

MINIMUM SCHOOL PROGRAM ACT AMENDMENT

1998 GENERAL SESSION

STATE OF UTAH

Sponsor: Robert F. Montgomery

AN ACT RELATING TO PUBLIC EDUCATION; PROVIDING FOR STATE AND LOCAL FUNDING OF THE MINIMUM SCHOOL PROGRAM ACT; PROVIDING A CEILING FOR THE STATE CONTRIBUTION OF THE MAINTENANCE AND OPERATION PORTION OF THE ACT NOT TO EXCEED \$1,398,982,182; ESTABLISHING THE VALUE OF THE WEIGHTED PUPIL UNIT AT \$1,854; ESTABLISHING DISTRIBUTION FORMULAS; PROVIDING A \$30,858,000 APPROPRIATION FOR SCHOOL BUILDING AID; AND PROVIDING AN EFFECTIVE DATE.

This act affects sections of Utah Code Annotated 1953 as follows:

AMENDS:

- 53A-17a-103**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-104**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-111**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-112**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-113**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-116**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-119**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-120**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-121**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-123**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-124**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-124.1**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-124.5**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-126**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-128**, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-129**, as last amended by Chapter 274, Laws of Utah 1997

- 53A-17a-130, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.1, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.2, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.3, as repealed and reenacted by Chapter 274, Laws of Utah 1997
- 53A-17a-131.4, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.5, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.6, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.8, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-131.9, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-132, as last amended by Chapter 274, Laws of Utah 1997
- 53A-17a-135, as last amended by Chapters 274 and 388, Laws of Utah 1997
- 53A-21-105, as last amended by Chapter 274, Laws of Utah 1997

REPEALS:

- 53A-17a-131.10, as last amended by Chapter 274, Laws of Utah 1997

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

Section 1. 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 district by [~~\$1,791~~] \$1,854, except as otherwise provided in this chapter.

(2) "Certified revenue levy" means a property tax levy that provides the same amount of ad valorem property tax revenue as was collected for the prior year, plus new growth, but exclusive of revenue from collections from redemptions, interest, and penalties.

(3) "Leeway program" or "leeway" means a state-supported voted leeway program or board leeway program authorized under Section 53A-17a-133 or 53A-17a-134.

(4) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

(5) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools.

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

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

(ii) [~~It is the intent of the Legislature that education~~] Education, enhanced by utilization of technologically enriched delivery systems, when approved by local school boards, shall receive full support by the State Board of Education as it pertains to fulfilling the 990-hour attendance requirements, excluding time spent viewing commercial advertising.

(c) The program shall be operated and maintained for the total of the following annual costs:

(i) the cost of a basic state-supported school program;

(ii) the amount appropriated in Section 53A-17a-123 for the local program;

(iii) the amount appropriated in Section 53A-17a-125 for retirement and social security;

(A) each school district shall receive its share of retirement and social security monies based on its total weighted pupil units compared to the total weighted pupil units for all districts in the state;

(B) the monies needed to support retirement and social security shall be determined by taking the district's prior year allocation and adjusting it for student growth, for the percentage increase in the value of the weighted pupil unit, and the effect of any change in the rates for retirement, social security, or both;

(iv) the amount of the employer contribution required or made in behalf of employees under Sections 49-2-301 and 49-3-301;

(v) the amount of the employer contribution under Section 1400 of the Federal Insurance Contribution Act in accordance with Section 67-11-5 for local school boards;

(vi) the amount appropriated in Chapter 17a:

(A) for an incentives for excellence program;

(B) as a contingency fund for the State Board of Education;

- (C) for state-supported transportation;
- (D) for a teacher inservice program;
- (E) for regional service centers;
- (F) for the educational technology initiative program;
- (G) for a school nurse program;
- (H) for the centennial schools program;
- (I) for a comprehensive guidance program;
- (J) for families, agencies, and communities together for children and youth at risk programs;
- (K) for experimental and developmental programs;
- (L) for alternative language services programs;
- (M) for highly impacted schools; and
- (N) for character education programs; and
- ~~[(O) for sign language education; and]~~
- (vii) the cost of a leeway program.

(d) The program includes school construction aid programs authorized under Title 53A, Chapter 21, Public Education Capital Outlay Act.

(6) "Weighted pupil unit or units" 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 district.

Section 2. Section **53A-17a-104** is amended to read:

53A-17a-104. Amount of state's contribution toward minimum school program.

(1) The total contribution of the state toward the cost of the operation and maintenance portion of the minimum school program, as provided and defined in Section 53A-17a-103, may not exceed the sum of [~~\$1,344,401,192~~] \$1,398,982,182 for the [~~1997-98~~] 1998-99 school year, except as otherwise provided by the Legislature through supplemental appropriations.

(2) It is intended that the funds provided are for the following purposes and in the following amounts:

Estimated State and

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Estimated Weighted Pupil Units	Purpose State Contribution	Local Funds at [\$1,791]	<u>\$1,854</u> Per Weighted Pupil Unit
[19,379] <u>19,443</u>	Basic program - kindergarten.	[\$34,707,789]	<u>\$36,047,322</u>
[430,342] <u>430,531</u>	Basic program - grades 1-12.	[\$770,742,522]	<u>\$798,204,474</u>
[41,610] <u>41,635</u>	Basic program - professional staff.	[\$74,523,510]	<u>\$77,191,290</u>
1,655	Basic program - administrative costs.	[\$2,964,105]	<u>\$3,068,370</u>
5,494	Basic program - necessarily existent small schools and units for consolidated schools.	[\$9,839,754]	<u>\$10,185,876</u>
[52,668] <u>52,532</u>	Special education - regular program - add-on WPU's for students with disabilities.	[\$94,328,388]	<u>\$97,394,328</u>
[4,338] <u>4,380</u>	Preschool Special Education Program.	[\$7,769,358]	<u>\$8,120,520</u>
[11,735] <u>11,868</u>	Self-contained regular WPU's.	[\$21,017,385]	<u>\$22,003,272</u>
[239] <u>238</u>	Extended year program for severely disabled.	[\$428,049]	<u>\$441,252</u>
[1,361] <u>1,358</u>	Special education - state programs.	[\$2,437,551]	<u>\$2,517,732</u>
[19,619] <u>19,578</u>	Applied technology and technical education district programs.	[\$35,137,629]	<u>\$36,297,612</u>
[997] <u>995</u>	Applied technology district set-aside.	[\$1,785,627]	<u>\$1,844,730</u>
[8,747] <u>9,654</u>	Youth at risk programs.	[\$15,665,877]	<u>\$17,898,516</u>
[3,434] <u>3,427</u>	Adult education.	[\$6,150,294]	<u>\$6,353,658</u>
[3,330] <u>3,863</u>	Accelerated learning programs.	[\$5,964,030]	<u>\$7,162,002</u>
[11,640] <u>11,616</u>	Local programs.	[\$20,847,240]	<u>\$21,536,064</u>
[24,445] <u>24,394</u>	Career ladder.	[\$43,780,995]	<u>\$45,226,476</u>
[25,858] <u>25,804</u>	Class size reduction.	[\$46,311,678]	<u>\$47,840,616</u>
[666,891] <u>668,465</u>	TOTAL OF ALL ABOVE PROGRAMS	[\$1,194,401,781]	<u>\$1,239,334,110</u>
	Social Security and retirement programs.	[\$229,443,217]	<u>\$238,069,744</u>
	Pupil Transportation to and from school.	[\$47,348,900]	<u>\$49,297,947</u>

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Contingency fund.	[\$623,000]	<u>\$421,692</u>
Incentives for excellence.	[\$619,800]	<u>\$618,498</u>
Regional service centers.	[\$799,500]	<u>\$1,084,495</u>
[Inservice Education] <u>Staff Development.</u>	[\$1,001,230]	<u>\$1,474,127</u>
Comprehensive Guidance.	[\$4,936,150]	<u>\$6,900,784</u>
Educational Technology Initiative.	[\$6,419,162]	<u>\$8,505,682</u>
Centennial Schools.	[\$2,649,000]	<u>\$1,143,437</u>
Alternative Language Services.	[\$2,350,000]	<u>\$2,845,065</u>
Highly Impacted Schools.	[\$4,975,000]	<u>\$5,404,553</u>
Character Education Program.	[\$550,000]	<u>\$400,000</u>
[Sign Language Education.		<u>\$100,000]</u>
Families, Agencies, and Communities Together.	[\$1,260,613]	<u>\$1,257,966</u>
School Nurses.	[\$350,000]	<u>\$399,265</u>
Experimental and Developmental Program.	[\$5,306,900]	<u>\$6,045,756</u>
State-supported voted leeway.	[\$82,171,518]	<u>\$93,726,459</u>
State-supported board leeway.	[\$30,447,915]	<u>\$33,502,343</u>
Total estimated contributions to school districts for all programs.	[\$1,615,753,686]	<u>\$1,690,431,923</u>
Less estimated proceeds from state-supported local levies.	[\$271,352,494]	<u>\$291,449,741</u>
TOTAL STATE FUNDS	[\$1,344,401,192]	<u>\$1,398,982,182</u>

Section 3. Section **53A-17a-111** is amended to read:

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

(1) There is appropriated to the State Board of Education [\$125,980,731 (70,341) \$130,477,104 (70,376 weighted pupil units) for allocation to local school board programs for students with disabilities.

(2) Included in the appropriation is [\$94,328,388] \$97,394,328 for add-on WPU for

students with disabilities enrolled in regular programs.

(3) The number of weighted pupil units for students with disabilities shall reflect the direct cost of programs for those students conducted in accordance with definitions, guidelines, rules, and standards established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(4) Disability program monies allocated to districts are 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.

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

(6) Each year the board shall evaluate the standards and guidelines that establish the identifying criteria for disability classifications to assure strict compliance with those standards by the districts.

(7) Each district shall receive its allocation of monies appropriated in Subsection 53A-17a-111(2) for add-on WPUs for students with disabilities enrolled in regular programs as provided in this subsection.

(a) The State Board of Education shall use the total number of special education add-on weighted pupil units used to fund fiscal year 1989-90 as a foundation for the special education add-on appropriation.

(b) A district's special education add-on WPUs for the current year may not be less than the foundation special education add-on WPUs.

(8) When monies appropriated under this chapter fund the foundation weighted pupil units, as outlined in Subsection (7)(a), growth WPUs shall be added to the prior year special education add-on WPUs, and growth WPUs shall be determined as follows:

(a) 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 district growth factor from the prior year.

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

(c) Growth ADMs are calculated by applying the growth factor in Subsection (8)(a) to the S-3 total special education ADM of two years previous to the current year.

(d) Growth ADMs for each district in Subsection (8)(c) are multiplied by 1.53 weighted pupil units and added to the prior year special education add-on WPU to determine each district's total allocation.

(9) If monies appropriated under this chapter for programs for students with disabilities do not meet the costs of districts for those programs, each district shall first receive the amount generated for each student with a disability under the basic program.

Section 4. 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.

(1) Included in the [~~\$125,980,731~~] \$130,477,104 appropriation under Section 53A-17a-111 is:

(a) an amount of [~~\$7,769,358~~] \$8,120,520 for preschool special education programs;

(b) an amount of [~~\$21,017,385~~] \$22,003,272 for self-contained regular WPU special education programs;

(c) an amount of [~~\$428,049~~] \$441,252 for extended year programs for the severely disabled; and

(d) an amount of [~~\$2,437,551~~] \$2,517,732 for special education programs in state institutions and for district impact aid.

(2) (a) The [~~\$7,769,358 (4,338)~~] \$8,120,520 (4,380 weighted pupil units) appropriated for the preschool special education program is allocated to school districts to provide a free, appropriate public education to preschool students with a disability, ages three through five.

(b) The monies are distributed on the basis of a school district's previous year December 1

disabled preschool child count as mandated by federal law.

(3) The extended school year program for the severely disabled is limited to students with severe disabilities with education program goals identifying significant regression and recoupment disability as approved by the State Board of Education.

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

(b) Monies 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.

~~[(5) (a) It is the intent of the Legislature that preschool special education be funded by a formula which uses current, December 1 child count numbers of 3, 4, and preschool-aged 5-year-olds.]~~

~~[(b) (i) The State Board of Education shall develop a formula for funding preschool special education.]~~

~~[(ii) The formula shall use empirical factors that will distribute funds based on services provided and cost of services.]~~

~~[(iii) The formula shall be presented to the Public Education Appropriations Subcommittee for approval during the Legislature's 1998 Annual General Session.]~~

~~[(iv) The formula is to be included as part of the budget request for the fiscal year beginning July 1, 1998.]~~

(5) (a) The State Board of Education shall compute preschool funding by a factor of 1.205 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 shall develop guidelines to implement the funding formula for preschool special education, and establish prevalence limits for distribution of the moneys.

Section 5. Section **53A-17a-113** is amended to read:

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

(1) There is appropriated to the State Board for Applied Technology Education, hereafter referred to in this section as the board, [~~\$35,137,629 (19,619)~~ \$36,297,612 (19,578 weighted pupil units) to pay the added instructional costs of approved applied technology education programs.

(a) Included in the [~~\$35,137,629~~ \$36,297,612 appropriation is [~~\$754,011~~ \$780,534 (421 weighted pupil units) for summer applied technology agriculture programs.

(b) These monies are allocated to eligible recipients as provided in Subsections (2), (3), and (4).

(c) Money appropriated under Subsection 53A-17a-113(1) and any money appropriated for work-based education may not be used to fund programs below the ninth grade level.

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

(a) The board shall fund approved programs based upon hours of membership of 9th through 12th grade students.

(b) The board 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 for districts to qualify for applied technology funding.

(c) 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 sponsoring applied technology student leadership organizations in a ratio representing the agency's share of the state's total membership in those organizations.

(d) The board shall make the necessary calculations for distribution of the appropriation to school districts and may revise and recommend changes necessary for achieving equity and ease of administration.

(3) (a) Twenty weighted pupil units [~~are~~] shall be computed for each district, or 25 weighted pupil units may be computed for each district that consolidates applied technology administrative services with one or more other districts.

(b) Between 10 and 25 weighted pupil units shall be computed for each high school conducting approved applied technology education programs in a district according to standards

established by the board.

(c) Forty weighted pupil units shall be computed for each district that operates an approved district applied technology center.

(d) Between five and seven weighted pupil units shall be computed for each summer applied technology agriculture program according to standards established by the board.

(e) The board shall, by rule, establish qualifying criteria for districts to receive weighted pupil units under Subsection (3).

(4) (a) All monies allocated under Subsection (1) are computed by using average daily membership in approved programs for the previous year.

(b) A district 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 monies under this subsection.

(5) (a) The board shall establish rules for the upgrading of high school applied technology education programs.

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

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

(6) Programs that do not meet board standards may not be funded under this section.

Section 6. Section **53A-17a-116** is amended to read:

53A-17a-116. Weighted pupil units for applied technology set-aside programs.

(1) There is appropriated to the State Board for Applied Technology Education [~~\$1,785,627~~ (997) \$1,844,730 (995 weighted pupil units)] for an applied technology set-aside program.

(2) Applied technology set-aside funds appropriated to the board are allocated by Request for Proposal (RFP) to provide a district minimum payment for applied technology education.

(3) Each district shall receive a guaranteed minimum allocation.

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

Section 7. Section **53A-17a-119** is amended to read:

53A-17a-119. Weighted pupil units for adult education programs.

(1) There is appropriated to the State Board of Education [~~\$6,150,294 (3,434)~~ \$6,353,658 (3,427) weighted pupil units) for allocation to local school boards for adult education programs, consisting of adult high school completion and adult basic skills programs.

(2) Each district shall receive its pro rata share of the appropriation for adult high school completion programs based on the number of people 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.

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

(4) To the extent of monies available, school districts shall provide programs 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 district may not reduce the value of the weighted pupil unit for this program in another district.

(6) The board shall provide the Legislature with a recommendation as to if and when any fees should be charged for participation in the adult high school completion programs funded under this section.

(7) School districts shall spend money on adult basic skills programs according to standards established by the State Board of Education.

Section 8. Section **53A-17a-120** is amended to read:

53A-17a-120. Weighted pupil units for accelerated learning programs.

(1) There is appropriated to the State Board of Education [~~\$5,392,701 (3,011)~~ \$7,162,002 (3,863) weighted pupil units) for allocation to local school boards for accelerated learning programs in grades one through 12, which include programs for the gifted and talented, concurrent enrollment, and advanced placement.

(2) (a) A school participating in the concurrent enrollment programs offered under Section

53A-15-101 shall receive on a per student basis up to \$33.33 per quarter hour or \$50 per semester hour for each hour of higher education course work undertaken at the school.

(b) The concurrent enrollment component of the appropriation under Subsection (1) and the appropriation under Subsection (4) are the revenue source for the Subsection (2)(a) payments.

(c) Each year the amounts specified in Subsection (2)(a) shall be adjusted in proportion to the increase in the value of the weighted pupil unit from the prior year established in Subsection 53A-17a-103(1).

(3) (a) Districts shall spend monies for these programs according to standards established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(b) The State Board of Education shall develop uniform and consistent policies for school districts to follow in utilizing advanced placement and concurrent enrollment monies.

~~[(4) In addition to the appropriation under Subsection (1), there is appropriated for the fiscal year beginning July 1, 1997, \$571,329 (319 weighted pupil units) for concurrent enrollment programs.]~~

Section 9. Section **53A-17a-121** is amended to read:

53A-17a-121. Weighted pupil units for youth at risk programs.

(1) There is appropriated to the State Board of Education [~~\$15,064,101 (8,411)~~ \$17,898,516 (9,654 weighted pupil units) for allocation to local school boards for youth at risk programs, including the following:

- (a) youth in custody;
- (b) teenage pregnancy;
- (c) homeless and minority students;
- (d) mathematics, engineering, and science achievement programs; and
- (e) gang prevention.

(2) Districts shall spend monies for these programs according to standards established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(3) (a) From the amount appropriated for youth at risk programs, the board shall allocate moneys for teenage pregnancy prevention programs to school districts on the basis of a district's total number of students enrolled in classes as of October 1 that teach a curriculum of teenage pregnancy prevention as compared to the total number of students enrolled in such programs in school districts throughout the state.

(b) The teenage pregnancy programs funded under this subsection shall require written consent from parents or guardians for student participation, involve parents or guardians of participating students in a substantial and consistent manner, and comply with the requirements of Sections 76-7-321 through 76-7-325.

(c) To qualify for participation in the program, a district shall demonstrate to the state board through prior research and pilot studies with similar student populations that those students attained and retained knowledge, values, attitudes, and behaviors that promote abstinence from sexual activity before marriage, and that the students had a lower pregnancy rate than comparison groups that did not participate in the program.

(d) Further qualification requires approval by the local board and state board of all teaching materials, handouts, media materials, audiovisual materials, textbooks, curriculum materials, and course outlines to be used in the program.

(e) The state board may not use a district's participation in the teenage pregnancy program as an offset against the district's historical proportionate share of the remaining fund balance.

(f) A school district may spend any additional moneys allocated for teenage pregnancy prevention programs as long as the programs comply with the guidelines established in Subsections (3)(b), (c), and (d), if the need for such a program is greater than the allocation received under Subsection (a).

(4) (a) From the amount appropriated for youth at risk programs, the board shall allocate moneys to school districts for homeless and minority students.

(b) Each district shall receive its allocation on the basis of:

(i) the total number of homeless students in the district;

(ii) added to 50% of the number of minority students in the district;

(iii) multiplying the total of Subsections (i) and (ii) by the value of the weighted pupil unit; and

(iv) prorating the amount under Subsection (iii) to the amount in Subsection (4)(a).

(5) (a) From the amount appropriated for youth at risk programs, the board shall allocate moneys for mathematics, engineering, and science achievement programs, MESA programs, in the districts.

(b) The board shall make the distribution to school districts on a competitive basis by application under guidelines established by the board.

(6) (a) From the amount appropriated for youth at risk programs, the board shall distribute moneys for gang prevention programs at the district or school level.

(b) The board shall make the distribution to school districts under guidelines established by the board consistent with Section 53A-15-601.

~~[(c) In addition to the appropriation under Subsection (1), there is appropriated for the fiscal year beginning July 1, 1997, \$327,753 (183 weighted pupil units) for gang prevention programs at the district or school level.]~~

(7) (a) From the amount appropriated for youth at risk programs, the board shall distribute moneys for programs for youth in custody.

(b) The board shall allocate these moneys to school districts which operate programs for youth in custody in accordance with standards established by the board.

~~[(c) In addition to the appropriation under Subsection (1), there is appropriated for the fiscal year beginning July 1, 1997, \$274,023 (153 weighted pupil units) for youth in custody programs operated by school districts.]~~

Section 10. Section **53A-17a-123** is amended to read:

53A-17a-123. State contribution for the local program.

(1) There is appropriated to the State Board of Education [~~\$20,847,240 (11,640)~~ \$21,536,064 (11,616) weighted pupil units) for allocation to school districts for the local program on the basis of each district's prior year weighted pupil units for grades K-12 and necessarily existent small schools.

(2) As an exception to Section 53A-17a-136 these monies may be used for the following

purposes:

- (a) maintenance and operation costs;
- (b) capital outlay and debt service; or
- (c) a combination of maintenance and operation costs and capital outlay and debt service.

Section 11. Section **53A-17a-124** is amended to read:

53A-17a-124. State contributions to career ladders -- Distribution of appropriation -- Performance bonus.

(1) There is appropriated to the State Board of Education [~~\$43,780,995 (24,445)~~ \$45,226,476 (24,394) weighted pupil units) for career ladders for distribution to school districts in accordance with career ladder guidelines provided by the state board and Title 53A, Chapter 9.

(a) The state board shall distribute the appropriation, upon application, to each local school board by a formula based on the average of equal weighting considerations for:

- (i) a district's prior year average daily membership;
- (ii) the total number of teachers employed by a district during the prior year; and
- (iii) weighted pupil units allocated to the district.

(b) The Legislature shall provide for an annual adjustment in the career ladder appropriation in proportion to:

- (i) the increase in the value of the weighted pupil unit established in this chapter; and
- (ii) the increase in the number of students in the state over the prior year.

(2) Each school district participating in the career ladder program may spend career ladder monies:

(a) to pay a performance bonus to teachers judged by the district as being outstanding in regular classroom performance;

(b) (i) for additional nonteaching days for teachers to devote to curriculum development, inservice training, preparation, and related activities;

(ii) a local board of education may specifically use from the career ladder appropriation an amount equivalent to \$300 per eligible teacher per year for approved inservice costs, for daily stipends, for per diem expenses, and for eligible teacher trainers; and

(c) for negotiated additional teacher compensation for extending the length of the instructional day or the number of instructional days.

Section 12. Section **53A-17a-124.1** is amended to read:

53A-17a-124.1. State contribution for staff development -- Training on personalized education plans.

(1) There is appropriated to the State Board of Education [~~\$1,001,230 to provide inservice instruction to~~] \$1,474,127 for staff development for school teachers, including instruction in methods which incorporate the revised mathematics and science core curriculum, the use of technology as an instructional tool, and the development of teacher skills in the use of new assessment tools that demonstrate student competency.

(2) The board shall use the appropriation to improve access to schooling for all students by training teachers to provide a personalized education plan to meet the needs of each child.

Section 13. Section **53A-17a-124.5** is amended to read:

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

(1) There is appropriated to the State Board of Education [~~\$46,311,678 (25,858)~~] \$47,840,616 (25,804 weighted pupil units) to reduce the average class size in kindergarten through the [~~fourth~~] sixth grade in the state's public schools.

(2) (a) Except as provided in Subsection (b), each district shall receive its allocation based upon prior year average daily membership in kindergarten through grade six plus growth as determined under Subsection 53A-17a-106(3) as compared to the state total.

(b) The State Board of Education shall distribute [~~18%~~] 12% of the appropriation to school districts based upon a formula developed by the board that takes into account:

(i) a school district's ability to raise money for growth and accompanying capital facility needs;

(ii) need as reflected by:

(A) the current number of students in the affected grades in the district who are in alternative housing; and

(B) growth in the affected grades both within the district and compared to the state as a

whole; and

(iii) the school district's past and present effort to raise money and to construct new or to better utilize existing facilities through scheduling or delivery systems in order to deal with class size reduction.

(c) The formula used to distribute moneys under Subsection (2)(b) shall be phased out as follows:

(i) [~~18%~~] 12% of the moneys shall be distributed by the formula for the fiscal year beginning July 1, [~~1997~~] 1998;

(ii) the formula percentage shall decrease to [~~12%~~] 5% for the fiscal year beginning July 1, [~~1998~~] 1999; and

~~[(iii) the formula percentage shall decrease to 5% for the fiscal year beginning July 1, 1999; and]~~

~~[(iv) (iii) the formula distribution shall be totally eliminated for the fiscal year beginning July 1, 2000.~~

(3) (a) A district may use its 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 shall use 50% of its allocation to reduce class size in any one or all of grades kindergarten through grade two, with an emphasis on improving student reading skills.

(ii) If a district's average class size is below 18 in grades kindergarten through two, it may petition the state board for, and the state board may grant, a waiver to use its 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 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 may use up to 20% of its allocation under Subsection (1) for capital facilities projects if such projects would help to reduce class size.

(b) If a school district's student population increases by 5% or 700 students from the previous school year, the school district may use up to 50% of any allocation it receives under this

section for classroom construction.

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

(7) (a) The State Board of Education shall compile information on class size, both in average student-teacher ratios and in actual number of students enrolled in each classroom by grade level for elementary grades and by subject matter for secondary grades.

(b) The State Board of Education shall establish uniform class size reporting rules among districts.

(c) Provisions may be made for explaining special circumstances where class size exceeds or is below normal distributions.

(8) (a) Each school district shall provide the State Board of Education with an annual accounting of how its allocation was used for class size reduction during the school year.

(b) The state superintendent of public instruction shall provide the Legislature and the governor with an annual report on the program's progress and success, including the information received under Subsection (8)(a).

(9) 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 six.

Section 14. Section **53A-17a-126** is amended to read:

53A-17a-126. State support of pupil transportation -- Incentives to increase economy and productivity in student transportation.

(1) The state's contribution of [~~\$47,348,900~~] \$49,297,947 for state-supported transportation of public school students is apportioned and distributed in accordance with Section 53A-17a-127, except as otherwise provided in this section.

~~[(2) (a) The board shall deduct an amount of not less than \$1,397,000 prior to any apportionment or distribution under Subsection (1) and allocate the money to the Utah Schools for the Deaf and the Blind to pay transportation costs of the schools' students.]~~

~~[(b) The Utah Schools for the Deaf and the Blind shall use these moneys to pay for~~

~~transportation of students based on current valid contracted arrangements and best transportation options and methods as determined by the schools.]~~

~~[(c) It is the intent of the Legislature that all student transportation costs of the Utah Schools for the Deaf and the Blind shall be paid from the allocation made under this Subsection (2).]~~

(2) (a) Included in the \$49,297,947 is an amount not less than \$1,397,000 to be deducted prior to any other distribution under this section to school districts, and allocated to the Utah Schools for the Deaf and the Blind to pay transportation costs of the schools' students.

(b) The Utah Schools for the Deaf and the Blind shall utilize these funds to pay for transportation of their students based on current valid contractual arrangements and best transportation options and methods as determined by the schools.

(c) All student transportation costs of the schools shall be paid from the allocation received under Subsection (2).

(3) Each district shall receive its approved transportation costs, except that if during the fiscal year the total transportation allowance for all districts exceeds the amount appropriated, all allowances shall be reduced pro rata to equal not more than that amount.

~~[(4) The state's contribution for transportation includes \$118,600 for the extended school year program for the severely disabled, limited to severely disabled students with education program goals identifying significant regression/recoupment disability as approved by the State Board of Education.]~~

~~[(5)]~~ (4) Included in the ~~[\$47,348,900]~~ \$49,297,947 appropriation is an amount of \$187,000 for transportation of students, as approved by the state board, for school districts that consolidate schools, implement double session programs at the elementary level, or utilize other alternatives to building construction that require additional student transportation.

~~[(6)]~~ (5) (a) Part of the state's contribution for transportation, not to exceed \$200,000, may be used as an incentive for districts to increase economy and productivity in student transportation.

(b) This amount is distributed on a pro rata basis among districts which have achieved the most efficiency according to the state formula.

(c) Districts receiving the incentive funding may expend the monies at the discretion of the

local school board.

~~[(7)]~~ (6) (a) Local school boards shall provide salary adjustments to employee groups that work with the transportation of students comparable to those of classified employees authorized under Section 53A-17a-137, when dividing the weighted pupil unit for salary adjustment purposes.

(b) The State Board of Education shall conduct a study to evaluate the reimbursement system of funding for pupil transportation with emphasis on looking at methodologies that will provide incentives for districts that will encourage economical practices.

Section 15. Section **53A-17a-128** is amended to read:

53A-17a-128. Contingency fund for State Board of Education -- Laboratory school at Utah State University.

(1) There is appropriated to the State Board of Education from the total amount of state funds listed in Section 53A-17a-104 [~~\$623,000~~] \$421,692 as a contingency fund to do the following:

- (a) stabilize the value of the weighted pupil unit;
- (b) maintain program levels in districts that may experience unanticipated and unforeseen losses of students;
- (c) equalize programs in districts where a strict application of the law provides inequity;
- (d) pay the added costs when Utah students attend school out of state; and
- (e) assist in the operation of the laboratory school at Utah State University, including the allocation of monies for a teacher career ladder program at the school.

(2) The State Board of Education shall make a strict accounting of these funds and return any unused part to the Uniform School Fund at the close of each fiscal year.

(3) The state's contribution to the State Board of Education for the laboratory school at Utah State University is a part of the contingency fund.

(4) The contribution shall be used to promote programs at the school.

(5) (a) There is established an advisory board for the school consisting of the following:

- ~~[(a)]~~ (i) the president of Utah State University or his designee;
- ~~[(b)]~~ (ii) the state superintendent of public instruction or his designee;
- ~~[(c)]~~ (iii) the dean of the College of Education at Utah State University or his designee;

- [(d)] (iv) a local superintendent of schools;
- [(e)] (v) a staff member from the office of the State Board of Education;
- [(f)] (vi) a staff member from a local school board;
- [(g)] (vii) a staff member from the College of Education at Utah State University; and
- [(h)] (viii) two lay citizens noted for their contribution to the improvement of education.

(b) The advisory board members in Subsections [(d)] (a)(iv) through [(h)] (viii) are appointed by the State Board of Education for terms specified by that body.

Section 16. Section **53A-17a-129** is amended to read:

53A-17a-129. State contribution for incentives for excellence.

(1) The state's contribution of [~~\$619,800~~] \$618,498 for the incentives for excellence program for the fiscal year beginning July 1, [~~1997~~] 1998, is appropriated to the State Board of Education for distribution to school districts according to guidelines established by the board.

(2) A school district shall use its allocation to promote a strong partnership between public education and private enterprise, to seek additional financial support from the business community, and to enhance its educational excellence.

(3) School districts are encouraged under this program to develop projects that rely on matching private and public monies to promote educational excellence.

Section 17. Section **53A-17a-130** is amended to read:

53A-17a-130. State contribution to regional service centers.

The state's contribution of [~~\$799,500~~] \$1,084,495 for regional service centers is appropriated to the State Board of Education for distribution according to guidelines established by the board.

Section 18. Section **53A-17a-131.1** is amended to read:

53A-17a-131.1. State contribution to the educational technology initiative.

(1) The state's contribution of [~~\$6,419,162~~] \$8,505,682 for maintaining the educational technology initiative programs is appropriated to the State Board of Education for distribution according to rules adopted by the board consistent with Title 53A, Chapter 1, Part 7, Educational Technology Programs.

(2) Monies received under this section may be used to maintain existing programs and for

inservice programs required to implement the technology.

(3) Each school district shall develop a comprehensive inservice plan and report expenditures for teacher training to the State Office of Education.

Section 19. Section **53A-17a-131.2** is amended to read:

53A-17a-131.2. State contribution to highly impacted schools program.

The state's contribution of [~~\$4,975,000~~] \$5,404,553 for the Highly Impacted Schools Program is appropriated to the State Board of Education for distribution according to the formula adopted by the board under Section 53A-15-701, which authorizes the Highly Impacted Schools Program.

Section 20. Section **53A-17a-131.3** is amended to read:

53A-17a-131.3. State contributions to the school nurses program.

The state's contribution of [~~\$350,000~~] \$399,265 for the school nurses program is appropriated to the State Board of Education for distribution according to guidelines established by the board.

Section 21. Section **53A-17a-131.4** is amended to read:

53A-17a-131.4. State contribution to Alternative Language Services Program.

(1) The state's contribution of [~~\$2,350,000~~] \$2,845,065 for an Alternative Language Services Program is appropriated to the State Board of Education as a funding base for school districts to meet the limited-English-proficient and second language acquisition needs of Utah's language minority student population.

(2) The board shall allocate the appropriation to school districts based on submission of competitive grant applications and compliance with qualifying criteria established by the state board pursuant to its rulemaking authority.

Section 22. Section **53A-17a-131.5** is amended to read:

53A-17a-131.5. State contribution for the Centennial Schools Program.

The state's contribution of [~~\$2,649,000~~] \$1,143,437 for the Centennial Schools Program is appropriated to the State Board of Education to distribute under Section 53A-1a-303.

Section 23. Section **53A-17a-131.6** is amended to read:

53A-17a-131.6. State contribution to Character Education Program.

(1) The state's contribution of [~~\$550,000~~] \$400,000 for a Character Education Program for the fiscal year beginning July 1, [~~1997~~] 1998, is appropriated to the State Board of Education for distribution to school districts according to rules adopted by the state board.

(2) School districts shall use the appropriation primarily for implementing curriculum within the classroom that provides for the direct instruction of students.

(3) Character education monies shall also be used to provide inservice training to teachers on the use and teaching of character education materials and to acquaint teachers with the requirements in the Utah Constitution and state statutes to teach qualities of character.

(4) Character education programs are to be systematic and comprehensive in their approach and include student materials, parental involvement, and teacher training.

(5) The principles taught, such as integrity, social responsibility, and the importance of the work ethic should be designed to help students avoid high risk behaviors and learn to function as caring, productive citizens in society.

(6) The State Office of Education shall assist districts and teachers in providing and recommending character education curriculum to students that meets the guidelines referred to in this section.

(7) Proposals in which parents are involved with educators in all phases of the design, implementation, and evaluation of school and district programs shall be given highest priority.

Section 24. Section **53A-17a-131.8** is amended to read:

53A-17a-131.8. State contribution to the Comprehensive Guidance Program.

(1) The state's contribution of [~~\$4,936,150~~] \$6,900,784 for a Comprehensive Guidance Program is appropriated to the State Board of Education for distribution to school districts as follows:

(a) the board shall distribute the appropriation to districts to be used at their secondary schools in grades 7-12, with the following priority:

(i) grades 9-12; and

(ii) grades 7-8 for those schools which meet program standards, to provide a guidance curriculum and individual educational/occupational program for each student at the school;

(b) each school shall meet qualification criteria established by rules made by the State Board of Education in order to receive moneys under this program; and

(c) the appropriation shall also be used to provide responsive services and eliminate nonguidance activities currently being performed by counselors.

(2) (a) It is anticipated that under this program counselors will increase direct services to students to involve at least 80% of the counselors' time and that districts shall document this with onsite review teams.

(b) Districts shall provide training to their secondary teachers on their role in assisting in the development and implementation of SEOPs.

(3) The state superintendent of public instruction shall:

(a) prepare an inventory of working SEOPs for networking with schools throughout the state; and

(b) monitor the program and provide an annual report on its progress and success.

Section 25. Section **53A-17a-131.9** is amended to read:

53A-17a-131.9. State contribution to agencies coming together for children and youth at risk.

(1) There is appropriated [~~\$1,260,613~~] \$1,257,966 to the State Board of Education to implement Title 63, Chapter 75, Families, Agencies, and Communities Together for Children and Youth At Risk Act.

(2) Participation in the at risk programs funded under this section shall require consent from a parent or legal guardian for the participant to receive initial or continuing services under the program.

(3) A participant's parent or legal guardian shall be actively involved in the program and all applicable state and federal laws and regulations shall be observed by the entities and individuals providing the services.

(4) The board shall use the appropriation to experiment on a community full-service delivery system level to provide data on the merits of moving the concept to a fully implemented statewide system.

Section 26. Section **53A-17a-132** is amended to read:

53A-17a-132. Experimental and developmental programs.

(1) The state's contribution of [~~\$5,306,900~~] \$6,045,756 for experimental and developmental programs is appropriated to the State Board of Education for distribution to school districts as follows:

(a) the board shall distribute the first part, 34% of the appropriation, equally among the state's 40 school districts;

(b) the board shall distribute the second part, 41% of the appropriation, to each district on the basis of its kindergarten through grade 12 average daily membership for the prior year as compared to the prior year state total kindergarten through grade 12 average daily membership; and

(c) the board shall distribute 25% of the appropriation pursuant to standards established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(2) (a) A school district may fund a new experimental or developmental program with monies appropriated under Subsection (1) for a maximum of three consecutive years.

(b) After the third year, the district shall either fund the program with regular ongoing program monies or terminate the program.

(3) (a) The State Board of Education shall allocate \$100,000 of the experimental-developmental appropriation for programs to improve the efficiency of classified employees in the public schools.

(b) The programs should include training components, classified staffing formulas, and preventative maintenance formulas.

(4) (a) The State Board of Education shall allocate \$584,900 of the appropriation for the planning, development, and implementation of alternative experimental pilot programs, using certificated teachers, which are cooperative ventures that have demonstrated support of parents, the recognized teachers' organization, administrators, and students.

(b) The State Board of Education shall select schools for the pilot programs by a grant process using selection criteria developed by the state board.

(5) Models for experimental activities similar to the nine district consortium activities are

permissible under the experimental and developmental appropriation.

~~[(6) If this bill and H.B. 35, Accelerated Learning Amendments, both pass, it is the intent of the Legislature that a portion of the moneys appropriated under this section be used to fund H.B. 35.]~~

Section 27. Section **53A-17a-135** is amended to read:

53A-17a-135. Certified revenue levy.

(1) (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 [~~\$171,589,730~~] \$175,959,630 in revenues statewide.

(b) The preliminary estimate for the [~~1997-98~~] 1998-99 tax rate is [~~.002014~~] .001858.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates [~~\$171,589,730~~] \$175,959,630 in revenues statewide.

(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section 59-2-102, the state is subject to the notice requirements of Section 59-2-926.

(e) For the calendar year beginning on January 1, 1998, and ending December 31, 1998, the certified revenue levy shall be increased by the amount necessary to offset the decrease in revenues from uniform fees on tangible personal property under Section 59-2-405 as a result of the decrease in uniform fees on tangible personal property under Section 59-2-405 enacted by the Legislature during the 1997 Annual General Session.

(2) (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 levy authorized under Subsection (1).

(b) In accord 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.

(3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed 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 levy authorized under Subsection (1) which exceed the cost of the basic program shall be paid into the Uniform School Fund as provided by law.

Section 28. Section **53A-21-105** is amended to read:

53A-21-105. State contribution to capital outlay programs.

(1) The state contribution toward the cost of the programs established under Section 53A-21-102 for the fiscal year beginning July 1, [1997] 1998, shall consist of an appropriation totaling [~~\$26,358,000 from the Uniform School Fund~~] \$30,858,000 to the State Board of Education, \$28,358,000 from the Uniform School Fund and a one-time transfer of \$2,500,000 from the remaining balance in the Minimum School Program Act for the fiscal year ended June 30, 1997.

(2) Notwithstanding Subsection 53A-21-103(3)(a), it is the intent of the Legislature that the \$2,500,000 appropriated from transfers shall be used only for the Capital Outlay Equalization Program.

Section 29. **One-time appropriations.**

(1) In addition to the contributions and appropriations set out in Title 53A, Chapter 17a, Minimum School Program Act, for the fiscal year beginning July 1, 1998, there is appropriated from either the Uniform School Fund or the remaining balance in the Minimum School Program for the fiscal year ended June 30, 1997, to the State Board of Education for distribution to school districts for the fiscal year beginning July 1, 1998, \$16,200,000 in one-time moneys as follows:

(a) \$500,000 for applied technology education school district equipment from the remaining balance in the Minimum School Program Act;

(b) \$750,000 for concurrent enrollment accelerated learning programs from the Uniform School Fund;

(c) \$500,000 for pupil transportation to and from school, based on distribution factors provided in Section 53A-17a-127, appropriated from the Uniform School Fund;

(d) \$5,500,000 for the Educational Technology Initiative, with \$2,500,000 of the appropriation coming from the Uniform School Fund and \$3,000,000 coming from the remaining balance in the Minimum School Program Act;

(e) \$6,300,000 for textbooks and supplies from the remaining balance in the Minimum

School Program Act;

(f) \$2,250,000 for school library media collections from the remaining balance in the

Minimum School Program Act; and

(g) \$400,000 for math and science equipment from the remaining balance in the Minimum School Program Act.

(2) (a) There is appropriated from the Uniform School Fund for the fiscal year beginning July 1, 1998, \$500,000 in one-time moneys to the State Board of Education to fund the Computers for Public Schools Pilot Program established under Section 53A-1-707.

(b) It is the intent of the Legislature that if the pilot program is successful, the Legislature shall consider providing ongoing funding for its continuance in the 1999 General Session.

Section 30. Intent language.

(1) It is the intent of the Legislature that the remaining balances in the Minimum School Program for the fiscal year ended June 30, 1997, remain nonlapsing and that \$15,450,000 of the amount be expended as allocated by the 1998 Legislature in one-time appropriations for the Minimum School Program, School Building Program, and Custom Fit Training Programs.

(2) It is the intent of the Legislature that the remaining balances in the Minimum School Program for the fiscal year ended June 30, 1997, remain nonlapsing and that \$2,500,000 of the amount be transferred and expended as allocated by the 1998 Legislature as a one-time appropriation for the Capital Outlay Equalization School Building Program.

(3) (a) It is the intent of the Legislature that the State Board of Education monitor the instruction given utilizing Character Education moneys to insure compliance with Section 53A-13-101.

(b) It is the further intent of the Legislature that the State Board of Education study ways for local control of such curriculum that will allow for emphasis on prevailing community standards for teaching Character Education and report its findings and recommendations to the 1999 Legislature.

(c) It is the intent of the Legislature that the State Office of Education give consideration to possible options of moving Character Education moneys into a general program category that allows for more local funding flexibility.

(4) It is the intent of the Legislature that each school district evaluate its outdoor athletic facilities and upgrade the facilities as funds permit.

Section 31. Repealer.

This act repeals:

Section **53A-17a-131.10**, State contribution to sign language education.

Section 32. Effective date.

This act takes effect on July 1, 1998.