

**MINIMUM SCHOOL PROGRAM ACT**

**AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

**Sponsor: Gordon E. Snow**

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**LONG TITLE**

**General Description:**

This bill provides funding for the Minimum School Program.

**Highlighted Provisions:**

This bill:

- ▶ establishes a ceiling for the state contribution to the maintenance and operations portion of the Minimum School Program for fiscal year 2005-06 of \$1,783,631,186;
- ▶ establishes the value of the weighted pupil unit at \$2,258;
- ▶ appropriates \$27,288,900 to the State Board of Education for fiscal year 2005-06 for school building aid programs for school districts;
- ▶ directs the state superintendent to include certain expenditure data in an annual report to the governor and the Legislature; and
- ▶ imposes a deadline for the authorization of a charter school in order to qualify for certain state funds.

**Monies Appropriated in this Bill:**

This bill appropriates for fiscal year 2005-06:

- ▶ \$1,773,711,186 from the Uniform School Fund; and
- ▶ \$9,920,000 from the Interest and Dividends Account.

**Other Special Clauses:**

This bill provides an effective date.

**Utah Code Sections Affected:**

AMENDS:

**53A-1-301**, as last amended by Chapters 221 and 315, Laws of Utah 2003

**53A-1a-513**, as last amended by Chapter 257, Laws of Utah 2004

**53A-17a-103**, as last amended by Chapter 257, Laws of Utah 2004

**53A-17a-104**, as last amended by Chapter 257, Laws of Utah 2004

**53A-17a-135**, as last amended by Chapter 257, Laws of Utah 2004

**53A-17a-148**, as last amended by Chapter 257, Laws of Utah 2004

**53A-21-105**, as last amended by Chapter 257, Laws of Utah 2004

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

Section 1. Section **53A-1-301** is amended to read:

**53A-1-301. Appointment -- Qualifications -- Duties.**

(1) (a) The State Board of Education shall appoint a superintendent of public instruction, hereinafter called the state superintendent, who is the executive officer of the board and serves at the pleasure of the board.

(b) The board shall appoint the state superintendent on the basis of outstanding professional qualifications.

(c) The state superintendent shall administer all programs assigned to the State Board of Education in accordance with the policies and the standards established by the board.

(2) The superintendent shall develop a statewide education strategy focusing on core academics, including the development of:

(a) core curriculum and graduation requirements;

(b) a process to select instructional materials that best correlate to the core curriculum and graduation requirements that are supported by generally accepted scientific standards of evidence;

(c) professional development programs for teachers, superintendents, and principals;

(d) remediation programs;

(e) a method for creating individual student learning targets, and a method of measuring an individual student's performance toward those targets;

(f) progress-based assessments for ongoing performance evaluations of districts and

schools;

(g) incentives to achieve the desired outcome of individual student progress in core academics, and which do not create disincentives for setting high goals for the students;

(h) an annual report card for school and district performance, measuring learning and reporting progress-based assessments;

(i) a systematic method to encourage innovation in schools and school districts as they strive to achieve improvement in their performance; and

(j) a method for identifying and sharing best demonstrated practices across districts and schools.

(3) The superintendent shall perform duties assigned by the board, including the following:

(a) investigating all matters pertaining to the public schools;

(b) adopting and keeping an official seal to authenticate the superintendent's official acts;

(c) holding and conducting meetings, seminars, and conferences on educational topics;

(d) presenting to the governor and the Legislature each December a report of the public school system for the preceding year to include:

(i) data on the general condition of the schools with recommendations considered desirable for specific programs;

(ii) a complete statement of fund balances;

(iii) a complete statement of revenues by fund and source;

(iv) a complete statement of adjusted expenditures by fund, the status of bonded indebtedness, the cost of new school plants, and school levies;

(v) a complete statement of state funds allocated to each of the state's 40 school districts by source, including supplemental appropriations, and a complete statement of expenditures by each district, including supplemental appropriations, by function and object as outlined in the U.S. Department of Education publication "Financial Accounting for Local and State School Systems";

(vi) a complete statement, by school district and charter school, of the amount of and

percentage increase or decrease in expenditures from the previous year attributed to:

(A) wage increases, with expenditure data for base salary adjustments identified separately from step and lane expenditures;

(B) medical and dental premium cost adjustments; and

(C) adjustments in the number of teachers and other staff;

~~(vi)~~ (vii) a statement that includes such items as fall enrollments, average membership, high school graduates, licensed and classified employees, pupil-teacher ratios, class sizes, average salaries, applicable private school data, and data from standardized norm-referenced tests in grades 5, 8, and 11 on each school and district;

~~(vii)~~ (viii) statistical information regarding incidents of delinquent activity in the schools or at school-related activities with separate categories for:

(A) alcohol and drug abuse;

(B) weapon possession;

(C) assaults; and

(D) arson;

~~(viii)~~ (ix) information about:

(A) the development and implementation of the strategy of focusing on core academics;

(B) the development and implementation of competency-based education and progress-based assessments; and

(C) the results being achieved under Subsections (3)(d)~~(viii)~~(ix)(A) and (B), as measured by individual progress-based assessments and the comparison of Utah Students' progress with the progress of students in other states using standardized norm-referenced tests as benchmarks; and

~~(ix)~~ (x) other statistical and financial information about the school system which the superintendent considers pertinent;

(e) collecting and organizing education data into an automated decision support system to facilitate school district and school improvement planning, accountability reporting and performance recognition, and the evaluation of educational policy and program effectiveness to

include:

(i) data that are:

(A) comparable across schools and school districts;

(B) appropriate for use in longitudinal studies; and

(C) comprehensive with regard to the data elements required under applicable state or federal law or state board rule;

(ii) features that enable users, most particularly school administrators, teachers, and parents, to:

(A) retrieve school and school district level data electronically;

(B) interpret the data visually; and

(C) draw conclusions that are statistically valid; and

(iii) procedures for the collection and management of education data that:

(A) require the state superintendent of public instruction to:

(I) collaborate with school districts in designing and implementing uniform data standards and definitions;

(II) undertake or sponsor research to implement improved methods for analyzing education data;

(III) provide for data security to prevent unauthorized access to or contamination of the data; and

(IV) protect the confidentiality of data under state and federal privacy laws; and

(B) require all school districts to comply with the data collection and management procedures established under Subsection (3)(e); and

(f) with the approval of the board, preparing and submitting to the governor a budget for the board to be included in the budget that the governor submits to the Legislature.

(4) Upon leaving office, the state superintendent shall deliver to his successor all books, records, documents, maps, reports, papers, and other articles pertaining to his office.

Section 2. Section **53A-1a-513** is amended to read:

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

(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.

(3) The State Board of Education shall adopt rules to provide for the distribution of monies to charter schools under this section.

(4) (a) The Legislature shall provide an appropriation for charter schools for each of their students 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:

- (i) calculating the sum of:
  - (A) 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;

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

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

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

(b) Of the monies provided to a charter school under Subsection (4)(a), 10% shall be expended for funding school facilities only.

(c) To qualify for money under Subsection (4)(a), a new charter school shall, by September 30 of the school year prior to the school year it intends to begin operations:

(i) obtain approval of its application for a charter from:

(A) the State Board of Education, pursuant to Section 53A-1a-505; or

(B) a local school board, pursuant to Section 53A-1a-515; and

(ii) submit to the chartering entity an estimate of the charter school's first year enrollment.

(d) Subsection (4)(c) does not apply to charter schools beginning operations in the 2005-06 school year.

(e) By December 1, the State Charter School Board shall submit to the Governor's Office of Planning and Budget and the Office of the Legislative Fiscal Analyst an estimate of total charter school enrollment in the state for the following school year.

(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.

(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.

(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.

(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.

(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.

(10) The State Office of Education shall use up to \$1,044,000 of funding provided for new growth to fund additional growth needs in charter schools in fiscal year 2005.

Section 3. 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 [~~\$2,182~~] \$2,258, except as otherwise provided in this chapter.

(2) "Certified revenue levy" means a property tax levy that provides an amount of ad valorem property tax revenue 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 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 in addition to the basic program.

(6) "Weighted pupil unit or units or WPU or WPU's" 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 4. 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 minimum school program may not exceed the sum of [~~\$1,698,739,911~~] \$1,783,631,186 for the fiscal year beginning July 1, [~~2004~~] 2005, except as otherwise provided by the Legislature through supplemental appropriations.

(2) [~~As an ongoing appropriation subject to future budget constraints, there~~] There is appropriated [~~from the Uniform School Fund~~] from state and local funds for fiscal year [~~2004-05~~] 2005-06 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:

(a) basic program - kindergarten, [~~\$49,053,542 (22,481 WPU)s~~] \$51,412,402 (22,769 WPU)s;

(b) basic program - grades 1-12, [~~\$956,377,146 (438,303 WPU)s~~] \$1,004,956,770 (445,065 WPU)s;

(c) basic program - professional staff, [~~\$93,420,148 (42,814 WPU)s~~] \$98,317,836 (43,542 WPU)s;

(d) basic program - administrative costs, [~~\$3,626,484~~] \$3,752,796 (1,662 WPU)s;

(e) basic program - necessarily existent small schools and units for consolidated schools, [~~\$16,729,394 (7,667 WPU)s~~] \$17,607,884 (7,798 WPU)s;

(f) special education - regular program - add-on WPU)s for students with disabilities, [~~\$117,590,162 (53,891 WPU)s~~] \$124,469,992 (55,124 WPU)s;

(g) preschool special education program, [~~\$14,540,848 (6,664 WPU)s~~] \$16,375,016 (7,252 WPU)s;

(h) self-contained regular WPU)s, [~~\$27,447,378 (12,579 WPU)s~~] \$29,024,332 (12,854 WPU)s;

(i) extended year program for severely disabled, [~~\$765,882 (351 WPU)s~~] \$806,106 (357 WPU)s;

(j) special education programs in state institutions and district impact aid, [~~\$3,006,796~~]

~~(1,378 WPU's)~~ \$3,165,716 (1,402 WPU's);

(k) applied technology and technical education district programs, [~~\$51,709,036 (23,698 WPU's)~~] \$54,417,800 (24,100 WPU's), including [~~\$943,426~~] \$976,446 for summer applied technology agriculture programs;

(l) applied technology district set-aside, [~~\$2,203,820 (1,010 WPU's)~~] \$2,325,740 (1,030 WPU's);

(m) class size reduction, [~~\$65,902,946 (30,203 WPU's)~~] \$69,487,692 (30,774 WPU's);

(n) Social Security and retirement programs, [~~\$261,482,231~~] \$275,460,289;

(o) pupil transportation to and from school, [~~\$57,061,128~~] \$59,058,267, of which not less than [~~\$1,981,195~~] \$2,050,537 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, [~~\$14,908,708~~] \$15,844,513;

(s) Quality Teaching Block Grant Program, [~~\$57,426,623~~] \$59,436,554;

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

(u) at-risk programs, [~~\$24,778,484~~] \$26,542,031;

(v) adult education, [~~\$5,826,865~~] \$6,030,807;

(w) accelerated learning programs, [~~\$8,695,104~~] \$8,999,433;

(x) electronic high school, [~~\$700,000~~] \$1,000,000;

~~[(y) School LAND Trust Program, \$8,820,000;]~~

~~[(z)]~~ (y) state-supported voted leeway, [~~\$159,084,242~~] \$176,049,358;

~~[(aa)]~~ (z) state-supported board leeway, [~~\$45,357,016~~] \$48,412,249; ~~[and]~~

~~[(bb)]~~ (aa) charter schools, pursuant to Section 53A-1a-513, [~~\$5,002,450~~] \$12,611,950;

and

(bb) K-3 Reading Improvement Program, \$12,500,000.

(3) There is appropriated from the Interest and Dividends Account \$9,920,000 to the State Board of Education for the School LAND Trust Program for the fiscal year beginning July

1, 2005.

Section 5. 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 [~~\$217,590,703~~] \$225,872,138 in revenues statewide.

(b) The preliminary estimate for the [~~2004-05~~] 2005-06 minimum basic tax rate is [~~.001754~~] .001702.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates [~~\$217,590,703~~] \$225,872,138 in revenues statewide.

(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section 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 6. Section **53A-17a-148** is amended to read:

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

(1) For the fiscal year beginning on July 1, [~~2004~~] 2005, the State Board of Education may use up to \$300,000 of nonlapsing balances for the following:

- (a) to stabilize the value of the weighted pupil unit;
- (b) to maintain program levels in school districts that may experience unanticipated and unforeseen losses of students;
- (c) to equalize programs in school districts where a strict application of the law provides inequity;
- (d) to pay the added cost when students attend school out of state; and
- (e) other uses approved by the board.

~~[(2) For the fiscal year beginning on July 1, 2004, the State Board of Education may use up to \$1,000,000 of uncommitted nonlapsing balances for adult high school completion and adult basic skill programs.]~~

~~[(3)]~~ (2) For the fiscal year beginning on July 1, ~~[2004]~~ 2005, the State Board of Education shall use Minimum School Program nonlapsing balances to supplement the appropriation to charter schools for the replacement of local property tax revenues, up to the amount allowed under their formula detailed in Subsection 53A-1a-513(4).

(3) The State Board of Education may use Minimum School Program nonlapsing balances dedicated to the Public Education Job Enhancement Program to support program administration as follows:

- (a) \$26,000 is authorized in fiscal year 2004-05; and
- (b) \$60,000 is authorized in fiscal year 2005-06.

Section 7. Section **53A-21-105** is amended to read:

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

(1) As an ongoing appropriation subject to future budget constraints, there is appropriated from the Uniform School Fund for fiscal year ~~[2004-05]~~ 2005-06, \$27,288,900 to the State Board of Education for the capital outlay programs created in Section 53A-21-102.

(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 8. Effective date.**

This bill takes effect on July 1, 2005, except that Section 53A-17a-148 takes effect on May 2, 2005.