

1                                   **PUBLIC EDUCATION CAPITAL OUTLAY ACT**

2   **AMENDMENTS**

3   2002 GENERAL SESSION

4   STATE OF UTAH

5   **Sponsor: David N. Cox**

6   **This act modifies provisions related to the State System of Public Education by specifying**  
7   **criteria for the receipt of state school building funds from the capital outlay foundation**  
8   **program and the amount of money a school district may receive. This act directs the**  
9   **Legislature to make an annual appropriation for the capital outlay foundation program**  
10   **sufficient to provide full funding to each school district qualifying to receive funds. This act**  
11   **takes effect on July 1, 2002.**

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

13   AMENDS:

14                   **53A-21-105**, as last amended by Chapters 234 and 335, Laws of Utah 2001

15   ENACTS:

16                   **53A-21-101.5**, Utah Code Annotated 1953

17   REPEALS AND REENACTS:

18                   **53A-21-103**, as last amended by Chapter 234, Laws of Utah 2001

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

20                   Section 1. Section **53A-21-101.5** is enacted to read:

21                   **53A-21-101.5. Definitions.**

22                   As used in this chapter:

23                   (1) "Average daily membership" or "ADM" means the total full-day equivalent pupils in  
24   a school district in membership for one school year.

25                   (2) "Derived valuation" means total school district property tax current collections from  
26   April 1 though the following March 31, divided by the tax rates for the same year.

27                   (3) "Value of the weighted pupil unit" means the value specified in Subsection



28 53A-17a-103(1).

29 (4) "Yield per ADM" means the product of the derived valuation multiplied by .00024,  
30 divided by average daily membership.

31 Section 2. Section **53A-21-103** is repealed and reenacted to read:

32 **53A-21-103. Capital outlay foundation program -- Qualifications -- Determination**  
33 **of amounts awarded -- Annual appropriation.**

34 (1) For purposes of this section, the statewide guaranteed yield per ADM is:

35 (a) for fiscal year 2002-03, \$516.63745; and

36 (b) beginning in fiscal year 2003-04, the amount equal to the prior fiscal year's value of  
37 the weighted pupil unit multiplied by the factor .00047259, multiplied by the prior fiscal year's  
38 statewide guaranteed yield per ADM.

39 (2) (a) A school district may receive state school building funds under the capital outlay  
40 foundation program established in Section 53A-21-102 if:

41 (i) the local school board levies a tax rate for capital outlay and debt service; and

42 (ii) the yield per ADM is less than the state guaranteed yield per ADM.

43 (3) A school district qualifying for state school building funds under Subsection (2) shall  
44 receive the following amount of funds:

45 (a) if the local school board levies a tax rate for capital outlay and debt service greater than  
46 or equal to .0024, the school district shall receive an amount equal to the state guaranteed yield per  
47 ADM minus the yield per ADM, multiplied by average daily membership; and

48 (b) if the local school board levies a tax rate for capital outlay and debt service less than  
49 .0024, the school district shall receive a proportion of the amount derived by the formula in  
50 Subsection (3)(a) equal to the actual tax rate's percentage of a .0024 tax rate.

51 (4) (a) The amount of money a school district is otherwise qualified to receive under  
52 Subsections (2) and (3) may not be reduced for the sole reason that the school district's levy is  
53 reduced as a consequence of a change in the certified tax rate under Section 59-2-924 pursuant to  
54 changes in property valuation.

55 (b) Subsection (4)(a) applies for a period of two years following a change in the certified  
56 tax rate.

57 (5) The Legislature shall annually make an appropriation for the capital outlay foundation  
58 program sufficient to provide the full amount of money each school district is qualified to receive

59 under this section.

60 (6) (a) Notwithstanding Subsections (1) and (5), if the appropriation for the capital outlay  
61 foundation program is insufficient to provide the full amount of money each school district is  
62 qualified to receive under this section, the State Board of Education shall distribute the available  
63 monies as provided in this section, except the board shall decrease, to the extent necessary, the  
64 statewide guaranteed yield per ADM.

65 (b) The calculation of the statewide guaranteed yield per ADM under Subsection (1)(b)  
66 shall be based on the value of the prior fiscal year's statewide guaranteed yield per ADM before  
67 any decrease made under Subsection (6)(a).

68 Section 3. Section **53A-21-105** is amended to read:

69 **53A-21-105. State contribution to capital outlay programs.**

70 The state contribution [~~toward the cost of the programs~~] to the capital outlay foundation  
71 program established under Section 53A-21-102 for the fiscal year beginning July 1, [~~2001~~] 2002,  
72 shall consist of an appropriation totaling [~~\$38,358,000~~] \$28,358,000 to the State Board of  
73 Education from the Uniform School Fund.

74 Section 4. **Effective date.**

75 This act takes effect on July 1, 2002.

**Legislative Review Note**  
**as of 1-7-02 3:54 PM**

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

**Office of Legislative Research and General Counsel**