PUBLIC EDUCATION BASE BUDGET AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: Daniel McCay

LONG TITLE

Committee Note:
The Executive Appropriations Committee recommended this bill.

General Description:
This bill appropriates funds for the support and operation of public education for the fiscal year beginning July 1, 2017, and ending June 30, 2018.

Highlighted Provisions:
This bill:
- provides appropriations for the use and support of state education agencies;
- provides appropriations for the use and support of school districts and charter schools;
- sets the value of the weighted pupil unit (WPU) initially at $3,184 for fiscal year 2018;
- sets the estimated minimum basic tax rate at .001596 for fiscal year 2018; and
- provides appropriations for other purposes as described.

Money Appropriated in this Bill:
This bill appropriates for fiscal year 2018:
- $4,309,500 from the General Fund;
- $23,000,000 from the Uniform School Fund;
- $3,048,635,500 from the Education Fund; and
- $1,523,226,100 from various sources as detailed in this bill.
This bill appropriates $2,977,000 in expendable funds and accounts for fiscal year 2018.

This bill appropriates $78,000,000 in restricted fund and account transfers for fiscal year 2018, including:

$3,000,000 from the General Fund; and

$75,000,000 from the Education Fund.

This bill appropriates $147,900 in fiduciary funds for fiscal year 2018.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

53A-17a-135, as last amended by Laws of Utah 2016, Chapter 2

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. 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 qualify for receipt of the state contribution toward the basic program and as its contribution toward its costs of the basic program, each school district shall impose a minimum basic tax rate per dollar of taxable value that generates $399,041,300 in revenues statewide.

(b) The preliminary estimate for the 2017-18 minimum basic tax rate is .001596.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates $399,041,300 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 district toward the cost of the basic program in
the district that portion which exceeds the proceeds of the difference between:

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

(ii) 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.

(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 2. Appropriations for state education agencies, school districts, and charter schools -- Value of weighted pupil unit.

(1) The following sums of money are appropriated for the fiscal year beginning July 1, 2017, and ending June 30, 2018. These are additions to amounts previously appropriated for fiscal year 2018. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the Legislature appropriates the following sums of money from the funds or accounts indicated for the use and support of the government of the state of Utah.

(2) The value of the weighted pupil unit for fiscal year 2018 is initially set at $3,184.

ITEM 1

To State Board of Education - Minimum School Program - Basic School Program

From Uniform School Fund 23,000,000
From Education Fund 2,273,000,500
From Local Revenue 399,041,300
From Beginning Nonlapsing Balances 11,042,700
From Closing Nonlapsing Balances (11,042,700)

Schedule of Programs:

<table>
<thead>
<tr>
<th>Program</th>
<th>WPUs</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kindergarten</td>
<td>27,529</td>
<td>87,652,300</td>
</tr>
<tr>
<td>Grades 1 - 12</td>
<td>576,394</td>
<td>1,842,013,000</td>
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<tr>
<td>Foreign Exchange</td>
<td>328</td>
<td>1,044,400</td>
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<tr>
<td>Necessarily Existent Small Schools</td>
<td>9,514</td>
<td>30,292,700</td>
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<tr>
<td>Professional Staff</td>
<td>55,577</td>
<td>176,957,200</td>
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<tr>
<td>Administrative Costs</td>
<td>1,490</td>
<td>4,744,200</td>
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<tr>
<td>Special Education - Add-On</td>
<td>77,514</td>
<td>246,804,500</td>
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<tr>
<td>Special Education - Preschool</td>
<td>10,238</td>
<td>32,597,800</td>
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<tr>
<td>Special Education - Self-Contained</td>
<td>13,940</td>
<td>44,385,000</td>
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<tr>
<td>Special Education - Extended School Year</td>
<td>429</td>
<td>1,365,900</td>
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<tr>
<td>Special Education - Impact Aid</td>
<td>2,016</td>
<td>6,418,900</td>
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<tr>
<td>Special Education - Intensive Services</td>
<td>397</td>
<td>1,264,000</td>
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<tr>
<td>Special Education - Extended Year for Special Educators</td>
<td>909</td>
<td>2,894,300</td>
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<tr>
<td>Career and Technical Education - Add-On</td>
<td>28,040</td>
<td>89,279,400</td>
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<tr>
<td>Class Size Reduction</td>
<td>39,990</td>
<td>127,328,200</td>
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</table>

ITEM 2

To State Board of Education - Minimum School Program - Related to Basic School Programs

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Education Fund</td>
<td>531,326,900</td>
</tr>
<tr>
<td>From Interest and Dividends Account</td>
<td>45,000,000</td>
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<tr>
<td>Schedule of Programs:</td>
<td>Amount</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>To and From School - Pupil Transportation</td>
<td>79,265,300</td>
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<tr>
<td>Pupil Transportation Grants for Unsafe Routes</td>
<td>500,000</td>
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<tr>
<td>Guarantee Transportation Program</td>
<td>500,000</td>
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<tr>
<td>Flexible Allocation - WPU Distribution</td>
<td>7,788,000</td>
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<tr>
<td>Enhancement for At-Risk Students</td>
<td>26,539,500</td>
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<tr>
<td>Youth in Custody</td>
<td>21,505,000</td>
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<tr>
<td>Adult Education</td>
<td>10,563,900</td>
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<tr>
<td>Enhancement for Accelerated Students</td>
<td>4,764,000</td>
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<tr>
<td>Centennial Scholarship Program</td>
<td>250,000</td>
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<tr>
<td>Concurrent Enrollment</td>
<td>10,209,200</td>
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<tr>
<td>Title I Schools Paraeducators Program</td>
<td>300,000</td>
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<tr>
<td>School LAND Trust Program</td>
<td>45,000,000</td>
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<tr>
<td>Charter School Local Replacement</td>
<td>135,356,000</td>
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<tr>
<td>Charter School Administration</td>
<td>7,463,700</td>
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<tr>
<td>K-3 Reading Improvement</td>
<td>15,000,000</td>
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<tr>
<td>Educator Salary Adjustments</td>
<td>167,094,400</td>
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<tr>
<td>USFR Teacher Salary Supplement Restricted Account</td>
<td>6,799,900</td>
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<tr>
<td>School Library Books and Electronic Resources</td>
<td>850,000</td>
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<tr>
<td>Matching Fund for School Nurses</td>
<td>1,002,000</td>
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<tr>
<td>Critical Languages and Dual Immersion</td>
<td>2,956,000</td>
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<tr>
<td>USTAR Centers (Year-Round Math and Science)</td>
<td>6,200,000</td>
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<tr>
<td>Beverley Taylor Sorenson Elementary Arts</td>
<td>8,880,000</td>
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<tr>
<td>Early Intervention</td>
<td>7,500,000</td>
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<tr>
<td>Digital Teaching and Learning Program</td>
<td>10,040,000</td>
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</tbody>
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ITEM 3

To State Board of Education - Minimum School Program - Voted and Board Local Levy Programs

From Education Fund 123,416,200
From Education Fund Restricted - Minimum Basic Growth Account 56,250,000
From Local Revenue 414,776,500

Schedule of Programs:

Voted Local Levy Program 444,226,900
Board Local Levy Program 135,215,800
Board Local Levy Program - Reading Improvement 15,000,000

ITEM 4

To State Board of Education - School Building Programs

From Education Fund 14,499,700
From Education Fund Restricted - Minimum Basic Growth Account 18,750,000

Schedule of Programs:

Foundation Program 27,610,900
Enrollment Growth Program 5,638,800

ITEM 5

To State Board of Education - State Administrative Office

From General Fund 307,800
From Education Fund 35,289,900
From Federal Funds 340,891,900
From Dedicated Credits Revenue 6,008,900
From General Fund Restricted - Mineral Lease 1,688,500
From General Fund Restricted - Land Exchange Distribution Account 16,900
From General Fund Restricted - Substance Abuse Prevention 506,400
From Interest and Dividends Account 635,100
From Land Grant Management Fund 2,000
From Revenue Transfers 1,482,500

Schedule of Programs:

Assessment and Accountability 17,895,500
Educational Equity 128,300
Board and Administration 13,627,100
Business Services 972,200
Career and Technical Education 20,581,900
District Computer Services 6,307,100
Federal Elementary and Secondary Education Act 112,889,400
Law and Legislation 230,400
Math Teacher Training 500,000
Public Relations 162,500
School Trust 592,700
Special Education 181,065,300
Teaching and Learning 30,877,500
Statewide Online Education Program 750,000
Pilot Teacher Retention Grant Program 250,000

ITEM 6

To State Board of Education - Minimum School Program Categorical Program

Administration

From Education Fund 1,442,500
From Revenue Transfers (148,700)
From Beginning Nonlapsing Balances 100
From Closing Nonlapsing Balances (200)

Schedule of Programs:

CTE Comprehensive Guidance 150,300
Enhancement for At-Risk Students 257,100
Youth-In-Custody 404,800
Adult Education 206,100
ITEM 7

To State Board of Education - Initiative Programs

From General Fund 4,001,700
From Education Fund 27,616,000
From General Fund Restricted - Autism Awareness Account 10,000
From Revenue Transfers (68,300)
From Beginning Nonlapsing Balances 40,200
From Closing Nonlapsing Balances (40,200)

Schedule of Programs:

Contracts and Grants 300,000
Electronic High School 2,600
Upstart Early Childhood Education 6,263,900
ProStart Culinary Arts Program 403,100
CTE Online Assessments 341,000
General Financial Literacy 178,000
Carson Smith Scholarships 3,981,100
Paraeducator to Teacher Scholarships 24,500
Electronic Elementary Reading Tool 2,100,000
ELL Software Licenses 3,000,000
Autism Awareness 10,000
Early Intervention 4,600,000
Peer Assistance 400,000
Intergenerational Poverty Interventions 1,000,000
School Turnaround and Leadership

ITEM 8

To State Board of Education - State Charter School Board

From Education Fund 3,854,400
ITEM 9
To State Board of Education - Utah Charter School Finance Authority
From Education Fund Restricted - Charter School Reserve Account 50,000
Schedule of Programs:
Utah Charter School Finance Authority 50,000

ITEM 10
To State Board of Education - Educator Licensing Professional Practices
From Dedicated Credits Revenue 34,500
From Professional Practices Restricted Subfund 2,423,000
From Revenue Transfers (317,500)
Schedule of Programs:
Educator Licensing 2,140,000

ITEM 11
To State Board of Education - Child Nutrition
From Education Fund 143,800
From Federal Funds 159,619,700
From Dedicated Credit - Liquor Tax 39,262,300
From Revenue Transfers (321,600)
Schedule of Programs:
Child Nutrition 198,704,200

ITEM 12
To State Board of Education - Child Nutrition - Federal Commodities
From Federal Funds 19,159,300
Schedule of Programs:
Child Nutrition - Federal Commodities 19,159,300

ITEM 13
To State Board of Education - Fine Arts Outreach
From Education Fund 3,925,000
276 Schedule of Programs:

277 Professional Outreach Programs 3,871,000
278 Subsidy Program 54,000

279 ITEM 14

280 To State Board of Education - Science Outreach

281 From Education Fund 4,390,000

282 Schedule of Programs:

283 Informal Science Education Enhancement 4,115,000
284 Provisional Program 225,000
285 Integrated Student and New Facility Learning 50,000

287 ITEM 15

288 To State Board of Education - Educational Contracts

289 From Education Fund 3,140,300

290 Schedule of Programs:

291 Youth Center 1,153,200
292 Corrections Institutions 1,987,100

293 ITEM 16

294 To State Board of Education - Utah Schools for the Deaf and the Blind

295 From Education Fund 26,470,300
296 From Federal Funds 99,100
297 From Dedicated Credits Revenue 1,584,200
298 From Revenue Transfers 5,671,700
299 From Beginning Nonlapsing Balances 2,347,800
300 From Closing Nonlapsing Balances (900,300)

301 Schedule of Programs:

302 Educational Services 16,040,400
303 Support Services 19,232,400

304 ITEM 17

305 To State Board of Education - Teaching and Learning

306 From Education Fund 120,000
From Revenue Transfers 8,974,800

Schedule of Programs:

Student Access to High Quality School Readiness Programs 9,094,800

The Legislature intends that:

(1) for fiscal years 2018 and 2019, the Department of Workforce Services shall allocate up to $11,000,000 of Temporary Assistance for Needy Families funding to fund programs described in Title 53A, Chapter 1b, Part 2, Expanded Access to High Quality School Readiness Programs Act;

(2) the State Board of Education shall use funds appropriated from Revenue Transfer - Temporary Assistance for Needy Families consistent with federal requirements for those funds; and

(3) the State Board of Education may:

(a) use up to $140,000 of the appropriation to the State Board of Education to contract with an independent evaluator to conduct an evaluation, as required by Section 53A-1b-208;

(b) use up to $2,000,000 of the appropriation to the State Board of Education to provide grants for home-based technology school readiness programs, as described in Section 53A-1b-205; and

(c) use the ongoing appropriation to the State Board of Education from the Education Fund for administrative costs.

ITEM 18

To School and Institutional Trust Fund Office

From School and Institutional Trust Fund Management Account 877,800

Schedule of Programs:

School and Institutional Trust Fund Office 877,800

Section 3. Expendable funds and accounts.

The Legislature has reviewed the following expendable funds. Where applicable, the Legislature authorizes the State Division of Finance to transfer amounts among funds and accounts as indicated. Outlays and expenditures from the recipient funds or accounts may be made without further legislative action according to a fund or account's applicable authorizing statute.
ITEM 19  
To State Board of Education - Charter School Revolving Account

From Interest Income 56,200
From Repayments 1,511,400
From Beginning Nonlapsing Balances 6,989,300
From Closing Nonlapsing Balances (7,045,500)

Schedule of Programs:

Charter School Revolving Account 1,511,400

ITEM 20  
To State Board of Education - School Building Revolving Account

From Interest Income 83,900
From Repayments 1,465,600
From Beginning Nonlapsing Balances 9,833,600
From Closing Nonlapsing Balances (9,917,500)

Schedule of Programs:

School Building Revolving Account 1,465,600

ITEM 21  
To State Board of Education - Child Nutrition Program Commodities Fund

From Dedicated Credits Revenue 200
From Beginning Nonlapsing Balances 200
From Closing Nonlapsing Balances (400)

Section 4. Fund and account transfers.

The Legislature authorizes the State Division of Finance to transfer the following amounts among the following funds or accounts as indicated. Expenditures and outlays from the recipient funds must be authorized elsewhere in an appropriations act.

ITEM 22  
To General Fund Restricted - School Readiness Account

From General Fund 3,000,000

Schedule of Programs:

General Fund Restricted - School Readiness Account 3,000,000
ITEM 23

To Education Fund Restricted - Minimum Basic Growth Account
From Education Fund 75,000,000

Schedule of Programs:

Education Fund Restricted - Minimum
Basic Growth Account 75,000,000

Section 5. Fiduciary funds.
The Legislature has reviewed proposed revenues, expenditures, fund balances, and changes in fund balances for the following fiduciary funds.

ITEM 24

To State Board of Education - Schools for the Deaf and the Blind Donation Fund
From Dedicated Credits Revenue 115,000
From Interest Income 5,400
From Beginning Nonlapsing Balances 687,800
From Closing Nonlapsing Balances (687,800)

Schedule of Programs:

Schools for the Deaf and the Blind Donation Fund 120,400

ITEM 25

To State Board of Education - Education Tax Check-Off Lease Refunding
From Trust and Agency Funds 27,500
From Beginning Nonlapsing Balances 28,700
From Closing Nonlapsing Balances (28,700)

Schedule of Programs:

Education Tax Check-Off Lease Refunding 27,500

Section 6. Effective date.

This bill takes effect on July 1, 2017.

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Legislative Review Note
Office of Legislative Research and General Counsel