



# Bill Summary: S.B. 221 3<sup>rd</sup> Substitute, School District Amendments

Prepared for Sen. Grover | February 23, 2024

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This bill addresses the process for dividing a school district. When voters approve creation of a new district, the existing school district would dissolve, and two (or more) new districts would be created.

## New School Districts

- **Divided school district:** Original school district that would dissolve after the new school districts are formed.
- **New school district:** Entirely new school district created out of the divided school district.
- **Reorganized new school district:** New school district created from the remaining portion of the divided school district.

## Initiating a New School District

### *Options for Initiating a New District*

Existing code provides four paths for initiating a new school district (53G-3-301).

1. Citizens' initiative petition
2. Request of a school district's or districts' boards.
3. Request of a municipality within the boundaries of the school district.
4. Request of interlocal agreement participants.

### *Feasibility Study*

Requires a feasibility study by the Office of the Legislative Auditor General during the process for initiating a new district; the study must be prioritized by the Legislative Audit Subcommittee. The requesting entity depends on how the process is initiated. The requesting entity must:

- Hold at least two public hearings on the study.
- Provide a 45-day public comment period on the study.

The study determines the (1) financial viability of the new school district, (2) financial impact of a new school district, and (3) impact of the tax burden on taxpayers of the new district.

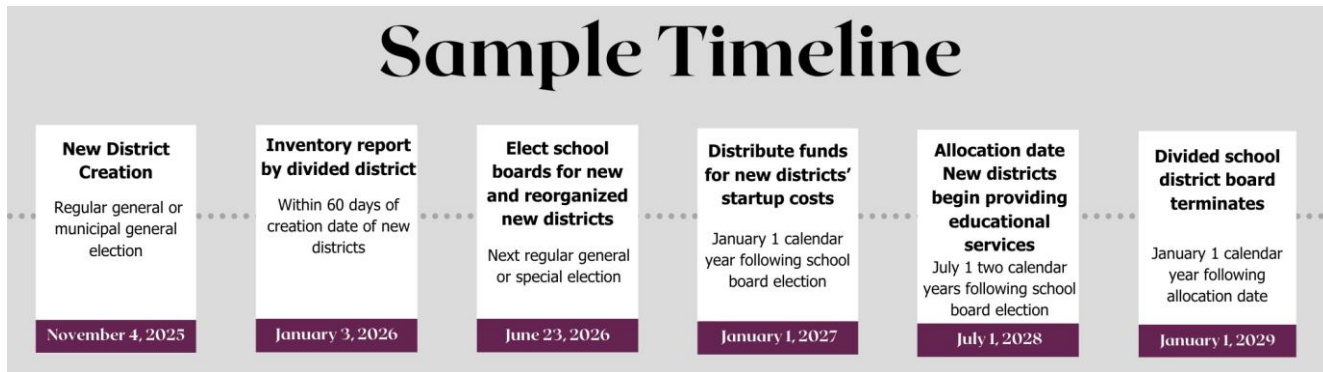
### *Voter Approval*

The proposal must be certified by a county clerk and/or approved by the appropriate governing body (depends on the path used to initiate the process). The proposal will be on a ballot at the next regular general or municipal general election, whichever is first.



## New School District Creation Process

The graphic below outlines a hypothetical timeline of the processes involved in creating new and reorganized new school districts from a divided school district. The exact timing depends on the dates for the regular general, municipal general, and special elections.



**Creation date:** If approved by the clerk and/or governing body, the proposal will be on a ballot at a regular general or municipal general election. If the majority of voters in the proposed new district boundaries approve the ballot measure, the new and reorganized new school districts are created as of the election date.

**Inventory report:** The divided district prepares and gives the Office of the Legislative Auditor General an inventory of the district’s assets and liabilities within 60 days of the new districts’ creation date.

**Allocation report:** The school boards for the new and reorganized new districts prepare a written report detailing allocation of the divided school district’s assets and liabilities. Due on or before July 1 of the calendar year following the school board elections unless the new school boards mutually agree to extend the deadline.

**School board elections:** The county in which the new and reorganized new school districts are located holds an election at the next general election or special election for the following:

- All members to the boards of the new and reorganized new districts.
- Divided school district board members with expiring terms.

**Regular general election, even years (20A-1-201):**  
First Tuesday following first Monday in November

**Municipal general election, odd years (20A-1-202):**  
Tuesday after the first Monday in November

**Special elections (20A-1-204)**  
**Even years:** Fourth Tuesday in June OR the first Tuesday after the first Monday in November  
**Odd years:** Second Tuesday after the first Monday in August OR first Tuesday after the first Monday in November

Individuals may serve on the boards for both the divided district and one of the new districts. Future elections for the new and reorganized new school boards must be staggered so half of the board will be elected every two years following the allocation date.

**Funds for startup costs:** On January 1 in the year following the school board elections, the new and reorganized new districts must have access to the reorganized district’s unassigned funds for startup costs. Funds should be distributed in proportion to each new district’s student enrollment.



Allocation date: July 1 of the second calendar year following the school board election date. On this date the new and reorganized new districts' school boards must allocate all the divided school district's assets and liabilities. The bill outlines guidelines for allocating these assets and liabilities, including student population, transportation needs, and the location of the assets and property.

New districts begin providing educational services: July 1 of the second calendar year following the school board election date. Employees who transfer from the divided district to one of the new districts start employment at the new district.

Divided school district school board terminates: January 1 of the calendar year following the allocation date.

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