

Representative David N. Cox proposes the following substitute bill:

PUBLIC EDUCATION CAPITAL OUTLAY ACT

AMENDMENTS

2002 GENERAL SESSION

STATE OF UTAH

Sponsor: David N. Cox

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

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

AMENDS:

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

ENACTS:

53A-21-101.5, Utah Code Annotated 1953

REPEALS AND REENACTS:

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

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

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

53A-21-101.5. Definitions.

As used in this chapter:

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

(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 .0024,
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 Section **53A-21-103** is repealed and reenacted to read: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 following factor:

38 (i) .2491575 in fiscal year 2003-04;

39 (ii) .2541575 in fiscal year 2004-05;

40 (iii) .2591575 in fiscal year 2005-06;

41 (iv) .2641575 in fiscal year 2006-07; and

42 (v) .2691575 in each fiscal year thereafter.

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

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

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

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

49 (a) if the total tax rate levied by a local school board for capital outlay and debt service is
50 greater than or equal to .0024, the school district shall receive an amount equal to the state
51 guaranteed yield per ADM minus the yield per ADM, multiplied by average daily membership;
52 and

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

56 (4) (a) The amount of money a school district is otherwise qualified to receive under

57 Subsections (2) and (3) may not be reduced for the sole reason that the school district's levy is
58 reduced as a consequence of a change in the certified tax rate under Section 59-2-924 pursuant to
59 changes in property valuation.

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

62 (5) The Legislature shall annually make an appropriation for the capital outlay foundation
63 program sufficient to provide the full amount of money each school district is qualified to receive
64 under this section.

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

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

71 **53A-21-105. State contribution to capital outlay programs.**

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

76 Section 4. **Effective date.**

77 This act takes effect on July 1, 2002.