

**MINIMUM SCHOOL PROGRAM ACT****AMENDMENTS**

2003 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gordon E. Snow**

**This act modifies the State System of Public Education Code by providing funding for the Minimum School Program and school building aid programs. This act establishes a ceiling for the state contribution to the Minimum School Program for fiscal year 2003-04 of \$1,611,343,274, which includes a one-time appropriation of \$5,000,000 for classroom supplies. This act establishes the value of the weighted pupil unit at \$2,150. This act appropriates \$27,288,900 for school building aid programs. This act establishes the maximum funding level for the School LAND Trust Program. This act dedicates a portion of the interest and dividends received from the investment of monies in the Permanent State School Fund for teachers' classroom supplies. This act provides an effective date. This act provides a coordination clause.**

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

AMENDS:

**53A-1a-513**, as last amended by Chapter 313, Laws of Utah 2002

**53A-1a-515**, as last amended by Chapter 313, Laws of Utah 2002

**53A-2-206**, as last amended by Chapter 9, Laws of Utah 2001

**53A-16-101.5**, as last amended by Chapter 324, Laws of Utah 2002

**53A-17a-103**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-104**, as last amended by Chapter 19, Laws of Utah 2002, Fifth Special Session

**53A-17a-111**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-112**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-113**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-116**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-119**, as last amended by Chapter 279, Laws of Utah 2002

**53A-17a-120**, as last amended by Chapters 258 and 279, Laws of Utah 2002

- 53A-17a-121**, as last amended by Chapters 258, 279 and 299, Laws of Utah 2002
- 53A-17a-123**, as last amended by Chapters 258 and 279, Laws of Utah 2002
- 53A-17a-123.5**, as enacted by Chapter 279, Laws of Utah 2002
- 53A-17a-124**, as last amended by Chapter 19, Laws of Utah 2002, Fifth Special Session
- 53A-17a-124.5**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-125**, as last amended by Chapters 250 and 279, Laws of Utah 2002
- 53A-17a-126**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-131.15**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-131.17**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-133**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-135**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-148**, as enacted by Chapter 279, Laws of Utah 2002
- 53A-21-102**, as last amended by Chapter 234, Laws of Utah 2001
- 53A-21-103**, as last amended by Chapter 234, Laws of Utah 2001
- 53A-21-105**, as last amended by Chapters 258 and 279, Laws of Utah 2002
- 59-2-906.1**, as last amended by Chapter 133, Laws of Utah 2001
- 59-2-926**, as enacted by Chapter 271, Laws of Utah 1995

**ENACTS:**

- 53A-17a-149**, Utah Code Annotated 1953
- 53A-21-103.5**, Utah Code Annotated 1953

**REPEALS:**

- 53A-17a-131.2**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-131.13**, as last amended by Chapter 279, Laws of Utah 2002
- 53A-17a-131.19**, as last amended by Chapters 258 and 279, Laws of Utah 2002
- 53A-17a-132**, as last amended by Chapter 279, Laws of Utah 2002

This act enacts uncodified material.

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

Section 1. Section **53A-1a-513** is amended to read:

**53A-1a-513. Funding for charter schools.**

~~[(1) (a) A student enrolled in a charter school is considered a resident student of the school district in which the school is located for purposes of state funding, including, but not limited to, monies the student would generate as a result of qualifying for such programs as special education, students at risk, and gifted and talented.]~~

(1) (a) Charter schools shall receive funding as described in this section, except Subsections (2) through (7) do not apply to charter schools described in Subsection (1)(b).

(b) Charter schools sponsored by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.

(2) (a) Except as provided in Subsection (2)(b), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

- (i) .55 for kindergarten pupils;
- (ii) .9 for pupils in grades 1-6;
- (iii) .99 for pupils in grades 7-8; and
- (iv) 1.2 for pupils in grades 9-12.

(c) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold harmless provisions to maintain a charter elementary school's funding level for a period of two years after the effective date of the distribution formula.

(d) Subsection (2)(b) does not apply to funds appropriated to charter schools to replace local property tax revenues.

~~[(b)(i)] (3) The State Board of Education shall adopt rules to provide[: (A) that the school district in which a charter school student resides shall pay to the school district in which the charter school is located 1/2 of the amount by which the resident district's per student expenditure exceeds the value of the state funding under Subsection (1)(a); and (B)] for the~~

distribution of monies to charter schools under this section.

~~[(ii) The rules adopted pursuant to Subsection (1)(b)(i)(A) that require 1/2 rather than all of the amount take into account state school funding laws that require certain local moneys to remain within the resident district.]~~

~~[(c)] (4) The Legislature shall provide an appropriation for charter schools for each of their students [equal to the lesser of 1/2 of the statewide school district average per student expenditure in excess of state funding under Subsection (1)(a) or 1/2 of the amount by which the resident district's per student expenditure exceeds the value of the state funding under Subsection (1)(a) to supplement the local monies received by a charter school under Subsection (1)(b)(i)(A).] to replace some of the local property tax revenues that are not available to charter schools. The amount of money provided for each charter school student shall be determined by:~~

~~(a) calculating the sum of:~~

~~(i) school districts' operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135;~~

~~(ii) school districts' capital projects revenues derived from local property taxes; and~~

~~(iii) school districts' expenditures for interest on debt; and~~

~~(b) dividing the sum by the total average daily membership of the districts' schools.~~

~~[(d) If a charter school is providing eligible programs or services to eligible students funded by federal monies, any eligible student enrolled in a charter school in the school district shall receive federal monies for the same level of service provided students in the schools operated by the local school board.]~~

~~(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.~~

~~(6) The State Board of Education shall distribute funds for charter school students directly to the charter school.~~

~~(7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state transportation funding.~~

~~[(2)(a)]~~ (b) The board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

~~[(b)]~~ (c) The governing body of the charter school may provide transportation through an agreement or contract with the local school board, a private provider, or with parents.

~~[(3)]~~ (8) (a) (i) The state superintendent of public instruction may allocate grants for both start-up and ongoing costs to eligible charter school applicants from monies appropriated for the implementation of this part.

(ii) Applications for the grants shall be filed on a form determined by the state superintendent and in conjunction with the application for a charter.

(iii) The amount of a grant may vary based upon the size, scope, and special circumstances of the charter school.

(iv) The governing board of the charter school shall use the grant to meet the expenses of the school as established in the school's charter.

(b) The State Board of Education shall coordinate the distribution of federal monies appropriated to help fund costs for establishing and maintaining charter schools within the state.

~~[(4)]~~ (9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant, endowment, gift, or donation of any property made to the school for any of the purposes of this part.

(b) It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school.

Section 2. Section **53A-1a-515** is amended to read:

**53A-1a-515. Charters sponsored by local school boards.**

(1) Individuals and entities identified in Section 53A-1a-504 may enter into an agreement with a local school board to establish and operate a charter school within the geographical boundaries of the school district administered by the board~~[-subject to the same requirements established in Sections 53A-1a-504 through 53A-1a-514, except as otherwise provided in this~~

section].

(2) These schools are in addition to the limited number of charter schools authorized under the sponsorship of the State Board of Education in Section 53a-1a-502.

(3) (a) An existing public school that converts to charter status under a charter granted by a local school board may:

(i) continue to receive the same services from the school district that it received prior to its conversion; or

(ii) contract out for some or all of those services with other public or private providers.

(b) Any other charter school sponsored by a local school board may contract with the board to receive some or all of the services referred to in Subsection (3)(a).

(4) (a) (i) A public school that converts to a charter school under [~~Subsection (3)(a)~~] a charter granted by a local school board shall receive funding:

(A) through the school district; and

(B) on the same basis as it did prior to its conversion to a charter school.

(ii) The school may also receive federal monies designated for charter schools under any federal program.

~~[(b) (i) Any other charter school sponsored by a local school board shall receive funding as provided under Subsection (4)(a), except as otherwise provided in Subsection (4)(b)(ii).]~~

~~[(ii) (b) (i) [If the charter school is not operating out of] A local school board-sponsored charter school operating in a facility owned by the school district[, then the funding provisions of Section 53A-1a-513 apply.] and not paying reasonable rent to the school district shall receive funding:~~

~~(A) through the school district; and~~

~~(B) on the same basis that other district schools receive funding.~~

~~(ii) The school may also receive federal monies designated for charter schools under any federal program.~~

(c) Any other charter school sponsored by a local school board shall receive funding as provided in Section 53A-1a-513.

(5) (a) A local school board that receives an application for a charter school under this section shall, within 45 days, either accept or reject the application.

(b) If the board rejects the application, it shall notify the applicant in writing of the reason for the rejection.

(c) The applicant may submit a revised application for reconsideration by the board.

(d) If the local school board refuses to sponsor the applicant, the applicant may seek a charter from the State Board of Education under Section 53A-1a-505.

(e) The local board's action under Subsection (5)(d) is final action subject to judicial review.

(6) A local school board is limited in the number of charter schools it may sponsor under this section as follows:

(a) there is no limitation on the number of existing public schools within a school district that may convert to charter status under this section; and

(b) the number of charter schools not converted from existing public schools is limited to an enrollment equal to 4% of the school district's student population as reported in the most recent annual statistical report required under Section 53A-3-403.

(7) A local school board may terminate a charter school it sponsors under this section for the same reasons and under the same procedures followed by the State Board of Education under Subsection 53A-1a-509(3).

Section 3. Section **53A-2-206** is amended to read:

**53A-2-206. Exchange and interstate compact students -- Inclusion in attendance count -- Annual report -- Requirements for exchange student agencies.**

(1) A school district may include membership and attendance of students for the purpose of apportionment of state monies if:

(a) (i) the student is ~~[an]~~ a foreign exchange student sponsored by an agency approved by the State Board of Education~~[-and the enrollment is in compliance with rules and enrollment limits set by the state board; or]; and~~

(ii) the agency sponsoring the foreign exchange student is also sponsoring a resident

student of the district who is enrolled in a school in a foreign country;

(b) the student is enrolled under an interstate compact, established between the State Board of Education and the state education authority of another state, under which a student from one compact state would be permitted to enroll in a public school in the other compact state on the same basis as a resident student of the receiving state; or

(c) the student is receiving services under the Compact on Placement of Children.

(2) The board shall make an annual report to the Legislature on the number of exchange students and the number of interstate compact students sent to or received from public schools outside the state.

(3) (a) The board shall require each approved exchange student agency to provide it with a sworn affidavit of compliance prior to the beginning of each school year.

(b) The affidavit shall include the following assurances:

(i) that the agency has complied with all applicable rules of the board;

(ii) that a household study, including a background check of all adult residents, has been made of each household where an exchange student is to reside, and that the study was of sufficient scope to provide reasonable assurance that the exchange student will receive proper care and supervision in a safe environment;

(iii) that host parents have received training appropriate to their positions, including information about enhanced criminal penalties under Subsection 76-5-406(10) for persons who are in a position of special trust;

(iv) that a representative of the exchange student agency shall visit each student's place of residence at least once each month during the student's stay in Utah;

(v) that the agency will cooperate with school and other public authorities to ensure that no exchange student becomes an unreasonable burden upon the public schools or other public agencies;

(vi) that each exchange student will be given in the exchange student's native language names and telephone numbers of agency representatives and others who could be called at any time if a serious problem occurs; and

(vii) that alternate placements are readily available so that no student is required to remain in a household if conditions appear to exist which unreasonably endanger the student's welfare.

(4) (a) The board shall provide each approved exchange student agency with a list of names and telephone numbers of individuals not associated with the agency who could be called by an exchange student in the event of a serious problem.

(b) The agency shall make a copy of the list available to each of its exchange students in the exchange student's native language.

Section 4. Section **53A-16-101.5** is amended to read:

**53A-16-101.5. School LAND Trust Program -- Contents -- Purpose -- Distribution of funds -- School plans for use of funds.**

(1) There is established the School LAND (Learning And Nurturing Development) Trust Program for the state's public schools to provide financial resources to enhance or improve student academic achievement and implement a component of the school improvement plan.

(2) (a) The program shall be funded each fiscal year from that portion of the Uniform School Fund consisting of [~~all~~] the interest and dividends [~~on the~~] received in the immediately preceding fiscal year from the investment of monies in the permanent State School Fund [~~remaining after the deduction of the amount retained in the State School Fund to protect the fund against losses due to inflation as prescribed by the Utah Constitution Article X, Section 5~~].

(b) On and after July 1, 2003, the program shall be funded as provided in Subsection (2)(a) up to a maximum of \$12,000,000 each fiscal year.

(c) The Legislature shall annually allocate, through an appropriation to the State Board of Education, a portion of School LAND Trust Program monies for the administration of the program.

(3) (a) The State Board of Education shall allocate [~~all~~] the monies referred to in Subsection (2) annually for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter as follows:

(i) school districts shall receive 10% of the funds on an equal basis; and

(ii) the remaining 90% of the funds shall be distributed on a per student basis, with each district receiving its allocation on the number of students in the district as compared to the state total.

(b) Each school district shall distribute its allocation under Subsection (3)(a) to each school within the district on an equal per student basis.

(c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the board may make rules regarding the time and manner in which the student count shall be made for allocation of the monies.

(4) In order to receive its allocation under Subsection (3), a school shall have established a school community council under Section 53A-1a-108.

(5) (a) The school community council or its subcommittee shall develop a program to use its allocation under Subsection (3) to implement a component of the school's improvement plan, including:

- (i) the school's identified most critical academic needs;
- (ii) a recommended course of action to meet the identified academic needs;
- (iii) a specific listing of any programs, practices, materials, or equipment which the school will need to implement a component of its school improvement plan to have a direct impact on the instruction of students and result in measurable increased student performance; and
- (iv) how the school intends to spend its allocation of funds under this section to enhance or improve academic excellence at the school.

(b) The school may develop a multiyear program, but the program shall be presented and approved by the school community council and the local school board of the district in which the school is located annually and as a prerequisite to receiving program funds allocated under this section.

(6) (a) Each school shall:

- (i) implement the program as approved by the school community council and approved by the local school board;
- (ii) provide ongoing support for the council's or its subcommittee's program;

(iii) meet school board reporting requirements regarding financial and performance accountability of the program; and

(iv) publicize to its patrons and the general public on how the funds it received under this section were used to enhance or improve academic excellence at the school and implement a component of the school's improvement plan, including the results of those efforts.

(b) (i) Each school through its council or its subcommittee shall prepare and present an annual report of the program to its local school board at the end of the school year.

(ii) The report shall detail the use of program funds received by the school under this section and an assessment of the results obtained from the use of the funds.

Section 5. 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 [~~\$2,132~~] \$2,150, except as otherwise provided in this chapter.

(2) "Certified revenue levy" means a property tax levy that provides [~~the same~~] an 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.~~] equal to the sum of:

(a) the amount of property tax revenue to be generated statewide in the previous year from imposing a minimum basic tax rate, as specified in Subsection 53A-17a-135(1)(a); and

(b) the product of:

(i) new growth, as defined in Section 59-2-924 and rules of the State Tax Commission;

and

(ii) the minimum basic tax rate certified by the State Tax Commission for the previous year.

(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) (a) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection (5).

(b) 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.

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

(ii) 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 attendance requirements, excluding time spent viewing commercial advertising.

(d) The program [~~shall be operated and maintained for~~] includes the total of the following annual costs:

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

(ii) other amounts appropriated in this chapter [~~17a~~] in addition to the basic program[; ~~and~~].

[~~(iii) school construction aid programs authorized under Title 53A, Chapter 21, Public Education Capital Outlay Act.~~]

(6) "Weighted pupil unit or units or WPU or WPUs" 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 6. 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 may not exceed the sum of [~~\$1,581,482,794~~] \$1,611,343,274 for the fiscal year beginning July 1, [~~2002~~] 2003, except as otherwise provided

by the Legislature through supplemental appropriations.

(2) ~~[It is intended that the funds provided are]~~ There is appropriated to the State Board of Education for distribution to school districts and charter schools, in accordance with this chapter, monies for the following purposes and in the following amounts:

<del>[Estimated</del>	<del>_____</del>	<del>_____</del>
<del>[Weighted</del>	<del>Purpose</del>	<del>Per Weighted]</del>
<del>[Pupil Units</del>	<del>State Contribution</del>	<del>Pupil Unit]</del>
		<del>_____</del> [Estimated State and] <del>_____</del> [Local Funds at]
<del>[20,097</del>	<del>Basic program - kindergarten.</del>	<del>\$42,846,804]</del>
<del>[429,871</del>	<del>Basic program - grades 1-12.</del>	<del>\$916,484,972]</del>
<del>[41,187</del>	<del>Basic program - professional staff.</del>	<del>\$87,810,684]</del>
<del>[1,655</del>	<del>Basic program - administrative costs.</del>	<del>\$3,528,460]</del>
<del>[7,386</del>	<del>Basic program - necessarily existent small</del>	<del>\$15,746,952]</del>
	<del>[schools and units for consolidated schools:]</del>	
<del>[52,997</del>	<del>Special education - regular program</del>	<del>\$112,989,604]</del>
	<del>[= add-on WPU's for students with disabilities:]</del>	
<del>[6,146</del>	<del>Preschool Special Education Program.</del>	<del>\$13,103,272]</del>
<del>[12,542</del>	<del>Self-contained regular WPU's.</del>	<del>\$26,739,544]</del>
<del>[238</del>	<del>Extended year program for severely disabled.</del>	<del>\$507,416]</del>
<del>[1,358</del>	<del>Special education - state programs.</del>	<del>\$2,895,256]</del>
<del>[23,566</del>	<del>Applied technology and technical education</del>	<del>\$50,242,712]</del>
	<del>[district programs:]</del>	
<del>[995</del>	<del>Applied technology district set-aside.</del>	<del>\$2,121,340]</del>
<del>[29,757</del>	<del>Class size reduction.</del>	<del>\$63,441,924]</del>
<del>[627,795</del>	<del>TOTAL OF ALL ABOVE PROGRAMS</del>	<del>\$1,338,458,940]</del>
	<del>[Social Security and retirement programs.</del>	<del>\$217,072,218]</del>
	<del>[Pupil Transportation to and from school.</del>	<del>\$56,164,040]</del>

[Guarantee Transportation Levy. _____]	\$500,000]
[Local Discretionary Block Grant Program. _____]	\$21,824,448]
[Interventions for Student Success Block [Grant Program _____]	\$15,553,062]
[Quality Teaching Block Grant Program _____]	\$64,178,111]
[Math and Science - Beginning]	
[Teacher Recruitment. _____]	\$500,000]
[Highly Impacted Schools. _____]	\$5,123,207]
[At-risk Programs. _____]	\$24,324,161]
[Adult Education. _____]	\$8,431,047]
[Accelerated Learning Programs. _____]	\$8,622,674]
[Experimental and Developmental Program. _____]	\$602,369]
[Electronic High School. _____]	\$400,000]
[School LAND Trust Program. _____]	\$6,000,000]
[State-supported voted leeway. _____]	\$141,682,087]
[State-supported board leeway. _____]	\$41,465,445]
[Total estimated contributions to _____]	\$1,950,901,809]
[school districts for all programs.]	
[Less estimated proceeds from _____]	\$369,419,015]
[state-supported local levies.]	
[TOTAL STATE FUNDS _____]	\$1,581,482,794]

- (a) basic program - kindergarten, \$43,930,950 (20,433 WPU)s);
- (b) basic program - grades 1-12, \$930,195,350 (432,649 WPU)s);
- (c) basic program - professional staff, \$89,328,200 (41,548 WPU)s);
- (d) basic program - administrative costs, \$3,558,250 (1,655 WPU)s);
- (e) basic program - necessarily existent small schools and units for consolidated schools, \$16,193,800 (7,532 WPU)s);
- (f) special education - regular program - add-on WPU)s for students with disabilities,

\$115,001,350 (53,489 WPU)s;

(g) preschool special education program, \$13,478,350 (6,269 WPU)s;

(h) self-contained regular WPU)s, \$26,696,550 (12,417 WPU)s;

(i) extended year program for severely disabled, \$690,150 (321 WPU)s;

(j) special education programs in state institutions and district impact aid, \$2,919,700 (1,358 WPU)s;

(k) applied technology and technical education district programs, \$50,198,200 (23,348 WPU)s, including \$915,861 for summer applied technology agriculture programs;

(l) applied technology district set-aside, \$2,139,250 (995 WPU)s;

(m) class size reduction, \$63,977,550 (29,757 WPU)s;

(n) Social Security and retirement programs, \$232,739,964;

(o) pupil transportation to and from school, \$56,245,567, of which not less than \$1,952,878 shall be allocated to the Utah Schools for the Deaf and Blind to pay for transportation costs of the schools' students;

(p) guarantee transportation levy, \$500,000;

(q) Local Discretionary Block Grant Program, \$21,824,448;

(r) Interventions for Student Success Block Grant Program, \$15,308,708, of which \$400,000 shall be used for special intervention summer programs;

(s) Quality Teaching Block Grant Program, \$57,426,623;

(t) math and science - beginning teacher recruitment, \$600,000;

(u) highly impacted schools, \$5,123,207;

(v) at-risk programs, \$24,778,484;

(w) adult education, \$5,826,865;

(x) accelerated learning programs, \$8,695,104;

(y) electronic high school, \$400,000;

(z) School LAND Trust Program, \$10,050,000;

(aa) state-supported voted leeway, \$149,234,487;

(bb) state-supported board leeway, \$43,367,832; and

(cc) charter schools, pursuant to Section 53A-1a-513, \$2,377,172.

Section 7. 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 for the fiscal year beginning July 1, 2002, \$156,235,092 (73,281 weighted pupil units) for allocation to local school board programs for students with disabilities.]~~

~~[(2) Included in the appropriation is \$112,989,604 for add-on WPU's for students with disabilities enrolled in regular programs.]~~

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

[(4)] (2) 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)] (3) 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)] (4) 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)] (5) (a) ~~[Each district shall receive its allocation of monies]~~ Monies appropriated ~~[in Subsection 53A-17a-111(2)]~~ to the State Board of Education in Section 53A-17a-104 for add-on WPU's for students with disabilities enrolled in regular programs shall be allocated to school districts as provided in this Subsection (5).

~~[(a) The]~~ (b) Beginning on July 1, 2003, the State Board of Education shall:

(i) use ~~[the total]~~ a district's average number of special education add-on weighted pupil units ~~[used to fund fiscal year 1989-90]~~ determined by the previous five year's average daily membership data as a foundation for the special education add-on appropriation[-]; and

(ii) implement a hold harmless provision for up to three years as needed to accomplish a phase-in period for school districts to accommodate the change in the special education add-on WPU's foundation formula.

~~[(b)]~~ (c) A district's special education add-on WPU's for the current year may not be less than the foundation special education add-on WPU's.

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

~~[(a)]~~ (i) 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)]~~ (ii) 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)]~~ (iii) 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)]~~ (iv) 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)]~~ (6) 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 8. 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 \$156,235,092 appropriation under Section 53A-17a-111 is:]~~

~~[(a) an amount of \$13,103,272 for preschool special education programs;]~~

~~[(b) an amount of \$26,739,544 for self-contained regular WPU special education programs;]~~

~~[(c) an amount of \$507,416 for extended year programs for the severely disabled; and]~~

~~[(d) an amount of \$2,895,256 for special education programs in state institutions and for district impact aid.]~~

~~[(2)]~~ (1) (a) ~~[The amount designated]~~ Money appropriated to the State Board of Education for the preschool special education program ~~[under Subsection (1)(a) is]~~ in Section 53A-17a-104 shall be 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]~~ shall be distributed on the basis of a school district's previous year December 1 disabled preschool child count as mandated by federal law.

(3) ~~[The]~~ Monies appropriated for the extended school year program for the severely disabled ~~[is]~~ in Section 53A-17a-104 shall be 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]~~ Monies appropriated in Section 53A-17a-104 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) The State Board of Education shall compute preschool funding by a factor of 1.47 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 monies.

Section 9. 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) (a) There is appropriated to the State Board of Education for the fiscal year beginning July 1, 2002, \$50,242,712 (23,566 weighted pupil units) to pay for approved applied technology education programs and the comprehensive guidance program.]~~

~~[(b) Included in the appropriation is \$908,232 (426 weighted pupil units) for summer applied technology agriculture programs.]~~

~~[(c) The money appropriated in this Subsection (1):]~~

(1) (a) Money appropriated to the State Board of Education in Section 53A-17a-104 for approved applied technology programs and the comprehensive guidance program:

(i) shall be allocated to eligible recipients as provided in Subsections (2), (3), and (4);

and

(ii) may not be used to fund programs below the ninth grade level.

(b) Subsection (1)(a)(ii) does not apply to the following programs:

(i) comprehensive guidance;

(ii) Technology-Life-Careers; and

(iii) work-based learning programs.

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

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

(ii) Subsection (2)(b)(i) does not apply to the following programs:

(A) comprehensive guidance;

(B) Technology-Life-Careers; and

(C) work-based learning programs.

~~[(b)]~~ (c) 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.

~~[(c)]~~ (d) 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 based on the agency's share of the state's total membership in those organizations.

~~[(d)]~~ (e) 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 shall be computed for applied technology education administrative costs for each district, except 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 this Subsection (3).

(4) (a) Monies remaining after the allocations made under Subsections (2) and (3) shall be allocated 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 (4).

(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 10. 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 of Education for the fiscal year beginning July 1, 2002, \$2,121,340 (995 weighted pupil units) for an applied technology set-aside program.]~~

~~[(2)]~~ (1) Each district shall receive a guaranteed minimum allocation from the monies appropriated ~~[in Subsection (1)]~~ to the State Board of Education in Section 53A-17a-104 for an applied technology set-aside program.

~~[(3)]~~ (2) 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 11. Section **53A-17a-119** is amended to read:

**53A-17a-119. Appropriation for adult education programs.**

(1) ~~[There is]~~ Money appropriated to the State Board of Education ~~[for the fiscal year beginning July 1, 2002, \$8,431,047 for allocation to local school boards]~~ in Section 53A-17a-104 for adult education ~~[programs, consisting of]~~ shall be allocated to local school boards for 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 or as approved by board rule.

(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 board.

(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 board.

Section 12. Section **53A-17a-120** is amended to read:

**53A-17a-120. Appropriation for accelerated learning programs.**

(1) ~~[There is] Money~~ appropriated to the State Board of Education ~~[for the fiscal year beginning July 1, 2002, \$8,622,674 for allocation to local school boards]~~ in Section 53A-17a-104 for accelerated learning programs [in grades one through 12, which include] shall be allocated to local school boards for the following programs:

- (a) programs in grades 1-12 for the gifted and talented[;];
- (b) concurrent enrollment[;]; and
- (c) 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) 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 rules 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.

Section 13. Section **53A-17a-121** is amended to read:

**53A-17a-121. Appropriation for at-risk programs.**

(1) [~~There is~~] Money appropriated to the State Board of Education [~~for the fiscal year beginning July 1, 2002, \$24,324,161 for allocation to local school boards~~] in Section 53A-17a-104 for at-risk programs[~~, including~~] shall be allocated to local school boards for the following programs:

- (a) youth in custody;
- (b) homeless and disadvantaged minority students;
- (c) mathematics, engineering, and science achievement programs;
- (d) gang prevention and intervention; and
- (e) at-risk flow through.

(2) Districts shall spend monies for these programs according to rules 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 to school districts for homeless and disadvantaged 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 disadvantaged minority students in the district;
- (iii) multiplying the total of Subsections (3)(b)(i) and (ii) by the value of the weighted pupil unit; and
- (iv) prorating the amount under Subsection (3)(b)(iii) to the amount in Subsection (3)(a).

(4) (a) From the amount appropriated for at-risk programs, the board shall allocate monies 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.

(5) (a) From the amount appropriated for at-risk programs, the board shall distribute moneys for gang prevention and intervention 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.

(6) (a) From the amount appropriated for 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.

(7) From the amount appropriated for at-risk programs, the board shall allocate monies based on:

(a) a formula which takes into account prior year WPU's per district and a district's low income population; and

(b) a minimum base of no less than \$18,600 for small school districts.

Section 14. Section **53A-17a-123** is amended to read:

**53A-17a-123. Local Discretionary Block Grant Program -- State contribution.**

~~[(1) There is appropriated to the State Board of Education for the fiscal year beginning July 1, 2002, \$21,824,448 for the Local Discretionary Block Grant Program.]~~

~~[(2)]~~ (1) The State Board of Education shall distribute ~~[the]~~ money appropriated ~~[in Subsection (1)]~~ for the Local Discretionary Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

~~[(3)]~~ (2) Schools districts and charter schools shall use Local Discretionary Block Grant monies for:

(a) maintenance and operation costs;

(b) capital outlay; ~~[and]~~ or

(c) debt service.

Section 15. Section **53A-17a-123.5** is amended to read:

**53A-17a-123.5. Interventions for Student Success Block Grant Program -- State contribution.**

~~[(1) There is appropriated to the State Board of Education for the fiscal year beginning July 1, 2002, \$15,553,062 for the Interventions for Student Success Block Grant Program.]~~

~~[(2)]~~ (1) The State Board of Education shall distribute ~~[the]~~ money appropriated ~~[in Subsection (1)]~~ for the Interventions for Student Success Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

~~[(3)]~~ (2) Schools districts and charter schools shall use Interventions for Student Success Block Grant monies to improve student academic success, with priority given to interventions on behalf of students not performing to standards as determined by U-PASS test results.

~~[(4)]~~ (3) (a) Each school district shall develop a plan for the expenditure of Interventions for Student Success Block Grant monies.

(b) The plan:

(i) shall specify anticipated results; and  
(ii) may include continuing existing programs to improve students' academic success for which funds were appropriated before the establishment of the block grant.

(c) The local school board shall approve the plan for the expenditure of the block grant monies in an open public meeting before the monies are spent.

Section 16. Section **53A-17a-124** is amended to read:

**53A-17a-124. Quality Teaching Block Grant Program -- State contributions.**

~~[(1) There is appropriated to the State Board of Education for the fiscal year beginning July 1, 2002, \$64,178,111 for the Quality Teaching Block Grant Program.]~~

~~[(2)]~~ (1) The State Board of Education shall distribute ~~[the]~~ money appropriated ~~[in Subsection (1)]~~ for the Quality Teaching Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with

school districts and charter schools, that allocates the funding in a fair and equitable manner.

~~[(3)]~~ (2) (a) Schools districts and charter schools shall use Quality Teaching Block Grant monies to implement school and school district comprehensive, long-term professional development plans required by Section 53A-3-701.

(b) In recognition of exceptional quality teaching, Quality Teaching Block Grant monies may be used for the award of individual Quality Teaching Bonuses for Exemplary Teachers to recognize and reward excellence in classrooms as determined by school principals in partnership with their school community councils.

~~[(4)]~~ (3) Each local school board shall:

(a) as provided by Section 53A-3-701, review and either approve or recommend modifications for each school's comprehensive, long-term professional development plan within the district so that each school's plan is compatible with the district's comprehensive, long-term professional development plan; and

(b) in an open public meeting, approve a plan to spend Quality Teaching Block Grant monies to implement the school district's comprehensive, long-term professional development plan.

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

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

(1) ~~[(There is)]~~ Money appropriated to the State Board of Education ~~[for the fiscal year beginning July 1, 2002, \$63,441,924 (29,757 weighted pupil units)]~~ in Section 53A-17a-104 for class size reduction shall be used to reduce the average class size in kindergarten through the eighth grade in the state's public schools.

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

(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 annually to the state superintendent of public instruction a summary report on the overall district plan for utilizing class size reduction funds provided by the Legislature.

(b) If the district has received new additional class size reduction funds during the previous year, the district shall report data identifying how:

(i) the use of the funds complies with legislative intent; and

(ii) the use of the funds supplements the district's class size reduction plan.

(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 eight.

Section 18. Section **53A-17a-125** is amended to read:

**53A-17a-125. Appropriation for retirement and Social Security.**

~~[(1) There is appropriated to the State Board of Education for the fiscal year beginning July 1, 2002, \$217,072,218 for retirement and social security costs.]~~

~~[(2)]~~ (1) The employee's retirement contribution shall be 1% for employees who are under the state's contributory retirement program.

~~[(3)]~~ (2) The employer's contribution under the state's contributory retirement program is determined under Section 49-12-301, subject to the 1% contribution under Subsection ~~[(2)]~~ (1).

~~[(4)]~~ (3) The employer-employee contribution rate for employees who are under the state's noncontributory retirement program is determined under Section 49-13-301.

~~[(5)]~~ (4) (a) ~~[Each school district shall receive its share of]~~ Money appropriated to the State Board of Education in Section 53A-17a-104 for retirement and Social Security monies shall be allocated to school districts based on [its] a district's 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:

- (i) student growth;
- (ii) the percentage increase in the value of the weighted pupil unit; and
- (iii) the effect of any change in the rates for retirement, Social Security, or both.

Section 19. Section **53A-17a-126** is amended to read:

**53A-17a-126. State support of pupil transportation.**

(1) ~~[The state's contribution of \$56,164,040]~~ Money appropriated to the State Board of Education in Section 53A-17a-104 for state-supported transportation of public school students ~~[for the fiscal year beginning on July 1, 2002, is]~~ shall be apportioned and distributed in accordance with Section 53A-17a-127, except as otherwise provided in this section.

~~[(2) (a) Included in the appropriation under Subsection (1) is an amount not less than \$1,936,610 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)]~~ (2) (a) The Utah Schools for the Deaf and the Blind shall ~~[utilize these funds]~~ use money appropriated in Section 53A-17a-104 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)]~~ (b) All student transportation costs of the schools shall be paid from the allocation of pupil transportation monies received under ~~[Subsection (2)]~~ Section 53A-17a-104.

(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) Included in the appropriation under Subsection (1) 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.]~~

~~[(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.]~~

~~[(6)]~~ (4) (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 20. Section **53A-17a-131.15** is amended to read:

**53A-17a-131.15. State contribution for the Electronic High School.**

~~[The state's contribution of \$400,000 for the Electronic High School for the fiscal year beginning July 1, 2002, is]~~ Money appropriated to the State Board of Education ~~[for distribution]~~ in Section 53A-17a-104 for the Electronic High School shall be distributed to the school according to rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Section 21. Section **53A-17a-131.17** is amended to read:

**53A-17a-131.17. State contribution for School LAND Trust Program.**

(1) (a) Except as provided in Subsection (1)(b), there is appropriated ~~[\$6,000,000]~~ \$10,050,000 to the State Board of Education as the state's contribution for the School LAND Trust Program for the fiscal year beginning July 1, ~~[2002]~~ 2003.

~~[(b) If the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2) is less than or greater than \$6,000,000, the appropriation shall be equal to the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2).]~~

(b) If the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2) is less than or greater than \$10,050,000, the appropriation shall be equal to the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2), up to a maximum of \$12,000,000.

(2) The State Board of Education shall distribute the money appropriated in Subsection (1) in accordance with Section 53A-16-101.5 and rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Section 22. Section **53A-17a-133** is amended to read:

**53A-17a-133. State-supported voted leeway program authorized -- Election requirements -- State guarantee -- Reconsideration of the program.**

(1) An election to consider adoption or modification of a voted leeway program is

required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(2) (a) (i) To establish a voted leeway program, a majority of the electors of a district voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) The district may maintain a school program which exceeds the cost of the program referred to in Section 53A-17a-145 with this voted leeway.

(c) In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

~~[(d) The additional program is the state-supported voted leeway program of the district.]~~

(3) (a) Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, ~~[2003]~~ 2004, the \$17.14 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(d)(i) applies for a period of two years following any such change in the certified tax rate.

(4) (a) An election to modify an existing voted leeway program is not a reconsideration of the existing program unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue an existing program.

(c) If adoption of a leeway program is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the program prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue an existing voted leeway program previously authorized by the voters.

Section 23. Section **53A-17a-135** is amended to read:

**53A-17a-135. Minimum basic tax rate -- 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 [~~\$206,690,578~~] \$212,110,681 in revenues statewide.

(b) The preliminary estimate for the [~~2002-03~~] 2003-04 minimum basic tax rate is [~~.001813~~] .001743.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates [~~\$206,690,578~~] \$212,110,681 in revenues statewide.

(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section [~~59-2-102~~] 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.

(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 24. Section **53A-17a-148** is amended to read:

**53A-17a-148. Use of nonlapsing balances.**

(1) For the fiscal year beginning on July 1, ~~[2002]~~ 2003, the State Board of Education may use up to \$300,000 of nonlapsing balances for the following:

~~[(1)]~~ (a) to stabilize the value of the weighted pupil unit;

~~[(2)]~~ (b) to maintain program levels in school districts that may experience unanticipated and unforeseen losses of students;

~~[(3)]~~ (c) to equalize programs in school districts where a strict application of the law provides inequity;

~~[(4)]~~ (d) to pay the added cost when students attend school out of state;

~~[(5)]~~ (e) to assist in the operation of the laboratory school at Utah State University, through the allocation of monies for a career ladder program at the school; and

~~[(6)]~~ (f) other uses approved by the board.

(2) For the fiscal year beginning on July 1, 2003, the State Board of Education may use up to \$2,500,000 of uncommitted nonlapsing balances for adult high school completion and adult basic skill programs.

Section 25. Section **53A-17a-149** is enacted to read:

**53A-17a-149. Funds for classroom supplies.**

(1) If the interest and dividends deposited in the Uniform School Fund from the investment of monies in the Permanent State School Fund are sufficient to provide the maximum amount of funds to the School LAND Trust Program as provided in Section 53A-16-101.5, the

balance of the interest and dividends, up to a maximum of \$10,000,000, shall be appropriated by the Legislature for teachers' classroom supplies.

(2) (a) Money appropriated for classroom supplies pursuant to Subsection (1) shall be distributed to classroom teachers in school districts, the Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools on the basis of the number of classroom teachers in each school as compared to the total number of classroom teachers.

(b) Each teacher in grades kindergarten through six shall receive up to \$225 and each teacher in grades seven through 12 shall receive up to \$175 from the appropriation.

(c) Teachers shall spend the money for school supplies, materials, or field trips under rules adopted by the State Board of Education.

Section 26. Section **53A-21-102** is amended to read:

**53A-21-102. Capital Outlay Foundation Program -- Enrollment Growth Program -- Loan Program.**

(1) [~~There is established a~~] The Capital Outlay Foundation Program and the Enrollment Growth Program are established to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.

(2) [~~There is established a~~] The Capital Outlay Loan Program is established to provide short-term help to school districts to meet district needs for school building construction and renovation.

(3) School districts shall use the monies provided to them under the [~~foundation and loan~~] programs established by this section solely for school district capital outlay and debt service purposes.

Section 27. Section **53A-21-103** is amended to read:

**53A-21-103. Qualifications for participation in the foundation program -- Distribution of monies -- Distribution formulas.**

(1) In order for a school district to qualify for monies under the Capital Outlay Foundation Program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service.

(2) ~~[(a)]~~ The State Board of Education shall adopt ~~[a rule]~~ rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that ~~[allows]~~;

(a) allow a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district[-]; and

~~[(b) The rules may include hold harmless provisions for up to two years.]~~

(b) maintain a school district's funding under the Capital Outlay Foundation Program for up to two years if the school district's funding would otherwise be reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(3) The State Board of Education shall distribute monies in the Capital Outlay Foundation Program in accordance with a formula developed by the state superintendent of public instruction ~~[based on a minimum guarantee per average daily membership as computed by the state superintendent using:]~~ which guarantees that a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service yields a minimum amount per pupil in average daily membership.

~~[(a) available monies; and]~~

~~[(b) the assessed valuation per average daily membership in each school district.]~~

Section 28. Section **53A-21-103.5** is enacted to read:

**53A-21-103.5. Qualifications for participation in the Enrollment Growth Program**  
**-- State Board of Education rules -- Distribution formula.**

(1) (a) In order to qualify for monies under the Enrollment Growth Program established in Section 53A-21-102, a school district must be a recipient of monies distributed under the Capital Outlay Foundation Program, except as provided in Subsection (1)(b).

(b) A school district that is not a recipient of Capital Outlay Foundation Program monies in fiscal year 2003-04, fiscal year 2004-05, or both, may qualify for monies under the Enrollment Growth Program if the school district received Capital Outlay Foundation Program monies in fiscal year 2002-03.

(2) (a) The State Board of Education shall distribute monies in the Enrollment Growth

Program to qualifying school districts whose average net enrollment for the prior three years is a net increase in enrollment.

(b) A school district that meets the criteria of Subsection (2)(a) shall receive Enrollment Growth Program monies in the same proportion that the district's three-year average net enrollment bears to the total three-year net enrollment of all the districts that meet the criteria of Subsection (2)(a).

(c) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer this section.

Section 29. 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, [~~2002~~] 2003, shall consist of an appropriation totaling [~~\$28,358,000~~] \$27,228,900 to the State Board of Education from the Uniform School Fund.

(2) Of the monies appropriated in Subsection (1), the State Board of Education shall distribute:

(a) \$24,358,000 in accordance with the Capital Outlay Foundation Program described in Section 53A-21-103; and

(b) \$2,930,900 in accordance with the Enrollment Growth Program described in Section 53A-21-103.5.

Section 30. Section **59-2-906.1** is amended to read:

**59-2-906.1. Property Tax Valuation Agency Fund -- Creation -- Statewide levy -- Additional county levy permitted.**

(1) (a) There is created the Property Tax Valuation Agency Fund, to be funded by a multicounty assessing and collecting levy not to exceed .0003 as provided in Subsection (2).

(b) The multicounty assessing and collecting levy under Subsection (1)(a) shall be imposed annually by each county in the state.

(c) The purpose of the multicounty assessing and collecting levy created under

Subsection (1)(a) and the disbursement formulas established in Section 59-2-906.2 is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(d) Income derived from the investment of money in the fund created in this Subsection (1) shall be deposited in and become part of the fund.

(2) (a) Except as authorized in Subsection (2)(b), beginning in fiscal year 1996-97 to fund the Property Tax Valuation Agency Fund the Legislature shall authorize the amount of the multicounty assessing and collecting levy, except that the multicounty assessing and collecting levy may not exceed the certified revenue levy as defined in Section [~~53A-17a-103~~] 59-2-102.

(b) If the Legislature authorizes a multicounty assessing and collecting levy that exceeds the certified revenue levy, it is subject to the notice requirements of Section 59-2-926.

(c) 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.

(d) For the calendar year beginning on January 1, 1999, and ending on December 31, 1999, the certified revenue levy shall be adjusted by the amount necessary to offset the adjustment in revenues from uniform fees on tangible personal property under Section 59-2-405.1 as a result of the adjustment in uniform fees on tangible personal property under Section 59-2-405.1 enacted by the Legislature during the 1998 Annual General Session.

(3) (a) The multicounty assessing and collecting levy authorized by the Legislature under Subsection (2) shall be separately stated on the tax notice as a multicounty assessing and collecting levy.

(b) The multicounty assessing and collecting levy authorized by the Legislature under Subsection (2) is:

(i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908; and

(iii) exempt from the notice requirements of Sections 59-2-918 and 59-2-919.

(c) Each county shall transmit quarterly to the state treasurer the portion of the .0003 multicounty assessing and collecting levy which is above the amount to which that county is entitled to under Section 59-2-906.2.

(i) The revenue shall be transmitted no later than the tenth day of the month following the end of the quarter in which the revenue is collected.

(ii) If revenue is transmitted after the tenth day of the month following the end of the quarter in which the revenue is collected, the county shall pay an interest penalty at the rate of 10% each year until the revenue is transmitted.

(d) The state treasurer shall deposit the revenue from the multicounty assessing and collecting levy, any interest accrued from that levy, and any penalties received under Subsection (3)(c) in the Property Tax Valuation Agency Fund.

(4) Each county may levy an additional property tax up to .0002 per dollar of taxable value of taxable property as reported by each county. This levy shall be stated on the tax notice as a county assessing and collecting levy.

(a) The purpose of the levy established in this Subsection (4) is to promote the accurate valuation of property, the establishment and maintenance of uniform assessment levels within and among counties, and the efficient administration of the property tax system, including the costs of assessment, collection, and distribution of property taxes.

(b) Any levy established in Subsection (4)(a) is:

(i) exempt from the redevelopment provisions of Sections 17B-4-1003 and 17B-4-1004;

(ii) in addition to and exempt from the maximum levies allowable under Section 59-2-908; and

(iii) is subject to the notice requirements of Sections 59-2-918 and 59-2-919.

Section 31. Section **59-2-926** is amended to read:

**59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

If the state authorizes a levy pursuant to Section 53A-17a-135 that exceeds the certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to Section 59-2-906.1 that exceeds the certified revenue levy as defined in Section 59-2-102, the state shall publish a notice no later than ten days after the last day of the annual legislative general session that meets the following requirements:

(1) The Office of the Legislative Fiscal Analyst shall advertise that the state authorized a levy that generates revenue in excess of the previous year's ad valorem tax revenue, plus new growth, but exclusive of revenue from collections from redemptions, interest, and penalties in a newspaper of general circulation in the state. The advertisement shall be no less than 1/4 page in size and the type used shall be no smaller than 18 point, and surrounded by a 1/4-inch border. The advertisement may not be placed in that portion of the newspaper where legal notices and classified advertisements appear. The advertisement shall be run once.

(2) The form and content of the notice shall be substantially as follows:

"NOTICE OF TAX INCREASE

The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following sources (include all of the following provisions):

(a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause of adjustment or increased revenues, such as reappraisals or factoring orders);

(b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

(c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or both) paid \$\_\_\_\_\_ in property taxes would pay the following:

(i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue exclusive of new growth; and

(ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth budgeted by the state of Utah.

**Section 32. Repealer.**

This act repeals:

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

Section **53A-17a-131.13, State contribution to guarantee transportation levy.**

Section **53A-17a-131.19, State contribution to math and science beginning teacher recruitment program.**

Section **53A-17a-132, Experimental and developmental programs.**

**Section 33. One-time appropriation for classroom supplies.**

(1) There is appropriated from the Uniform School Fund to the State Board of Education, for fiscal year 2003-04 only, \$5,000,000 for classroom supplies and materials.

(2) (a) The board shall distribute the appropriation to classroom teachers in school districts, the Schools for the Deaf and the Blind, the Edith Bowen Laboratory School, and charter schools on the basis of the number of classroom teachers in each school as compared to the total number of classroom teachers.

(b) Each teacher in grades kindergarten through six shall receive up to \$225 and each teacher in grades seven through 12 shall receive up to \$175 from this appropriation.

(c) Teachers shall spend the money for school supplies, materials, or field trips under rules adopted by the State Board of Education.

**Section 34. Appropriation to University of Utah Reading Clinic.**

For the fiscal year beginning July 1, 2003, there is appropriated from the Uniform School Fund \$375,000 to the University of Utah for the University of Utah Reading Clinic.

**Section 35. Applied technology study -- School LAND Trust Program study -- Capital outlay funding study.**

(1) It is the intent of the Legislature that the Office of the Legislative Fiscal Analyst, in conjunction with the Governor's Office of Planning and Budget, perform a study of overlapping applied technology education services of the Utah System of Higher Education, State System of Public Education, and Utah College of Applied Technology. It is further the intent of the Legislature that a written report be presented to the Executive Appropriations Committee by

October 2003 and to the appropriate legislative appropriations subcommittees during the 2004 General Session.

(2) It is the intent of the Legislature that the Public Education Appropriations Subcommittee shall study during the interim the administration of the School LAND Trust Program, how funding is distributed, and the ongoing appropriation level for the program.

(3) It is the intent of the Legislature that the Public Education Appropriations Subcommittee shall study during the interim the distribution of capital outlay funding.

**Section 36. Effective date.**

This act takes effect on July 1, 2003.

**Section 37. Coordination clause.**

If this bill and H.B. 92, School Funds Amendments, both pass, it is the intent of the Legislature that the amendments made to Section 53A-16-101.5 in this bill shall supercede the amendments made to Section 53A-16-101.5 in H.B. 92.