

1 **CURRENT SCHOOL YEAR SUPPLEMENTAL**
2 **MINIMUM SCHOOL PROGRAM BUDGET**
3 **ADJUSTMENTS**

4 2009 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Howard A. Stephenson**

7 House Sponsor: Merlynn T. Newbold

8
9 **LONG TITLE**

10 **General Description:**

11 This bill modifies funding for the Minimum School Program.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ reduces revenues appropriated for the Minimum School Program and school
- 15 building programs;
- 16 ▶ establishes a ceiling for the state contribution to the Minimum School Program for
- 17 fiscal year 2008-09 of \$2,427,279,686;
- 18 ▶ specifies how certain reductions to the Minimum School Program shall be allocated
- 19 among school districts and charter schools; and
- 20 ▶ provides for certain salary adjustments for school administrators.

21 **Monies Appropriated in this Bill:**

22 This bill appropriates:

- 23 ▶ as an ongoing appropriation, (\$188,850,100) from the Uniform School Fund for
- 24 fiscal year 2008-09; and
- 25 ▶ \$115,946,000 from the Uniform School Fund for fiscal year 2008-09 only.

26 **Other Special Clauses:**

27 This bill provides an immediate effective date.

28 **Utah Code Sections Affected:**

29 AMENDS:

- 30 **53A-17a-104**, as last amended by Laws of Utah 2008, Chapters 1 and 397
- 31 **53A-17a-146**, as last amended by Laws of Utah 2002, Chapter 279
- 32 **53A-17a-148**, as last amended by Laws of Utah 2008, Chapter 289
- 33 **53A-17a-153**, as last amended by Laws of Utah 2008, Chapters 382 and 397

34

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

36 Section 1. Section **53A-17a-104** is amended to read:

37 **53A-17a-104. Amount of state's contribution toward minimum school program.**

38 (1) The total contribution of the state toward the cost of the minimum school program
39 may not exceed the sum of [~~\$2,497,012,086~~] \$2,427,279,686 for the fiscal year beginning July
40 1, 2008, except as otherwise provided by the Legislature through supplemental appropriations.

41 (2) There is appropriated from state and local funds for fiscal year 2008-09 for
42 distribution to school districts and charter schools, in accordance with this chapter, monies for
43 the following purposes and in the following amounts:

- 44 (a) basic program - kindergarten, \$65,182,638 (25,294 WPU);
- 45 (b) basic program - grades 1-12, \$1,258,253,751 (488,263 WPU);
- 46 (c) basic program - professional staff, \$116,307,741 (45,133 WPU);
- 47 (d) basic program - administrative costs, \$4,174,740 (1,620 WPU);
- 48 (e) basic program - necessarily existent small schools and units for consolidated
49 schools, \$19,711,473 (7,649 WPU);
- 50 (f) special education - regular program - add-on WPU for students with disabilities,
51 \$155,789,958 (60,454 WPU);
- 52 (g) preschool special education program, \$22,082,313 (8,569 WPU);
- 53 (h) self-contained regular WPU, \$34,573,032 (13,416 WPU);
- 54 (i) extended year program for severely disabled, \$968,952 (376 WPU);
- 55 (j) special education programs in state institutions and district impact aid, \$4,293,282
56 (1,666 WPU);
- 57 (k) career and technical education district programs, \$67,530,285 (26,205 WPU);

- 58 including \$1,154,458 for summer career and technical education agriculture programs;
- 59 (l) career and technical education district set-aside, \$2,878,509 (1,117 WPU);
- 60 (m) class size reduction, \$88,373,061 (34,293 WPU);
- 61 (n) Social Security and retirement programs, \$349,906,049;
- 62 (o) pupil transportation to and from school, \$74,446,865, of which not less than
- 63 \$2,584,435 shall be allocated to the Utah Schools for the Deaf and Blind to pay for
- 64 transportation costs of the schools' students;
- 65 (p) guarantee transportation levy, \$500,000;
- 66 (q) Local Discretionary Block Grant Program, [~~\$21,820,748~~] \$12,728,748;
- 67 (r) Interventions for Student Success Block Grant Program, \$18,844,111;
- 68 (s) Quality Teaching Block Grant Program, \$77,615,641;
- 69 (t) highly impacted schools, \$5,123,207;
- 70 (u) at-risk programs, \$31,411,241;
- 71 (v) adult education, \$10,266,146;
- 72 (w) accelerated learning programs, \$4,295,581;
- 73 (x) concurrent enrollment, \$9,672,586;
- 74 (y) High-ability Student Initiative Program, \$500,000;
- 75 (z) English Language Learner Family Literacy Centers, \$2,000,000;
- 76 (aa) electronic high school, \$2,000,000;
- 77 (bb) School LAND Trust Program, \$26,499,500;
- 78 (cc) charter schools, pursuant to Section 53A-1a-513, \$36,957,646;
- 79 (dd) charter school administrative costs, \$2,898,600;
- 80 (ee) K-3 Reading Improvement Program, \$15,000,000;
- 81 (ff) Public Education Job Enhancement Program, \$2,430,000;
- 82 (gg) educator salary adjustments, [~~\$148,260,200~~] \$152,243,800;
- 83 (hh) Teacher Salary Supplement Restricted Account, \$4,300,000;
- 84 (ii) library books and electronic resources, \$1,500,000;
- 85 (jj) school nurses, \$1,000,000;

- 86 (kk) critical languages, \$230,000;
- 87 (ll) extended year for special educators, \$2,900,000;
- 88 (mm) USTAR Centers, \$6,900,000;
- 89 (nn) state-supported voted leeway, \$273,337,346;
- 90 (oo) state-supported board leeway, \$71,575,858; ~~[and]~~
- 91 (pp) state-supported board leeway for K-3 Reading Improvement Program,
- 92 \$15,000,000; and

93 (qq) ongoing locally determined reduction made in accordance with Section
 94 53A-17a-146, \$(179,758,100).

95 Section 2. Section **53A-17a-146** is amended to read:

96 **53A-17a-146. Reduction of district allocation based on insufficient revenues.**

97 ~~[(1) (a) If it is necessary because of insufficient revenues in the Uniform School Fund~~
 98 ~~for the Legislature to reduce appropriations made to support schools under Title 53A, Chapter~~
 99 ~~17a, Minimum School Program Act, the State Board of Education, after consultation with~~
 100 ~~each school district and charter school, shall reduce each school district's and charter school's~~
 101 ~~allocation of monies appropriated to support school districts and charter schools.]~~

102 (1) (a) As used in this section, "Minimum School Program funds" means the total of
 103 state and local funds appropriated under Section 53A-17a-104, excluding:

- 104 (i) the state-supported voter leeway;
- 105 (ii) the state-supported board leeway; and
- 106 (iii) the appropriation to charter schools to replace local property tax revenues.

107 ~~[(b) Each school district's or charter school's share of the total reduction of~~
 108 ~~appropriations to support school districts and charter schools shall be in the same proportion~~
 109 ~~of the school district's or charter school's allocation of appropriated monies is to the total~~
 110 ~~appropriations to support school districts and charter schools.]~~

111 (b) The State Board of Education, after consultation with each school district and
 112 charter school, shall allocate the ongoing locally determined reduction provided in Section
 113 53A-17a-104 for fiscal year 2008-09 among school districts and charter schools in proportion

114 to each school district's or charter school's percentage share of Minimum School Program
115 funds.

116 (2) Each district and charter school shall determine which programs are affected by,
117 and the amount of, the reductions, except as provided in Subsection (4).

118 (3) The requirement to spend a specified amount in any particular program is waived
119 if reductions are required under this section, except as provided in Subsection (4).

120 (4) A school district or charter school may not reduce or reallocate spending of funds
121 distributed to the school district or charter school for the following programs:

- 122 (a) educator salary adjustments provided in Section 53A-17a-153;
- 123 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;
- 124 (c) the extended year for special educators provided in Section 53A-17a-158; and
- 125 (d) USTAR centers provided in Section 53A-17a-159.

126 Section 3. Section **53A-17a-148** is amended to read:

127 **53A-17a-148. Use of nonlapsing balances.**

128 (1) As used in this section:

129 (a) "Education entity" means a school district, charter school, or the Utah Schools for
130 the Deaf and the Blind.

131 (b) (i) "New educator" means a person who:

- 132 (A) is an educator as defined in Section 53A-17a-153;
- 133 (B) is hired by an education entity to begin teaching during the 2008-09 school year;
- 134 (C) did not work in this state as an educator for an education entity during the
135 2007-08 school year; and

136 (D) has never received a signing bonus in this state.

137 (ii) A new educator may include a person who is returning to education after one or
138 more years of interrupted service.

139 (2) The State Board of Education may use Minimum School Program nonlapsing
140 balances to restore special education funding as follows:

141 (a) up to \$902,538 is authorized in fiscal year 2005-06; and

142 (b) up to \$902,538 is authorized in fiscal year 2006-07.

143 (3) The State Board of Education shall use Minimum School Program nonlapsing
144 balances in fiscal year 2008-09 as follows:

145 (a) \$5,000,000 shall be allocated to education entities to provide one-time signing
146 bonuses for new educators as provided under Subsection (4), including money for the
147 following employer-paid benefits:

148 (i) retirement;

149 (ii) workers' compensation;

150 (iii) Social Security; and

151 (iv) Medicare; and

152 (b) [~~\$20,000,000~~] \$5,000,000 shall be allocated to education entities to provide
153 one-time performance-based compensation as provided under Subsection (5).

154 (4) (a) Subject to the availability of funding, education entities shall provide a
155 one-time signing bonus of \$1,000 to a new educator.

156 (b) If the total cost of bonuses and employer-paid benefits under Subsection (4)(a) for
157 all education entities exceeds \$5,000,000, all bonuses shall be reduced pro rata so that the total
158 cost does not exceed \$5,000,000.

159 (c) To qualify for a bonus, a new educator shall:

160 (i) be hired prior to October 1, 2008; and

161 (ii) work for at least 90 days for the education entity.

162 (5) (a) The [~~\$20,000,000~~] \$5,000,000 for performance-based compensation shall be
163 allocated to qualifying education entities on a per pupil basis.

164 (b) (i) To receive an allocation under Subsection (5)(a), an education entity shall:

165 (A) submit, prior to July 1, 2008, a written performance-based compensation plan to
166 the State Board of Education that conforms to guidelines established by the State Board of
167 Education in rule; and

168 (B) receive approval of the plan by the State Board of Education.

169 (ii) The performance-based compensation plan shall provide specific information

170 about how the education entity intends to spend its allocation, including:

171 (A) who is eligible for the performance-based compensation;

172 (B) criteria for awarding performance-based compensation;

173 (C) the instruments or assessments that may be used to measure or evaluate

174 performance;

175 (D) the amount of performance-based compensation that may be awarded; and

176 (E) whether the performance-based compensation will be based on individual, team, or

177 school-based performance, or a combination of those.

178 (iii) The State Board of Education shall send the approved plans to the Executive

179 Appropriations Committee and the Education Interim Committee by August 1, 2008 for

180 review and comment.

181 (iv) (A) Due to the reduction in funds available for performance-based compensation,

182 the State Board of Education shall limit the number of school districts or charter schools that

183 may receive funds under this section so that the enrollment of the school districts or charter

184 schools that receive funds is approximately 25% of the total public school enrollment of the

185 state.

186 (B) The State Board of Education shall award funds for performance-based

187 compensation to school districts and charter schools that meet the requirements of Subsections

188 (5)(b)(i) and (ii) and other criteria established by the board.

189 (c) (i) An education entity shall award performance-based compensation from monies

190 distributed under this section for employee performance during the 2008-09 school year.

191 (ii) Performance-based compensation monies may only be used in accordance with an

192 education entity's performance-based compensation plan.

193 (iii) If an education entity uses performance-based compensation monies for purposes

194 other than those stated in this Subsection (5) and its performance-based compensation plan,

195 the education entity shall reimburse the monies that were improperly used.

196 (d) An education entity that awards performance-based compensation from monies

197 distributed under this section shall report the following information to the Executive

198 Appropriations Committee by June 30, 2009:

199 (i) the number of employees who received performance-based compensation;

200 (ii) the total number of employees;

201 (iii) the average performance-based compensation awarded to employees; and

202 (iv) the maximum performance-based compensation awarded to an employee.

203 (6) The State Board of Education may make rules as necessary to administer this

204 section, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

205 Section 4. Section **53A-17a-153** is amended to read:

206 **53A-17a-153. Educator salary adjustments.**

207 (1) As used in this section, "educator" means a person employed by a school district,
208 charter school, or the Utah Schools for the Deaf and the Blind who holds:

209 (a) a license issued under Title 53A, Chapter 6, Educator Licensing and Professional
210 Practices Act; and

211 (b) a position as a:

212 (i) classroom teacher;

213 (ii) speech pathologist;

214 (iii) librarian or media specialist;

215 (iv) preschool teacher;

216 (v) mentor teacher;

217 (vi) teacher specialist or teacher leader;

218 (vii) guidance counselor;

219 (viii) audiologist;

220 (ix) psychologist; or

221 (x) social worker.

222 (2) In recognition of the need to attract and retain highly skilled and dedicated
223 educators, the Legislature shall annually appropriate money for educator salary adjustments,
224 subject to future budget constraints.

225 (3) Money appropriated to the State Board of Education for educator salary

226 adjustments shall be distributed to school districts, charter schools, and the Utah Schools for
227 the Deaf and the Blind in proportion to the number of full-time-equivalent educator positions
228 in a school district, a charter school, or the Utah Schools for the Deaf and the Blind as
229 compared to the total number of full-time-equivalent educator positions in school districts,
230 charter schools, and the Utah Schools for the Deaf and the Blind.

231 (4) School districts, charter schools, and the Utah Schools for the Deaf and the Blind
232 shall award bonuses to educators as follows:

233 (a) the amount of the salary adjustment shall be the same for each full-time-equivalent
234 educator position in the school district, charter school, or the Utah Schools for the Deaf and
235 the Blind;

236 (b) a person who is not a full-time educator shall receive a partial salary adjustment
237 based on the number of hours the person works as an educator; and

238 (c) salary adjustments may be awarded only to educators who have received a
239 satisfactory rating or above on their most recent evaluation.

240 (5) (a) Each school district and charter school and the Utah Schools for the Deaf and
241 the Blind shall submit a report to the State Board of Education on how the money for salary
242 adjustments was spent, including the amount of the salary adjustment and the number of full
243 and partial salary adjustments awarded.

244 (b) The State Board of Education shall compile the information reported under
245 Subsection (5) and submit it to the Public Education Appropriations Subcommittee by
246 November 30 each year.

247 (6) The State Board of Education may make rules as necessary to administer this
248 section, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

249 (7) (a) Subject to future budget constraints, the Legislature shall appropriate sufficient
250 monies each year to:

251 (i) maintain educator salary adjustments provided in prior years; and

252 (ii) provide educator salary adjustments to new employees.

253 (b) Money appropriated for educator salary adjustments shall include money for the

254 following employer-paid benefits:

- 255 (i) retirement;
- 256 (ii) worker's compensation;
- 257 (iii) Social Security; and
- 258 (iv) Medicare.

259 (8) (a) Subject to future budget constraints, the Legislature shall:

260 (i) maintain the salary adjustments provided to school administrators in the 2007-08
261 school year; and

262 (ii) provide salary adjustments for new school administrators in the same amount as
263 provided for existing school administrators.

264 (b) The appropriation provided for educator salary adjustments in Section
265 53A-17a-104 shall include salary adjustments for school administrators as specified in
266 Subsection (8)(a).

267 (c) In distributing and awarding salary adjustments for school administrators, the State
268 Board of Education, school districts, charter schools, and the Utah Schools for the Deaf and
269 the Blind shall comply with the requirements for the distribution and award of educator salary
270 adjustments as provided in Subsections (3) and (4).

271 **Section 5. Appropriation.**

272 (1) There is appropriated from the Uniform School Fund for fiscal year 2008-09 only,
273 \$135,999,100 to the State Board of Education to off-set the ongoing locally determined
274 reduction made in Subsection 53A-17a-104(qq).

275 (2) (a) There is appropriated from the Uniform School Fund for fiscal year 2008-09
276 only, (\$5,865,000) to the State Board of Education for the Beverly Taylor Sorenson
277 Elementary Arts Learning Program established in Section 53A-17a-162.

278 (b) The appropriation specified in Subsection (2)(a) is in addition to the amount
279 appropriated in Uncodified Section 28, Chapter 397, Laws of Utah 2008.

280 (3) (a) There is appropriated from the Uniform School Fund for fiscal year 2008-09
281 only, (\$1,585,900) to the State Board of Education for the Capital Outlay Foundation

282 Program for allocation pursuant to Section 53A-21-202.

283 (b) The appropriation specified in Subsection (3)(a) is in addition to the amount
284 appropriated in Section 53A-21-501 and Uncodified Section 34, Chapter 236, Laws of Utah
285 2008.

286 (4) (a) There is appropriated from the Uniform School Fund for fiscal year 2008-09
287 only, (\$1,585,800) to the State Board of Education for the Capital Outlay Enrollment Growth
288 Program for allocation pursuant to Section 53A-21-302.

289 (b) The appropriation specified in Subsection (4)(a) is in addition to the amount
290 appropriated in Section 53A-21-501 and Uncodified Section 34, Chapter 236, Laws of Utah
291 2008.

292 **Section 6. Effective date.**

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