

SCHOOL FUNDS AMENDMENTS

2003 GENERAL SESSION

STATE OF UTAH

Sponsor: Bradley G. Last

This act modifies provisions relating to the State System of Public Education and School and Institutional Trust Lands by conforming statutes on the permanent State School Fund and Uniform School Fund with the Utah Constitution. This act prescribes what revenues shall be used to fund the School LAND Trust Program. This act has an immediate effective date.

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

AMENDS:

53A-16-101, as amended by Statewide Initiative B, Nov. 7, 2000, Laws of Utah 2000

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

53C-3-103, as last amended by Chapters 13 and 42, Laws of Utah 1998

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

Section 1. Section **53A-16-101** is amended to read:

53A-16-101. Uniform School Fund -- Contents.

The Uniform School Fund established by Utah Constitution, Article X, Section 5, consists of [~~money received in the state treasury from the following sources~~]:

(1) interest [~~on~~] and dividends derived from the investment of monies in the permanent State School Fund established by Utah Constitution, Article X, Section 5;

[~~(2) escheats and forfeitures and proceeds from the sale or other disposition of property that may accrue to the state by escheat or forfeiture;~~]

[~~(3) unclaimed shares and proceeds from the sale or other disposition of those shares and unclaimed dividends of any corporation incorporated under Utah law;~~]

[~~(4) all revenues derived from renewable resources on school and state lands, other than those granted for specific purposes;~~]



28 ~~[(5) the proceeds derived from the leasing or renting of school lands and other state~~
29 ~~lands, including all forfeitures, penalties, and grazing and other fees received in connection~~
30 ~~with the leases and rentals;]~~

31 ~~[(6) money received from leases or rentals of land acquired by the state through~~
32 ~~foreclosure of mortgages securing common school fund or through deeds from mortgagors or~~
33 ~~owners of those lands; and]~~

34 (2) money transferred to the fund pursuant to Title 67, Chapter 4a, Unclaimed Property
35 Act;

36 (3) revenue from the sale of forfeited property as provided by Title 24, Chapter 1, Utah
37 Uniform Forfeiture Procedures Act; and

38 ~~[(7)]~~ (4) all other constitutional or legislative allocations to the fund, including
39 revenues received under Utah Constitution, Article XIII, Section 12(3), from taxes on income
40 or intangible property, except for those income tax revenues appropriated to the state's higher
41 education system.

42 Section 2. Section **53A-16-101.5** is amended to read:

43 **53A-16-101.5. School LAND Trust Program -- Contents -- Purpose --**

44 **Distribution of funds -- School plans for use of funds.**

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

49 (2) The program shall be funded each fiscal year from that portion of the Uniform
50 School Fund consisting of ~~[all]~~ the interest and dividends ~~[on]~~ received in the immediately
51 proceeding fiscal year from the investment of monies in the permanent State School Fund
52 ~~[remaining after the deduction of the amount retained in the State School Fund to protect the~~
53 ~~fund against losses due to inflation as prescribed by the Utah Constitution Article X, Section~~
54 ~~5].~~

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

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

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

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

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

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

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

- 72 (i) the school's identified most critical academic needs;
- 73 (ii) a recommended course of action to meet the identified academic needs;
- 74 (iii) a specific listing of any programs, practices, materials, or equipment which the
75 school will need to implement a component of its school improvement plan to have a direct
76 impact on the instruction of students and result in measurable increased student performance;
77 and

78 (iv) how the school intends to spend its allocation of funds under this section to
79 enhance or improve academic excellence at the school.

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

84 (6) (a) Each school shall:

- 85 (i) implement the program as approved by the school community council and approved
86 by the local school board;
- 87 (ii) provide ongoing support for the council's or its subcommittee's program;
- 88 (iii) meet school board reporting requirements regarding financial and performance
89 accountability of the program; and

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

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

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

97 Section 3. Section 53C-3-103 is amended to read:

98 **53C-3-103. Disposition of interest on permanent funds.**

99 (1) The interest~~[, including]~~ and dividends~~[;]~~ derived from the investment of funds
100 belonging to the [~~Permanent~~] permanent State School Fund~~[, less the amount required to be~~
101 ~~retained in the State School Fund pursuant to the Utah Constitution Article X, Section 5;]~~ and
102 the interest, [~~including~~] dividends, and other income of the permanent funds of the respective
103 state institutions shall be distributed for use for the maintenance of public elementary and
104 secondary schools or the state institutions in accordance with Title 51, Chapter 7, State Money
105 Management Act.

106 (2) Realized and unrealized gains shall be retained in the Permanent State School
107 Fund.

108 Section 4. **Effective date.**

109 If approved by two-thirds of all the members elected to each house, this act takes effect
110 upon approval by the governor, or the day following the constitutional time limit of Utah
111 Constitution Article VII, Section 8, without the governor's signature, or in the case of a veto,
112 the date of veto override.

Legislative Review Note
as of 1-2-03 12:53 PM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0092

School Funds Amendments

27-Jan-03

11:59 AM

State Impact

Bill provisions may be handled within existing resources.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst