

**SCHOOL LAND TRUST PROGRAM FUNDING**

**AMENDMENTS**

2005 GENERAL SESSION

STATE OF UTAH

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Senate Sponsor: Thomas V. Hatch

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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:

- ▶ 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

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

REPEALS:

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

*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 -- Interest and Dividends Account.**

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

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

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

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

(d) all other constitutional or legislative allocations to the fund, including revenues received under Utah Constitution, Article XIII, Section 5, from taxes on income or intangible

property, except for those income tax revenues appropriated to the state's higher education system.

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

(b) The Interest and Dividends Account consists of:

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

(ii) interest on account monies.

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

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

(b) The Legislature may appropriate any remaining balance for the support of the public education system.

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

**53A-16-101.5. School LAND Trust Program -- 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:

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

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

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

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

(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~~] an amount equal to 2% of the funds provided for the Minimum School Program, pursuant to Title 53A, Chapter 17a, Minimum School Program Act, 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 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 based 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) Except as provided in Subsection (7), 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.

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

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

(8) (a) A school community council and a governing board of a charter school may not be required to:

(i) send a letter to legislators or other elected officials on the school's use of School

LAND Trust Program monies as a condition of receiving the monies; or

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

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

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

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

(1) If the amount of money prescribed for funding the School LAND Trust Program in Section 53A-16-101.5 is less than or greater than the money appropriated in Section 53A-17a-104 for the School LAND Trust Program, the appropriation shall be equal to the amount of money prescribed for funding the School LAND Trust Program in Section 53A-16-101.5, up to a maximum of [~~\$12,000,000~~] an amount equal to 2% of the funds provided for the Minimum School Program, pursuant to Title 53A, Chapter 17a, Minimum School Program Act.

(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 4. **Repealer.**

This bill repeals:

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

Section 5. **Effective date.**

This bill takes effect on July 1, 2005.