

SCHOOL LAND TRUST PROGRAM FUNDING

AMENDMENTS

2005 GENERAL SESSION

STATE OF UTAH

Sponsor: Stephen H. Urquhart

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LONG TITLE

General Description:

This bill modifies the use of interest and dividends from the investment of monies in the permanent State School Fund.

Highlighted Provisions:

This bill:

▶ ~~§~~ → [removes] increases ← ~~§~~ the cap on the amount of interest and dividends earned on

the permanent

State School Fund that may be appropriated for the School LAND Trust Program;

and

▶ eliminates a requirement that a portion of interest and dividends earned on the permanent State School Fund be used for teachers' classroom supplies.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2005.

Utah Code Sections Affected:

AMENDS:

53A-16-101, as last amended by Chapter 183, Laws of Utah 2004

53A-16-101.5, as last amended by Chapters 183 and 251, Laws of Utah 2004



28 **53A-17a-131.17**, as last amended by Chapters 183 and 257, Laws of Utah 2004

29 REPEALS:

30 **53A-17a-149**, as last amended by Chapters 183 and 257, Laws of Utah 2004

31

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

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

34 **53A-16-101. Uniform School Fund -- Contents -- Interest and Dividends Account.**

35 (1) The Uniform School Fund established by Utah Constitution, Article X, Section 5,
36 consists of:

37 (a) interest and dividends derived from the investment of monies in the permanent
38 State School Fund established by Utah Constitution, Article X, Section 5;

39 (b) money transferred to the fund pursuant to Title 67, Chapter 4a, Unclaimed Property
40 Act;

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

43 (d) all other constitutional or legislative allocations to the fund, including revenues
44 received under Utah Constitution, Article XIII, Section 5, from taxes on income or intangible
45 property, except for those income tax revenues appropriated to the state's higher education
46 system.

47 (2) (a) There is created within the Uniform School Fund a restricted account known as
48 the Interest and Dividends Account.

49 (b) The Interest and Dividends Account consists of:

50 (i) interest and dividends derived from the investment of monies in the permanent State
51 School Fund referred to in Subsection (1)(a); and

52 (ii) interest on account monies.

53 (3) ~~[(a)]~~ Upon appropriation by the Legislature, monies from the Interest and
54 Dividends Account shall be used for~~[(i)]~~ the School LAND Trust Program as provided in
55 Section 53A-16-101.5~~[-and].~~

56 ~~[(ii) teachers' classroom supplies as provided in Section 53A-17a-149.]~~

57 **§→ [f] (b) The Legislature may appropriate any remaining balance for the support of the**
58 **public education system. [f] ←§**

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

60 **53A-16-101.5. School LAND Trust Program -- Purpose -- Distribution of funds --**
61 **School plans for use of funds.**

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

66 (2) (a) The program shall be funded each fiscal year:

67 (i) from the Interest and Dividends Account created in Section 53A-16-101; and

68 (ii) in the amount of the sum of the following:

69 (A) the interest and dividends from the investment of monies in the permanent State
70 School Fund deposited to the Interest and Dividends Account in the immediately preceding
71 year; and

72 (B) interest accrued on monies in the Interest and Dividends Account in the
73 immediately preceding fiscal year.

74 **§→ [f] (b) On and after July 1, 2003, the program shall be funded as provided in**
74a **Subsection**

75 **(2)(a) up to a maximum of [~~\$12,000,000~~] an amount equal to 1.5% of the funds provided for**
75a **the Minimum School Program, pursuant to Title 53A, Chapter 17a, Minimum School Program**
75b **Act, each fiscal year. [f]**

76 [f] (c) [~~f(b)~~] **←§** The Legislature shall annually allocate, through an appropriation to the State
77 Board of Education, a portion of School LAND Trust Program monies for the administration of
78 the program.

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

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

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

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

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

90 for allocation of the monies.

91 (4) Except as provided in Subsection (7), in order to receive its allocation under
92 Subsection (3), a school shall have established a school community council under Section
93 53A-1a-108.

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

97 (i) the school's identified most critical academic needs;

98 (ii) a recommended course of action to meet the identified academic needs;

99 (iii) a specific listing of any programs, practices, materials, or equipment which the
100 school will need to implement a component of its school improvement plan to have a direct
101 impact on the instruction of students and result in measurable increased student performance;
102 and

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

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

109 (6) (a) Each school shall:

110 (i) implement the program as approved by the school community council and approved
111 by the local school board;

112 (ii) provide ongoing support for the council's or its subcommittee's program;

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

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

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

120 (ii) The report shall detail the use of program funds received by the school under this

121 section and an assessment of the results obtained from the use of the funds.

122 (7) (a) The governing board of a charter school shall prepare a plan for the use of
123 school trust monies that includes the elements listed in Subsection (5).

124 (b) The plan shall be subject to approval by the entity that authorized the establishment
125 of the charter school.

125a **§→ (8) (a) A school community council and a governing board of a charter school may not be**
125b **required to:**

125c **(i) send a letter to legislators or other elected officials on the school's use of School**
125d **LAND Trust Program monies as a condition of receiving the monies; or**

125e **(ii) report to the State Board of Education or any local school board on whether any**
125f **letters were sent to legislators or other elected officials on the school's use of School LAND**
125g **Trust Program monies.**

125h **(b) Subsection (8)(a)(i) does not apply to the annual report to the local school board**
125i **required by Subsection (6)(b). ←§**

126 Section 3. Section **53A-17a-131.17** is amended to read:

127 **53A-17a-131.17. State contribution for School LAND Trust Program.**

128 (1) If the amount of money prescribed for funding the School LAND Trust Program in
129 Section 53A-16-101.5 is less than or greater than the money appropriated in Section
130 53A-17a-104 for the School LAND Trust Program, the appropriation shall be equal to the
131 amount of money prescribed for funding the School LAND Trust Program in Section
132 53A-16-101.5 **§→ [F] , up to a maximum of [~~+~~ \$12,000,000] an amount equal to 1.5% of the**
132a **funds provided for the Minimum School Program, pursuant to Title 53A, Chapter 17a,**
132b **Minimum School Program Act.**

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

136 Section 4. **Repealer.**

137 This bill repeals:

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

139 Section 5. **Effective date.**

140 This bill takes effect on July 1, 2005.

Legislative Review Note

as of 12-8-04 10:12 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0043

School Land Trust Program Funding Amendments

18-Jan-05

8:09 AM

State Impact

Implementation of this bill has no current fiscal impact. Bill provisions eliminate the \$12,000,000 distribution cap and the restriction that some funding be used for classroom supplies.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst