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State Board of Education in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(2) Disability program money allocated to school districts or charter schools is restricted and shall be spent for the education of students with disabilities but may include expenditures for approved programs of services conducted for certified instructional personnel who have students with disabilities in their classes.

(3) The State Board of Education shall establish and strictly interpret definitions and provide standards for determining which students have disabilities and shall assist school districts and charter schools in determining the services that should be provided to students with disabilities.

(4) Each year the ~~[board]~~ State Board of Education shall evaluate the standards and guidelines that establish the identifying criteria for disability classifications to assure strict compliance with those standards by the school districts and charter schools.

(5) (a) Money appropriated to the State Board of Education for add-on WPU for students with disabilities enrolled in regular programs shall be allocated to school districts and charter schools as provided in this Subsection (5).

(b) ~~[Beginning on July 1, 2003, the]~~ The State Board of Education shall~~[(i)]~~ use a school district's or charter school's average number of special education add-on weighted pupil units determined by the previous five year's average daily membership data as a foundation for the special education add-on appropriation~~[, and]~~.

~~[(ii) implement a hold harmless provision for up to three years as needed to accomplish a phase-in period for school districts to accommodate the change in the special education add-on WPU's foundation formula.]~~

(c) A school district's or charter school's special education add-on WPU for the current year may not be less than the foundation special education add-on WPU.

(d) Growth WPU shall be added to the prior year special education add-on WPU, and growth WPU shall be determined as follows:

(i) The special education student growth factor is calculated by comparing S-3 total special education ADM of two years previous to the current year to the S-3 total special education ADM three years previous to the current year, not to exceed the official October total school district growth factor from the prior year.

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(ii) When calculating and applying the growth factor, a school district's S-3 total special education ADM for a given year is limited to 12.18% of the school district's S-3 total student ADM for the same year.

(iii) Growth ADMs are calculated by applying the growth factor to the S-3 total special education ADM of two years previous to the current year.

(iv) Growth ADMs for each school district or each charter school are multiplied by 1.53 weighted pupil units and added to the prior year special education add-on WPU to determine each school district's or each charter school's total allocation.

(6) If money appropriated under this chapter for programs for students with disabilities does not meet the costs of school districts and charter schools for those programs, each school district and each charter school shall first receive the amount generated for each student with a disability under the basic program.

Section 11. Section **53A-17a-111.5** is amended to read:

53A-17a-111.5. School districts to provide class space for deaf and blind programs.

(1) [~~School districts~~] A school district with students who reside within [~~their~~] the school district's boundaries and are served by the Schools for the Deaf and the Blind shall:

- (a) furnish the schools with space required for their programs; or
- (b) help pay for the cost of leasing classroom space in other school districts.

(2) A [~~district's~~] school district's participation in the program under Subsection (1) is based upon the number of students who are served by the Schools for the Deaf and the Blind and who reside within the school district as compared to the state total of students who are served by the schools.

Section 12. Section **53A-17a-112** is amended to read:

53A-17a-112. Preschool special education appropriation -- Extended year program appropriation -- Appropriation for special education programs in state institutions -- Appropriations for stipends for special educators.

(1) (a) Money appropriated to the State Board of Education for the preschool special education program shall be allocated to school districts to provide a free, appropriate public education to preschool students with a disability, ages three through five.

(b) The money shall be distributed on the basis of the school district's count of

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preschool children with a disability for December 1 of the previous year, as mandated by federal law.

(2) Money appropriated for the extended school year program for children with a severe disability shall be limited to students with severe disabilities with education program goals identifying significant regression and recoupment disability as approved by the State Board of Education.

(3) (a) Money appropriated for self-contained regular special education programs may not be used to supplement other school programs.

(b) Money in any of the other restricted line item appropriations may not be reduced more than 2% to be used for purposes other than those specified by the appropriation, unless otherwise provided by law.

(4) (a) The State Board of Education shall compute preschool funding by a factor of 1.47 times the current December 1 child count of eligible preschool aged three, four, and five-year-olds times the WPU value, limited to 8% growth over the prior year December 1 count.

(b) The ~~[board]~~ State Board of Education shall develop guidelines to implement the funding formula for preschool special education, and establish prevalence limits for distribution of the money.

(5) Of the money appropriated for Special Education - State Programming, the State Board of Education shall distribute the revenue generated from 909 WPUs to school districts, charter schools, and the Utah Schools for the Deaf and the Blind for stipends to special educators for additional days of work pursuant to the requirements of Section 53A-17a-158.

Section 13. Section **53A-17a-113** is amended to read:

53A-17a-113. Weighted pupil units for career and technical education programs -- Funding of approved programs -- Performance measures -- Qualifying criteria.

(1) (a) Money appropriated to the State Board of Education for approved career and technical education programs and the comprehensive guidance program:

(i) shall be allocated to eligible recipients as provided in Subsections (2), (3), (4), and (5); and

(ii) may not be used to fund programs below ~~[the ninth grade level]~~ grade 9.

(b) Subsection (1)(a)(ii) does not apply to the following programs:

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- (i) comprehensive guidance;
- (ii) Technology-Life-Careers; and
- (iii) work-based learning programs.

(2) (a) Weighted pupil units are computed for pupils in approved programs.

(b) (i) The [board] State Board of Education shall fund approved programs based upon hours of membership of [~~9th~~ grades 9 through [~~12th grade~~ 12 students.

(ii) Subsection (2)(b)(i) does not apply to the following programs:

- (A) comprehensive guidance;
- (B) Technology-Life-Careers; and
- (C) work-based learning programs.

(c) The [board] State Board of Education shall use an amount not to exceed 20% of the total appropriation under this section to fund approved programs based on performance measures such as placement and competency attainment defined in standards set by the [board] State Board of Education.

(d) Leadership organization funds shall constitute an amount not to exceed 1% of the total appropriation under this section, and shall be distributed to each [~~local educational agency~~ school district or each charter school] sponsoring career and technical education student leadership organizations based on the agency's share of the state's total membership in those organizations.

(e) The [board] State Board of Education shall make the necessary calculations for distribution of the appropriation to a school [~~districts~~ district and charter school] and may revise and recommend changes necessary for achieving equity and ease of administration.

(3) (a) Twenty weighted pupil units shall be computed for career and technical education administrative costs for each school district, except 25 weighted pupil units may be computed for each school district that consolidates career and technical education administrative services with one or more other school districts.

(b) Between 10 and 25 weighted pupil units shall be computed for each high school conducting approved career and technical education programs in a school district according to standards established by the [board] State Board of Education.

(c) Forty weighted pupil units shall be computed for each school district that operates an approved career and technical education center.

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(d) Between five and seven weighted pupil units shall be computed for each summer career and technical education agriculture program according to standards established by the [board] State Board of Education.

(e) The [board] State Board of Education shall, by rule, establish qualifying criteria for [districts] a school district or charter school to receive weighted pupil units under this Subsection (3).

(4) (a) Money remaining after the allocations made under Subsections (2) and (3) shall be allocated using average daily membership in approved programs for the previous year.

(b) A school district or charter school that has experienced student growth in grades 9 through 12 for the previous year shall have the growth factor applied to the previous year's weighted pupil units when calculating the allocation of money under this Subsection (4).

(5) Of the money allocated to comprehensive guidance programs pursuant to [board rules] State Board of Education rule, \$1,000,000 in grants shall be awarded to school districts or charter schools that:

- (a) provide an equal amount of matching funds; and
- (b) do not supplant other funds used for comprehensive guidance programs.

(6) (a) The [board] State Board of Education shall establish rules for [the] upgrading [of] high school career and technical education programs.

(b) The rules shall reflect career and technical training and actual marketable job skills in society.

(c) The rules shall include procedures to assist school districts and charter schools to convert existing programs [which] that are not preparing students for the job market into programs that will accomplish that purpose.

(7) Programs that do not meet [board] State Board of Education standards may not be funded under this section.

Section 14. Section **53A-17a-116** is amended to read:

53A-17a-116. Weighted pupil units for career and technical education set-aside programs.

(1) Each school district and charter school shall receive a guaranteed minimum allocation from the money appropriated to the State Board of Education for a career and technical education set-aside program.

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(2) The set-aside funds remaining after the initial minimum payment allocation are distributed by [~~an RFP~~] a request for proposals process to help pay for equipment costs necessary to initiate new programs and for high priority programs as determined by labor market information.

Section 15. Section **53A-17a-119** is amended to read:

53A-17a-119. Appropriation for adult education programs.

(1) Money appropriated to the State Board of Education for adult education shall be allocated to [~~local school boards~~] school districts for adult high school completion and adult basic skills programs.

(2) Each school district shall receive [~~its~~] a pro rata share of the appropriation for adult high school completion programs based on the number of people in the school district listed in the latest official census who are over 18 years of age and who do not have a high school diploma and prior year participation or as approved by [~~board~~] State Board of Education rule.

(3) On February 1 of each school year, the State Board of Education shall recapture money not used for an adult high school completion program for reallocation to school districts that have implemented programs based on need and effort as determined by the [~~board~~] State Board of Education.

(4) To the extent of money available, school districts shall provide [~~programs~~] program services to adults who do not have a diploma and who intend to graduate from high school, with particular emphasis on homeless individuals who are seeking literacy and life skills.

(5) Overruns in adult education in any school district may not reduce the value of the weighted pupil unit for this program in another school district.

(6) School districts shall spend money on adult basic skills programs according to standards established by the [~~board~~] State Board of Education.

Section 16. Section **53A-17a-124** is amended to read:

53A-17a-124. Quality Teaching Block Grant Program -- State contributions.

(1) The State Board of Education shall distribute money appropriated for the Quality Teaching Block Grant Program to school districts and charter schools according to a formula adopted by the [~~board~~] State Board of Education, after consultation with [~~school districts and charter schools~~] local education boards, that allocates the funding in a fair and equitable manner.

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(2) [~~School districts and charter schools~~] Local education boards shall use Quality Teaching Block Grant money to implement professional learning that meets the standards specified in Section 53A-3-701.

Section 17. Section **53A-17a-124.5** is amended to read:

53A-17a-124.5. Appropriation for class size reduction.

(1) Money appropriated to the State Board of Education for class size reduction shall be used to reduce the average class size in kindergarten through the eighth grade in the state's public schools.

(2) Each school district or charter school shall receive [~~its~~] an allocation based upon the school district or charter school's prior year average daily membership in kindergarten through grade 8 plus growth as determined under Subsection 53A-17a-106(3) as compared to the total prior year average daily membership in kindergarten through grade 8 plus growth of school districts and charter schools that qualify for an allocation pursuant to Subsection (8).

(3) (a) A [~~district~~] local ~~school~~ education board may use [~~its~~] an allocation to reduce class size in any one or all of the grades referred to under this section, except as otherwise provided in Subsection (3)(b).

(b) (i) Each [~~district or charter school~~] local education board shall use 50% of [~~its~~] an allocation to reduce class size in any one or all of grades kindergarten through grade 2, with an emphasis on improving student reading skills.

(ii) If a school district's or charter school's average class size is below 18 in grades kindergarten through grade 2, [~~it~~] a local education board may petition the [~~state board~~] State Board of Education for, and the [~~state board~~] State Board of Education may grant, a waiver to use [~~its~~] an allocation under Subsection (3)(b)(i) for class size reduction in the other grades.

(4) Schools may use nontraditional innovative and creative methods to reduce class sizes with this appropriation and may use part of [~~their~~] an allocation to focus on class size reduction for specific groups, such as at risk students, or for specific blocks of time during the school day.

(5) (a) A [~~school district or charter school~~] local education board may use up to 20% of [~~its~~] an allocation under Subsection (1) for capital facilities projects if such projects would help to reduce class size.

(b) If a school district's or charter school's student population increases by 5% or 700

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students from the previous school year, the ~~[school district or charter school]~~ local education board may use up to 50% of any allocation ~~[it receives]~~ received by the respective school district or charter school under this section for classroom construction.

(6) This appropriation is to supplement any other appropriation made for class size reduction.

(7) The Legislature shall provide for an annual adjustment in the appropriation authorized under this section in proportion to the increase in the number of students in the state in kindergarten through grade eight.

(8) (a) ~~[For]~~ For a school district or charter school to qualify for class size reduction money, a [school district or charter school] local education board shall submit:

(i) a plan for the use of the ~~[school district's or charter school's]~~ allocation of class size reduction money to the State Board of Education; and

(ii) beginning with the 2014-15 school year, a report on the ~~[school district's or charter school's]~~ local education board's use of class size reduction money in the prior school year.

(b) The plan and report required pursuant to Subsection (8)(a) shall include the following information:

(i) (A) the number of teachers employed using class size reduction money;

(B) the amount of class size reduction money expended for teachers; and

(C) if supplemental school district or charter school funds are expended to pay for teachers employed using class size reduction money, the amount of the supplemental money;

(ii) (A) the number of paraprofessionals employed using class size reduction money;

(B) the amount of class size reduction money expended for paraprofessionals; and

(C) if supplemental school district or charter school funds are expended to pay for paraprofessionals employed using class size reduction money, the amount of the supplemental money; and

(iii) the amount of class size reduction money expended for capital facilities.

(c) In addition to submitting a plan and report on the use of class size reduction money, a ~~[school district or charter school]~~ local education board shall annually submit a report to the State Board of Education that includes the following information:

(i) the number of teachers employed using K-3 Reading Improvement Program money received pursuant to Sections 53A-17a-150 and 53A-17a-151;

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- (ii) the amount of K-3 Reading Improvement Program money expended for teachers;
 - (iii) the number of teachers employed in kindergarten through grade 8 using Title I money;
 - (iv) the amount of Title I money expended for teachers in kindergarten through grade 8; and
 - (v) a comparison of actual average class size by grade in grades kindergarten through 8 in the school district or charter school with what the average class size would be without the expenditure of class size reduction, K-3 Reading Improvement Program, and Title I money.
- (d) The information required to be reported in Subsections (8)(b)(i)(A) through (C), (8)(b)(ii)(A) through (C), and (8)(c) shall be categorized by a teacher's or paraprofessional's teaching assignment, such as the grade level, course, or subject taught.
- (e) The State Board of Education may make rules specifying procedures and standards for the submission of:
- (i) a plan and a report on the use of class size reduction money as required by this section; and
 - (ii) a report required under Subsection (8)(c).
- (f) Based on the data contained in the class size reduction plans and reports submitted by ~~[school districts and charter schools]~~ local education boards, and data on average class size, the State Board of Education shall annually report to the Public Education Appropriations Subcommittee on the impact of class size reduction, K-3 Reading Improvement Program, and Title I money on class size.

Section 18. Section **53A-17a-125** is amended to read:

53A-17a-125. Appropriation for retirement and social security.

- (1) The employee's retirement contribution shall be 1% for employees who are under the state's contributory retirement program.
- (2) The employer's contribution under the state's contributory retirement program is determined under Section 49-12-301, subject to the 1% contribution under Subsection (1).
- (3) (a) The employer-employee contribution rate for employees who are under the state's noncontributory retirement program is determined under Section 49-13-301.
- (b) The same contribution rate used under Subsection (3)(a) shall be used to calculate the appropriation for charter schools described under Subsection (5).

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(4) (a) Money appropriated to the State Board of Education for retirement and social security money shall be allocated to school districts and charter schools based on a [~~district's~~] school ~~district~~ district's or charter school's total weighted pupil units compared to the total weighted pupil units for all school districts and charter schools in the state.

(b) Subject to budget constraints, money needed to support retirement and social security shall be determined by taking [~~the~~] a school district's or charter school's prior year allocation and adjusting it for:

- (i) student growth;
- (ii) the percentage increase in the value of the weighted pupil unit; and
- (iii) the effect of any change in the rates for retirement, social security, or both.

(5) A charter school governing board that [~~has made~~] makes an election of nonparticipation in the Utah State Retirement Systems in accordance with Section 53A-1a-512 and Title 49, Utah State Retirement and Insurance Benefit Act, shall use the funds described under this section for retirement to provide [~~its~~] the charter school's own compensation, benefit, and retirement programs.

Section 19. Section **53A-17a-126** is amended to read:

53A-17a-126. State support of pupil transportation.

(1) Money appropriated to the State Board of Education for state-supported transportation of public school students shall be apportioned and distributed in accordance with Section 53A-17a-127, except as otherwise provided in this section or Section 53A-17a-126.5.

(2) (a) The Utah Schools for the Deaf and the Blind shall use [~~its~~] an allocation of pupil transportation money to pay for transportation of [~~their~~] students based on current valid contractual arrangements and best transportation options and methods as determined by the schools.

(b) All student transportation costs of the schools shall be paid from the allocation of pupil transportation money specified in statute.

(3) (a) A [~~school district~~] local school board may only claim eligible transportation costs as legally reported on the prior year's annual financial report submitted under Section 53A-3-404.

(b) The state shall contribute 85% of approved transportation costs, subject to budget constraints.

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(c) If in a fiscal year the total transportation allowance for all school districts exceeds the amount appropriated for that purpose, all allowances shall be reduced pro rata to equal not more than the amount appropriated.

Section 20. Section **53A-17a-127** is amended to read:

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

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

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

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

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

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

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

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

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

(iii) a minimum allocation for each school district eligible for transportation funding.

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

(c) The State Board of Education shall annually review the allowance per mile and the allowance per hour and adjust the allowances to reflect current economic conditions.

(4) (a) Approved bus routes for funding purposes shall be determined on fall data

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collected by October 1.

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

(5) A Transportation Advisory Committee with representation from ~~[local]~~ school district superintendents, business officials, school district transportation supervisors, and ~~[the state superintendent's staff]~~ State Board of Education employees shall serve as a review committee for addressing school transportation needs, including recommended approved bus routes.

(6) (a) Except as provided in Subsection (6)(e), a local school board may provide for the transportation of students regardless of the distance from school, from:

(i) general funds of the school district; and

(ii) a tax rate not to exceed .0003 per dollar of taxable value ~~[imposed on the district.]~~ levied by the local school board.

(b) A local school board may use revenue from the tax described in Subsection (6)(a)(ii) to pay for transporting students and for the replacement of school buses.

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

(ii) The ~~[state superintendent's staff]~~ State Board of Education's employees shall distribute the state contribution according to rules enacted by the State Board of Education.

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

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

(e) Beginning January 1, 2012, a local school board may not impose a tax in accordance with this Subsection (6).

(7) (a) (i) If a local school board expends an amount of revenue equal to at least .0002 per dollar of taxable value of the school district's board local levy imposed under Section 53A-17a-164 for the uses described in Subsection (6)(b), the state may contribute an amount

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not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The [~~state superintendent's staff~~] State Board of Education's employees shall distribute the state contribution according to rules enacted by the State Board of Education.

(b) (i) The amount of state guarantee money that a school district would otherwise be entitled to receive under Subsection (7)(a) may not be reduced for the sole reason that the school district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(ii) Subsection (7)(b)(i) applies for a period of two years following the change in the certified tax rate.

Section 21. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

(1) As used in this section, "voted and board local levy funding balance" means the difference between:

(a) the amount appropriated for the voted and board local levy program in a fiscal year; and

(b) the amount necessary to provide the state guarantee per weighted pupil unit as determined under this section and Section 53A-17a-164 in the same fiscal year.

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

(3) (a) (i) To impose a voted local levy, a majority of the electors of a school district voting at an election in the manner set forth in Subsections (9) and (10) must vote in favor of a special tax.

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

(b) Except as provided in Subsection (3)(c), in order to receive state support the first year, a school district [~~must~~] shall receive voter approval no later than December 1 of the year prior to implementation.

(c) Beginning on or after January 1, 2012, a school district may receive state support in accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)

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if the local school board imposed a tax in accordance with this section during the taxable year beginning on January 1, 2011 and ending on December 31, 2011.

(4) (a) In addition to the revenue [~~a school district collects~~] collected from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee \$35.55 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a [~~school district~~] local school board levies a tax rate under both programs.

(c) (i) Beginning July 1, 2015, the \$35.55 guarantee under Subsections (4)(a) and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12 program by making the value of the guarantee equal to .011962 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program for each succeeding year subject to the Legislature appropriating funds for an increase in the guarantee.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the school district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (4)(d)(i) applies for a period of five years following any such change in the certified tax rate.

(e) The guarantee provided under this section does not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal year, unless an increase in the voted local levy rate was authorized in an election conducted on or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

(f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the State Board of Education shall:

(A) use the voted and board local levy funding balance to increase the value of the state

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guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

(B) distribute the state contribution to the voted and board local levy programs to school districts based on the increased value of the state guarantee per weighted pupil unit described in Subsection (4)(f)(i)(A).

(ii) The State Board of Education shall report action taken under this Subsection (4)(f) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

(5) (a) An election to modify an existing voted local levy is not a reconsideration of the existing authority unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the [~~district~~] local school board of authority to continue the levy.

(c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the local school board [~~must~~] shall allow the electors, in an election, to consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a [~~school district~~] local school board to continue imposing an existing voted local levy previously authorized by the voters as a voted leeway program.

(6) Notwithstanding Section 59-2-919, a [~~school district~~] local school board may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to revenue from eligible new growth as defined in Section 59-2-924, without having to comply with the notice requirements of Section 59-2-919, if:

(a) the voted local levy is approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the [~~school district~~] local school board seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(b) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the [~~school district~~] local school board complies with the requirements of Subsection (8).

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(7) Notwithstanding Section 59-2-919, a [~~school district~~] local school board may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the notice requirements of Section 59-2-919 if:

(a) the levy exceeds the certified tax rate as the result of a [~~school district~~] local school board budgeting an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section;

(b) the voted local levy was approved:

(i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the [~~school district~~] local school board seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(c) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the [~~school district~~] local school board complies with requirements of Subsection (8).

(8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the electors regarding the adoption or modification of a voted local levy shall contain the following statement:

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

(9) (a) Before [~~imposing~~] a local school board may impose a property tax levy pursuant to this section, a [~~school district~~] local school board shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (9) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and

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requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or after January 1, 2012, a ~~[school district]~~ local school board may levy a tax rate in accordance with this section without complying with the requirements of Subsections (9)(a) and (b) if the ~~[school district]~~ local school board imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(10) If a ~~[school district]~~ local school board determines that a majority of the school district's registered voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax rate in accordance with Subsection (9), the ~~[school district]~~ local school board may impose the tax rate.

Section 22. Section **53A-17a-134** is amended to read:

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

(1) Except as provided in Subsection (9), a local school board may levy a tax rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of the basic school program as follows:

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

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

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

(2) (a) The state shall contribute an amount sufficient to guarantee \$27.36 per weighted pupil unit for each .0001 per dollar of taxable value.

(b) The guarantee shall increase in the same manner as provided for the voted local levy guarantee in Subsection 53A-17a-133(4)(c).

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

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

(d) The guarantee provided under this section does not apply to:

(i) a board-authorized leeway in the first fiscal year the [~~leeway~~] levy is in effect, unless the [~~leeway~~] levy was approved by voters pursuant to Subsections (4) through (6); or

(ii) the portion of a board-authorized [~~leeway~~] levy rate that is in excess of the board-authorized leeway rate that was in effect for the previous fiscal year.

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

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

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

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

(b) (i) The approval and disapproval votes authorized in Subsections (4) and (5) shall occur at a general election in even-numbered years, except that a vote required under this section in odd-numbered years shall occur at a special election held on a day in odd-numbered years that corresponds to the general election date.

(ii) The school district shall pay for the cost of a special election.

(7) (a) Modification or termination of a voter-approved leeway rate authorized under

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this section is governed by Section 53A-17a-133.

(b) A board-authorized [~~teeway~~] levy rate may be modified or terminated by a majority vote of the local school board subject to disapproval procedures specified in this section.

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

(9) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.

Section 23. Section **53A-17a-135** is amended to read:

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

(1) As used in this section, "basic levy increment rate" means a tax rate that will generate an amount of revenue equal to \$75,000,000.

(2) (a) [~~In order to~~] To qualify for receipt of the state contribution toward the basic program and as [~~its~~] a school district's contribution toward [~~its~~] the school district's costs of the basic program, each [~~school district~~] local school board shall impose a minimum basic tax rate per dollar of taxable value that generates \$392,266,800 in revenues statewide.

(b) The preliminary estimate for the 2016-17 minimum basic tax rate is .001695.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates \$392,266,800 in revenues statewide.

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

(3) [~~(a)~~] The state shall contribute to each school district toward the cost of the basic program in the school district that portion [~~which~~] that exceeds the proceeds of the difference between:

[~~(i)~~] (a) the minimum basic tax rate to be imposed under Subsection (2); and

[~~(ii)~~] (b) the basic levy increment rate.

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

(4) (a) If the difference described in Subsection (3)[~~(a)~~] equals or exceeds the cost of the basic program in a school district, no state contribution shall be made to the basic program.

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(b) The proceeds of the difference described in Subsection (3)~~(a)~~ that exceed the cost of the basic program shall be paid into the Uniform School Fund as provided by law.

(5) The State Board of Education shall:

(a) deduct from state funds that a school district is authorized to receive under this chapter an amount equal to the proceeds generated within the school district by the basic levy increment rate; and

(b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth Account created in Section 53A-17a-135.1.

Section 24. Section **53A-17a-139** is amended to read:

53A-17a-139. Loss in student enrollment -- Board action.

To avoid penalizing a school district financially for an excessive loss in student enrollment due to factors beyond its control, the State Board of Education may allow a percentage increase in units otherwise allowable during any year when a school district's average daily membership drops more than 4% below the average for the highest two of the preceding three years in the school district.

Section 25. Section **53A-17a-140** is amended to read:

53A-17a-140. Contracts with teachers.

A school district may not enter into contracts with teachers that would prevent the school district from paying differential salaries or putting limitations on an individual salary paid in order to fill a shortage in specific teaching areas.

Section 26. Section **53A-17a-141** is amended to read:

53A-17a-141. Alternative programs.

(1) Since the State Board of Education has adopted a policy that requires school districts and charter schools to grant credit for proficiency through alternative programs, school districts and charter schools are encouraged to continue and expand ~~[their]~~ school district and charter school cooperation with accredited institutions through performance contracts for educational services, particularly where it is beneficial to students whose progress could be better served through alternative programs.

(2) School districts and charter schools are encouraged to participate in programs that focus on increasing the number of ethnic minority and female students in the secondary schools who will go on to study mathematics, engineering, or related sciences at an institution of higher

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education.

Section 27. Section **53A-17a-143** is amended to read:

53A-17a-143. Federal Impact Aid Program -- Offset for underestimated allocations from the Federal Impact Aid Program.

(1) In addition to the revenues received from the levy imposed by [~~each school district~~] a local school board and authorized by the Legislature under Section 53A-17a-135, the Legislature shall provide an amount equal to the difference between the school district's anticipated receipts under the entitlement for the fiscal year from the Federal Impact Aid Program and the amount the school district actually received from this source for the next preceding fiscal year.

(2) If at the end of a fiscal year the sum of the receipts of a school district from a distribution from the Legislature pursuant to Subsection (1) plus the school district's allocations from the Federal Impact Aid Program for that fiscal year exceeds the amount allocated to the school district from the Federal Impact Aid Program for the next preceding fiscal year, the excess funds are carried into the next succeeding fiscal year and become in that year a part of the school district's contribution to [~~its~~] the school district's basic program for operation and maintenance under the state minimum school finance law.

(3) During [~~that year~~] the next succeeding fiscal year described in Subsection (2), the school district's required tax rate for the basic program shall be reduced so that the yield from the reduced tax rate plus the carryover funds equal the school district's required contribution to [~~its~~] the school district's basic program.

(4) [~~A { school } district that reduces { } its~~] For the school district of a local school board that is required to reduce the school district's basic tax rate under this section, the school district shall receive state minimum school program funds as though the reduction in the tax rate had not been made.

Section 28. Section **53A-17a-144** is amended to read:

53A-17a-144. Contribution of state to cost of minimum school program -- Determination of amounts -- Levy on taxable property -- Disbursal -- Deficiency.

The state's contribution to the total cost of the minimum school program is determined and distributed as follows:

(1) The State Tax Commission shall levy an amount determined by the Legislature on

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all taxable property of the state.

(a) This amount, together with other funds provided by law, is the state's contribution to the minimum school program.

(b) The statewide levy is set at zero until changed by the Legislature.

(2) During the first week in November, the State Tax Commission shall certify to the State Board of Education the amounts designated as state aid for each school district under Section 59-2-902.

(3) (a) The actual amounts computed under Section 59-2-902 are the state's contribution to the minimum school program of each school district.

(b) The [~~state board~~] State Board of Education shall provide each [~~district~~] local {school} education board with a statement of the amount of state aid.

(4) [~~Prior to~~] Before the first day of each month, the state treasurer and the Division of Finance, with the approval of the State Board of Education, shall disburse 1/12 of the state's contribution to the cost of the minimum school program to each school district and each charter school.

(a) [~~A disbursement may not be made to a district~~] The State Board of Education may not make a disbursement to a school district or charter school whose payments have been interrupted under Subsection (4)(d).

(b) Discrepancies between the monthly disbursements and the actual cost of the program shall be adjusted in the final settlement under Subsection (5).

(c) If the monthly distributions overdraw the money in the Uniform School Fund, the Division of Finance is authorized to run this fund in a deficit position.

(d) The [~~state board~~] State Board of Education may interrupt disbursements to a school district or charter school if, in the judgment of the [~~board~~] State Board of Education, the school district or charter school is failing to comply with the minimum school program, is operating programs that are not approved by the [~~state board~~] State Board of Education, or has not submitted reports required by law or the [~~state board~~] State Board of Education.

(i) Disbursements shall be resumed upon request of the [~~state board~~] State Board of Education.

(ii) Back disbursements shall be included in the next regular disbursement, and the amount disbursed certified to the State Division of Finance and state treasurer by the [~~state~~

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~~board~~] State Board of Education.

(e) The State Board of Education may authorize exceptions to the 1/12 per month disbursement formula for grant funds if the [~~board~~] State Board of Education determines that a different disbursement formula would better serve the purposes of the grant.

(5) (a) If money in the Uniform School Fund is insufficient to meet the state's contribution to the minimum school program as appropriated, the amount of the deficiency thus created shall be carried as a deficiency in the Uniform School Fund until the next session of the Legislature, at which time the Legislature shall appropriate funds to cover the deficiency.

(b) If there is an operating deficit in public education Uniform School Fund appropriations, the Legislature shall eliminate the deficit by:

(i) budget transfers or other legal means;

(ii) appropriating money from the Education Budget Reserve Account;

(iii) appropriating up to 25% of the balance in the General Fund Budget Reserve Account; or

(iv) some combination of Subsections (5)(b)(i), (ii), and (iii).

(c) Nothing in Subsection (5)(b) precludes the Legislature from appropriating more than 25% of the balance in the General Fund Budget Reserve Account to fund operating deficits in public education appropriations.

Section 29. Section **53A-17a-145** is amended to read:

53A-17a-145. Additional levy by local school board for debt service, school sites, buildings, buses, textbooks, and supplies.

(1) Except as provided in Subsection (5), a [~~school district~~] local school board may elect to increase [~~its~~] the school district's tax rate by up to 10% of the cost of the basic program.

(2) The proceeds from the increase may only be used for debt service, the construction or remodeling of school buildings, or the purchase of school sites, buses, equipment, textbooks, and supplies.

(3) This section does not prohibit a school district or local school board from exercising the authority granted by other laws relating to tax rates.

(4) This increase in the tax rate is not included in determining the apportionment of the State School Fund, and is in addition to other tax rates authorized by law.

(5) Beginning January 1, 2012, a local school [~~district~~] board may not:

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- (a) levy a tax rate in accordance with this section; or
- (b) increase its tax rate as described in Subsection (1).

Section 30. Section **53A-17a-146** is amended to read:

53A-17a-146. Reduction of local ~~school~~ education board allocation based on insufficient revenues.

(1) As used in this section, "Minimum School Program funds" means the total of state and local funds appropriated for the minimum school program, excluding:

- (a) the state-supported voted local levy program pursuant to Section 53A-17a-133;
- (b) the state-supported board local levy program pursuant to Section 53A-17a-164; and
- (c) the appropriation to charter schools to replace local property tax revenues pursuant to Section 53A-1a-513.

(2) If the Legislature reduces appropriations made to support public schools under this chapter because an Education Fund budget deficit, as defined in Section 63J-1-312, exists, the State Board of Education, after consultation with each [~~school district and charter school~~] local education board, shall allocate the reduction among school districts and charter schools in proportion to each school district's or charter school's percentage share of Minimum School Program funds.

(3) Except as provided in Subsection (5) and subject to the requirements of Subsection (7), a [~~school district or charter school~~] local education board shall determine which programs are affected by a reduction pursuant to Subsection (2) and the amount each program is reduced.

(4) Except as provided in Subsections (5) and (6), the requirement to spend a specified amount in any particular program is waived if reductions are made pursuant to Subsection (2).

(5) A [~~school district or charter school~~] local education board may not reduce or reallocate spending of funds distributed to the school district or charter school for the following programs:

- (a) educator salary adjustments provided in Section 53A-17a-153;
- (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;
- (c) the extended year for special educators provided in Section 53A-17a-158;
- (d) USTAR centers provided in Section 53A-17a-159;
- (e) the School LAND Trust Program created in Section 53A-16-101.5; or
- (f) a special education program within the Basic School Program.

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(6) A [~~school district or charter school~~] local education board may not reallocate spending of funds distributed to the school district or charter school to a reserve account.

(7) A [~~school district or charter school~~] local education board that reduces or reallocates funds in accordance with this section shall report all transfers into, or out of, Minimum School Program programs to the State Board of Education as part of the school district or charter school's Annual Financial and Program report.

Section 31. Section **53A-17a-150** is amended to read:

53A-17a-150. K-3 Reading Improvement Program.

(1) As used in this section:

(a) "Board" means the State Board of Education.

(b) "Five domains of reading" include phonological awareness, phonics, fluency, comprehension, and vocabulary.

(c) "Program" means the K-3 Reading Improvement Program.

(d) "Program money" means:

(i) school district revenue allocated to the program from other money available to the school district, except money provided by the state, for the purpose of receiving state funds under this section; and

(ii) money appropriated by the Legislature to the program.

(2) The K-3 Reading Improvement Program consists of program money and is created to supplement other school resources to achieve the state's goal of having third graders reading at or above grade level.

(3) Subject to future budget constraints, the Legislature may annually appropriate money to the K-3 Reading Improvement Program.

(4) (a) [~~For~~] For a school district or charter school to receive program money, a [school district or charter school must] local education board shall submit a plan to the board for reading proficiency improvement that incorporates the following components:

(i) assessment;

(ii) intervention strategies;

(iii) professional development for classroom teachers in kindergarten through grade three;

(iv) reading performance standards; and

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(v) specific measurable goals that include the following:

(A) a growth goal for each school within a school district and each charter school based upon student learning gains as measured by benchmark assessments administered pursuant to Section 53A-1-606.6; and

(B) a growth goal for each school district and charter school to increase the percentage of third grade students who read on grade level from year to year as measured by the third grade reading test administered pursuant to Section 53A-1-603.

(b) The board shall provide model plans [~~which a school district or charter school~~] that a local education board may use, or the [school district or charter school] local education board may develop [its] the local education board's own plan.

(c) Plans developed by a [~~school district or charter school~~] local education board shall be approved by the board.

(d) The board shall develop uniform standards for acceptable growth goals that a [~~school district or charter school~~] local education board adopts for a school district or charter school as described in this Subsection (4).

(5) (a) There is created within the K-3 Reading Achievement Program three funding programs:

- (i) the Base Level Program;
- (ii) the Guarantee Program; and
- (iii) the Low Income Students Program.

(b) The board may use no more than \$7,500,000 from an appropriation described in Subsection (3) for computer-assisted instructional learning and assessment programs.

(6) Money appropriated to the board for the K-3 Reading Improvement Program and not used by the board for computer-assisted instructional learning and assessments as described in Subsection (5)(b), shall be allocated to the three funding programs as follows:

- (a) 8% to the Base Level Program;
- (b) 46% to the Guarantee Program; and
- (c) 46% to the Low Income Students Program.

(7) (a) [~~For~~] For a school district or charter school to participate in the Base Level Program, [a school district or charter school] the local education board shall submit a reading proficiency improvement plan to the board as provided in Subsection (4) and must receive

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approval of the plan from the board.

(b) (i) ~~[Each]~~ The local school board of a school district qualifying for Base Level Program funds and the governing boards of qualifying elementary charter schools combined shall receive a base amount.

(ii) The base amount for the qualifying elementary charter schools combined shall be allocated among each charter school in an amount proportionate to:

(A) each existing charter school's prior year fall enrollment in grades kindergarten through grade three; and

(B) each new charter school's estimated fall enrollment in grades kindergarten through grade three.

(8) (a) A ~~[school district]~~ local school board that applies for program money in excess of the Base Level Program funds shall choose to first participate in either the Guarantee Program or the Low Income Students Program.

(b) A school district must fully participate in either the Guarantee Program or the Low Income Students Program before ~~[it]~~ the local school board may elect for the school district to either fully or partially participate in the other program.

(c) ~~[To]~~ For a school district to fully participate in the Guarantee Program, ~~[a school district]~~ the local school board shall allocate to the program money available to the school district, except money provided by the state, equal to the amount of revenue that would be generated by a tax rate of .000056.

(d) ~~[To]~~ For a school district to fully participate in the Low Income Students Program, ~~[a school district]~~ the local school board shall allocate to the program money available to the school district, except money provided by the state, equal to the amount of revenue that would be generated by a tax rate of .000065.

(e) (i) The board shall verify that a ~~[school district]~~ local school board allocates the money required in accordance with Subsections (8)(c) and (d) before ~~[it]~~ the local school board distributes funds in accordance with this section.

(ii) The State Tax Commission shall provide the board the information the board needs in order to comply with Subsection (8)(e)(i).

(9) (a) Except as provided in Subsection (9)(c), the local school board of a school district that fully participates in the Guarantee Program shall receive state funds in an amount

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that is:

(i) equal to the difference between \$21 [~~times the~~] multiplied by the school district's total WPU's and the revenue the [~~school district~~] local school board is required to allocate under Subsection (8)(c) for the school district to fully participate in the Guarantee Program; and

(ii) not less than \$0.

(b) Except as provided in Subsection (9)(c), an elementary charter school shall receive under the Guarantee Program an amount equal to \$21 times the elementary charter school's total WPU's.

(c) The board may adjust the \$21 guarantee amount described in Subsections (9)(a) and (b) to account for actual appropriations and money used by the board for computer-assisted instructional learning and assessments.

(10) The board shall distribute Low Income Students Program funds in an amount proportionate to the number of students in each school district or charter school who qualify for free or reduced price school lunch multiplied by two.

(11) A school district that partially participates in the Guarantee Program or Low Income Students Program shall receive program funds based on the amount of school district revenue allocated to the program as a percentage of the amount of revenue that could have been allocated if the school district had fully participated in the program.

(12) (a) A [~~school district or charter school~~] local education board shall use program money for reading proficiency improvement interventions in grades kindergarten through grade 3 that have proven to significantly increase the percentage of students reading at grade level, including:

(i) reading assessments; and

(ii) focused reading remediations that may include:

(A) the use of reading specialists;

(B) tutoring;

(C) before or after school programs;

(D) summer school programs; or

(E) the use of reading software; or

(F) the use of interactive computer software programs for literacy instruction and assessments for students.

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(b) A [~~school district or charter school~~] local education board may use program money for portable technology devices used to administer reading assessments.

(c) Program money may not be used to supplant funds for existing programs, but may be used to augment existing programs.

(13) (a) Each [~~school district and charter school~~] local education board shall annually submit a report to the board accounting for the expenditure of program money in accordance with its plan for reading proficiency improvement.

(b) If a [~~school district or charter school~~] local education board uses program money in a manner that is inconsistent with Subsection (12), the school district or charter school is liable for reimbursing the board for the amount of program money improperly used, up to the amount of program money received from the board.

(14) (a) The board shall make rules to implement the program.

(b) (i) The rules under Subsection (14)(a) shall require each [~~school district or charter school~~] local education board to annually report progress in meeting [~~school and school district~~] goals stated in the school district's or charter school's plan for student reading proficiency.

(ii) If a school does not meet or exceed the school's goals, the [~~school district or charter school~~] local education board shall prepare a new plan which corrects deficiencies.

(iii) The new plan [~~must~~] described in Subsection (14)(b)(ii) shall be approved by the board before the [~~school district or charter school~~] local education board receives an allocation for the next year.

(15) (a) If for two consecutive school years, a school district fails to meet [~~its~~] the school district's goal to increase the percentage of third grade students who read on grade level as measured by the third grade reading test administered pursuant to Section 53A-1-603, the school district shall terminate any levy imposed under Section 53A-17a-151 and may not receive money appropriated by the Legislature for the K-3 Reading Improvement Program.

(b) If for two consecutive school years, a charter school fails to meet [~~its~~] the charter school's goal to increase the percentage of third grade students who read on grade level as measured by the third grade reading test administered pursuant to Section 53A-1-603, the charter school may not receive money appropriated by the Legislature for the K-3 Reading Improvement Program.

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(16) The board shall make an annual report to the Public Education Appropriations Subcommittee that:

(a) includes information on:

(i) student learning gains in reading for the past school year and the five-year trend;

(ii) the percentage of third grade students reading on grade level in the past school year and the five-year trend;

(iii) the progress of schools and school districts in meeting goals stated in a school district's or charter school's plan for student reading proficiency; and

(iv) the correlation between third grade students reading on grade level and results of third grade language arts scores on a criterion-referenced test or computer adaptive test; and

(b) may include recommendations on how to increase the percentage of third grade students who read on grade level.

Section 32. Section **53A-17a-151** is amended to read:

53A-17a-151. Board leeway for reading improvement.

(1) Except as provided in Subsection (4), a local school board may levy a tax rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading Improvement Program created under Section 53A-17a-150.

(2) The levy authorized under this section:

(a) is in addition to any other levy or maximum rate;

(b) does not require voter approval; and

(c) may be modified or terminated by a majority vote of the local school board.

(3) A local school board shall establish [~~its~~] a local school board-approved levy under this section by June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year.

(4) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.

Section 33. Section **53A-17a-153** is amended to read:

53A-17a-153. Educator salary adjustments.

(1) As used in this section, "educator" means a person employed by a school district, charter school, or the Utah Schools for the Deaf and the Blind who holds:

(a) a license issued under Title 53A, Chapter 6, Educator Licensing and Professional

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Practices Act; and

- (b) a position as a:
 - (i) classroom teacher;
 - (ii) speech pathologist;
 - (iii) librarian or media specialist;
 - (iv) preschool teacher;
 - (v) mentor teacher;
 - (vi) teacher specialist or teacher leader;
 - (vii) guidance counselor;
 - (viii) audiologist;
 - (ix) psychologist; or
 - (x) social worker.

(2) In recognition of the need to attract and retain highly skilled and dedicated educators, the Legislature shall annually appropriate money for educator salary adjustments, subject to future budget constraints.

(3) Money appropriated to the State Board of Education for educator salary adjustments shall be distributed to school districts, charter schools, and the Utah Schools for the Deaf and the Blind in proportion to the number of full-time-equivalent educator positions in a school district, a charter school, or the Utah Schools for the Deaf and the Blind as compared to the total number of full-time-equivalent educator positions in school districts, charter schools, and the Utah Schools for the Deaf and the Blind.

(4) School districts, charter schools, and the Utah Schools for the Deaf and the Blind shall award bonuses to educators as follows:

(a) the amount of the salary adjustment shall be the same for each full-time-equivalent educator position in the school district, charter school, or the Utah Schools for the Deaf and the Blind;

(b) a person who is not a full-time educator shall receive a partial salary adjustment based on the number of hours the person works as an educator; and

(c) salary adjustments may be awarded only to educators who have received a satisfactory rating or above on their most recent evaluation.

(5) (a) Each [~~school district and charter school~~] local education board and the Utah

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Schools for the Deaf and the Blind shall submit a report to the State Board of Education on how the money for salary adjustments was spent, including the amount of the salary adjustment and the number of full and partial salary adjustments awarded.

(b) The State Board of Education shall compile the information reported under Subsection (5) and submit it to the Public Education Appropriations Subcommittee by November 30 each year.

(6) The State Board of Education may make rules as necessary to administer this section, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(7) (a) Subject to future budget constraints, the Legislature shall appropriate sufficient money each year to:

- (i) maintain educator salary adjustments provided in prior years; and
- (ii) provide educator salary adjustments to new employees.

(b) Money appropriated for educator salary adjustments shall include money for the following employer-paid benefits:

- (i) retirement;
- (ii) worker's compensation;
- (iii) Social Security; and
- (iv) Medicare.

(8) (a) Subject to future budget constraints, the Legislature shall:

(i) maintain the salary adjustments provided to school administrators in the 2007-08 school year; and

(ii) provide salary adjustments for new school administrators in the same amount as provided for existing school administrators.

(b) The appropriation provided for educator salary adjustments shall include salary adjustments for school administrators as specified in Subsection (8)(a).

(c) In distributing and awarding salary adjustments for school administrators, the State Board of Education, school districts, charter schools, and the Utah Schools for the Deaf and the Blind shall comply with the requirements for the distribution and award of educator salary adjustments as provided in Subsections (3) and (4).

Section 34. Section **53A-17a-159** is amended to read:

53A-17a-159. Utah Science Technology and Research Initiative Centers

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Program.

(1) (a) The Utah Science Technology and Research Initiative (USTAR) Centers Program is created to provide a financial incentive for [~~charter schools and school districts~~] local education boards to adopt programs in respective charter schools and school districts that result in a more efficient use of human resources and capital facilities.

(b) The potential benefits of the program include:

(i) increased compensation for math and science teachers by providing opportunities for an expanded contract year which will enhance school districts' and charter schools' ability to attract and retain talented and highly qualified math and science teachers;

(ii) increased capacity of school buildings by using buildings more hours of the day or more days of the year, resulting in reduced capital facilities costs;

(iii) decreased class sizes created by expanding the number of instructional opportunities in a year;

(iv) opportunities for earlier high school graduation;

(v) improved student college preparation;

(vi) increased opportunities to offer additional remedial and advanced courses in math and science;

(vii) opportunities to coordinate high school and post-secondary math and science education; and

(viii) the creation or improvement of science, technology, engineering, and math centers (STEM Centers).

(2) From money appropriated for the USTAR Centers Program, the State Board of Education shall award grants to charter schools and school districts to pay for costs related to the adoption and implementation of the program.

(3) The State Board of Education shall:

(a) solicit proposals from the State Charter School Board and [~~school districts~~] local school boards for the use of grant money to facilitate the adoption and implementation of the program; and

(b) award grants on a competitive basis.

(4) The State Charter School Board shall:

(a) solicit proposals from charter [~~schools~~] school governing boards that may be

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interested in participating in the USTAR Centers Program;

(b) prioritize ~~[the charter school proposals and consolidate them]~~ and consolidate the proposals into the equivalent of a single school district request; and

(c) submit the consolidated request to the State Board of Education.

(5) In selecting a grant recipient, the State Board of Education shall consider:

(a) the degree to which a charter school or school district's proposed adoption and implementation of an extended year for math and science teachers achieves the benefits described in Subsection (1);

(b) the unique circumstances of different urban, rural, large, small, growing, and declining charter schools and school districts; and

(c) providing pilot programs in as many different school districts and charter schools as possible.

(6) (a) Except as provided in Subsection (6)(b), a school district or charter school may only use grant money to provide full year teacher contracts, part-time teacher contract extensions, or combinations of both, for math and science teachers.

(b) Up to 5% of the grant money may be used to fund math and science field trips, textbooks, and supplies.

(7) Participation in the USTAR Centers Program shall be:

(a) voluntary for an individual teacher; and

(b) voluntary for a charter school or school district.

~~[(8) The State Board of Education shall make an annual report during the 2009, 2010, and 2011 interims to the Public Education Appropriations Subcommittee describing the program's impact on students and its effectiveness at achieving the benefits described in Subsection (1).]~~

Section 35. Section **53A-17a-165** is amended to read:

53A-17a-165. Enhancement for Accelerated Students Program.

(1) As used in this section, "eligible low-income student" means a student who:

(a) takes an Advanced Placement test;

(b) has applied for an Advanced Placement test fee reduction; and

(c) qualifies for a free lunch or a lunch provided at reduced cost.

(2) The State Board of Education shall distribute money appropriated for the

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Enhancement for Accelerated Students Program to school districts and charter schools according to a formula adopted by the State Board of Education, after consultation with [~~school districts and charter schools~~] local education boards.

(3) A distribution formula adopted under Subsection (2) may include an allocation of money for:

- (a) Advanced Placement courses;
- (b) Advanced Placement test fees of eligible low-income students;
- (c) gifted and talented programs, including professional development for teachers of high ability students; and
- (d) International Baccalaureate programs.

(4) The greater of 1.5% or \$100,000 of the appropriation for the Enhancement for Accelerated Students Program may be allowed for International Baccalaureate programs.

(5) A school district or charter school shall use money distributed under this section to enhance the academic growth of students whose academic achievement is accelerated.

(6) (a) The State Board of Education shall develop performance criteria to measure the effectiveness of the Enhancement for Accelerated Students Program and make an annual report to the Public Education Appropriations Subcommittee on the effectiveness of the program.

(b) In the report required by Subsection (6)(a), the State Board of Education shall include data showing the use and impact of money allocated for Advanced Placement test fees of eligible low-income students.

Section 36. Section **53A-17a-166** is amended to read:

53A-17a-166. Enhancement for At-Risk Students Program.

(1) (a) Subject to the requirements of Subsection (1)(b), the State Board of Education shall distribute money appropriated for the Enhancement for At-Risk Students Program to school districts and charter schools according to a formula adopted by the State Board of Education, after consultation with [~~school districts and charter schools~~] local education boards.

(b) (i) The State Board of Education shall appropriate \$1,200,000 from the appropriation for Enhancement for At-Risk Students for a gang prevention and intervention program designed to help students at-risk for gang involvement stay in school.

(ii) Money for the gang prevention and intervention program shall be distributed to school districts and charter schools through a request for proposals process.

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(2) In establishing a distribution formula under Subsection (1)(a), the State Board of Education shall use the following criteria:

- (a) low performance on U-PASS tests;
- (b) poverty;
- (c) mobility; and
- (d) limited English proficiency.

(3) A [~~school district or charter school~~] local education board shall use money distributed under this section to improve the academic achievement of students who are at risk of academic failure.

(4) The State Board of Education shall develop performance criteria to measure the effectiveness of the Enhancement for At-Risk Students Program and make an annual report to the Public Education Appropriations Subcommittee on the effectiveness of the program.

Section 37. Section **53A-17a-167** is amended to read:

53A-17a-167. Early intervention program -- Enhanced kindergarten program -- Educational technology.

(1) The State Board of Education shall, as described in Subsection (4), distribute funds appropriated under this section for an enhanced kindergarten program described in Subsection (2), to school districts and charter schools that apply for the funds.

(2) A [~~school district or charter school~~] local education board shall use funds appropriated in this section for a school district or charter school to offer an early intervention program, delivered through an enhanced kindergarten program that:

- (a) is an academic program focused on building age-appropriate literacy and numeracy skills;
- (b) uses an evidence-based early intervention model;
- (c) is targeted to at-risk students; and
- (d) is delivered through additional hours or other means.

(3) A [~~school district or charter school~~] local education board may not require a student to participate in an enhanced kindergarten program described in Subsection (2).

(4) The State Board of Education shall distribute funds appropriated under this section for an enhanced kindergarten program described in Subsection (2) as follows:

- (a) (i) the total allocation for charter schools shall be calculated by:

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(A) dividing the number of charter school students by the total number of students in the public education system in the prior school year; and

(B) multiplying the resulting percentage by the total amount of available funds; and

(ii) the amount calculated under Subsection (4)(a) shall be distributed to charter schools with the greatest need for an enhanced kindergarten program, as determined by the State Board of Education in consultation with the State Charter School Board;

(b) each school district shall receive the amount calculated by:

(i) multiplying the value of the weighted pupil unit by 0.45; and

(ii) multiplying the result by 20; and

(c) the remaining funds, after the allocations described in Subsections (4)(a) and (4)(b) are made, shall be distributed to applicant school districts by:

(i) determining the number of students eligible to receive free lunch in the prior school year for each school district; and

(ii) prorating the remaining funds based on the number of students eligible to receive free lunch in each school district.

(5) In addition to an enhanced kindergarten program described in Subsection (2), the early intervention program includes a component to address early reading through the use of early interactive reading software.

(6) (a) Subject to legislative appropriations, the State Board of Education shall select and contract with one or more technology providers, through a request for proposals process, to provide early interactive reading software for literacy instruction and assessments for students in kindergarten through grade 3.

(b) By August 1 of each year, the State Board of Education shall distribute licenses for early interactive reading software described in Subsection (6)(a) to the school districts and charter schools of local education boards that apply for the licenses.

(c) Except as provided in Subsection (7)(c), a school district or charter school that received a license described in Subsection (6)(b) during the prior year shall be given first priority to receive an equivalent license during the current year.

(d) Licenses distributed to school districts and charter schools in addition to the licenses described in Subsection (6)(c) shall be distributed through a competitive process.

(7) (a) As used in this Subsection (7), "dosage" means amount of instructional time.

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(b) A public school that receives a license described in Subsection (6)(b) shall use the license:

(i) for a student in kindergarten or grade 1:

(A) for intervention for the student if the student is reading below grade level; or

(B) for advancement beyond grade level for the student if the student is reading at or above grade level;

(ii) for a student in grade 2 or 3, for intervention for the student if the student is reading below grade level; and

(iii) in accordance with the technology provider's dosage recommendations.

(c) A public school that does not use the early interactive reading software in accordance with the technology provider's dosage recommendations for two consecutive years may not continue to receive a license.

(8) (a) On or before August 1 of each year, the State Board of Education shall select and contract with an independent evaluator, through a request for proposals process, to act as an independent contractor to evaluate early interactive reading software provided under this section.

(b) The State Board of Education shall ensure that a contract with an independent evaluator requires the independent evaluator to:

(i) evaluate a student's learning gains as a result of using early interactive reading software provided under Subsection (6);

(ii) for the evaluation under Subsection (8)(b)(i), use an assessment that is not developed by a provider of early interactive reading software; and

(iii) determine the extent to which a public school uses the early interactive reading software in accordance with a technology provider's dosage recommendations under Subsection (7).

(c) The State Board of Education and the independent evaluator selected under Subsection (8)(a) shall report annually on the results of the evaluation to the Education Interim Committee and the governor.

(d) The State Board of Education may use up to 4% of the appropriation provided under Subsection (6)(a) to contract with an independent evaluator selected under Subsection (8)(a).

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Section 38. Section **53A-17a-171** is amended to read:

53A-17a-171. Intergenerational Poverty Interventions Grant Program -- Definitions -- Grant requirements -- Reporting requirements.

(1) As used in this section:

(a) "Board" means the State Board of Education.

(b) "Eligible student" means a student who is classified as a child affected by intergenerational poverty.

(c) "Intergenerational poverty" has the same meaning as in Section 35A-9-102.

(d) "Local Education Agency" or "LEA" means a school district or charter school.

(e) "Program" means the Intergenerational Poverty Interventions Grant Program created in Subsection (2).

(2) The Intergenerational Poverty Interventions Grant Program is created to provide grants to eligible LEAs to fund additional educational opportunities at eligible LEAs, for eligible students, outside of the regular school day offerings.

(3) Subject to future budget constraints, the board shall distribute to LEAs money appropriated for the program in accordance with this section.

(4) The board shall:

(a) solicit proposals from [~~LEAs~~] local education boards to receive money under the program; and

(b) award grants to [~~LEAs~~] a local education board on behalf of an LEA based on criteria described in Subsection (5).

(5) In awarding a grant under Subsection (4), the board shall consider:

(a) the percentage of an LEA's students that are classified as children affected by intergenerational poverty;

(b) the level of administrative support and leadership at an eligible LEA to effectively implement, monitor, and evaluate the program; and

(c) an LEA's commitment and ability to work with the Department of Workforce Services, the Department of Health, the Department of Human Services, and the juvenile courts to provide services to the LEA's eligible students.

(6) To receive a grant under the program [~~, an LEA~~] on behalf of an LEA, a local education board shall submit a proposal to the board detailing:

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(a) the LEA's strategy to implement the program, including the LEA's strategy to improve the academic achievement of children affected by intergenerational poverty;

(b) the LEA's strategy for coordinating with and engaging the Department of Workforce Services to provide services for the LEA's eligible students;

(c) the number of students the LEA plans to serve, categorized by age and intergenerational poverty status;

(d) the number of students, eligible students, and schools the LEA plans to fund with the grant money; and

(e) the estimated cost per student.

(7) (a) The board shall annually report to the Utah Intergenerational Welfare Reform Commission, created in Section 35A-9-301, by November 30 of each year, on:

(i) the progress of LEA programs using grant money;

(ii) the progress of LEA programs in improving the academic achievement of children affected by intergenerational poverty; and

(iii) the LEA's coordination efforts with the Department of Workforce Services, the Department of Health, the Department of Human Services, and the juvenile courts.

(b) The board shall provide the report described in Subsection (7)(a) to the Education Interim Committee upon request.

(c) [~~LEAs that receive~~] An LEA that receives grant money pursuant to this section shall provide to the board information that is necessary for the board's report described in Subsection (7)(a).

Section 39. Section **63J-1-220** is amended to read:

63J-1-220. Reporting related to pass through money distributed by state agencies.

(1) As used in this section:

(a) "Local government entity" means a county, municipality, school district, local district under Title 17B, Limited Purpose Local Government Entities - Local Districts, special service district under Title 17D, Chapter 1, Special Service District Act, or any other political subdivision of the state.

(b) (i) "Pass through funding" means money appropriated by the Legislature to a state agency that is intended to be passed through the state agency to one or more:

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- (A) local government entities;
- (B) private organizations, including not-for-profit organizations; or
- (C) persons in the form of a loan or grant.

(ii) "Pass through funding" may be:

- (A) general funds, dedicated credits, or any combination of state funding sources; and
- (B) ongoing or one-time.

(c) "Recipient entity" means a local government entity or private entity, including a nonprofit entity, that receives money by way of pass through funding from a state agency.

(d) "State agency" means a department, commission, board, council, agency, institution, officer, corporation, fund, division, office, committee, authority, laboratory, library, unit, bureau, panel, or other administrative unit of the executive branch of the state.

(e) (i) "State money" means money that is owned, held, or administered by a state agency and derived from state fees or tax revenues.

(ii) "State money" does not include contributions or donations received by a state agency.

(2) A state agency may not provide a recipient entity state money through pass through funding unless:

- (a) the state agency enters into a written agreement with the recipient entity; and
- (b) the written agreement described in Subsection (2)(a) requires the recipient entity to provide the state agency:

(i) a written description and an itemized report at least annually detailing the expenditure of the state money, or the intended expenditure of any state money that has not been spent; and

(ii) a final written itemized report when all the state money is spent.

(3) A state agency shall provide to the Governor's Office of Management and Budget a copy of a written description or itemized report received by the state agency under Subsection (2).

(4) Notwithstanding Subsection (2), a state agency is not required to comply with this section to the extent that the pass through funding is issued:

- (a) under a competitive award process;
- (b) in accordance with a formula enacted in statute;

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(c) in accordance with a state program under parameters in statute or rule that guides the distribution of the pass through funding; or

(d) under the authority of the minimum school program, as defined in Subsection 53A-17a-103[(4)](7)(e).

†

Legislative Review Note

Office of Legislative Research and General Counsel†