

Representative Kenneth W. Sumsion proposes the following substitute bill:

EDUCATION SAVINGS ACCOUNTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John Dougall

Senate Sponsor: _____

LONG TITLE

General Description:

This bill creates a pilot project that modifies funding for public and higher education.

Highlighted Provisions:

This bill:

- ▶ creates an education savings account for a student enrolled in grades 11 or 12 who opts to participate in a pilot project;
- ▶ directs the Legislature to provide an appropriation for a per pupil allocation to be deposited in an education savings account;
- ▶ requires the withholding of a portion of money a school district or charter school is otherwise eligible to receive under Title 53A, Chapter 17a, Minimum School Program Act, for a student who has an education savings account;
- ▶ provides that money in an education savings account may be used for:
 - course fees for courses provided by a school district or charter school;
 - course fees for online courses offered through the Statewide Online Education Program;
 - course fees for courses provided by an institution within the state system of higher education or certain private, nonprofit higher education institutions in Utah;



- 26 • course fees for courses provided by certain entities under contract with the State
- 27 Board of Education or State Board of Regents; and
- 28 • other fees required as a condition of student participation in an activity, class, or
- 29 program;
- 30 ▶ imposes a limitation on course fees; and
- 31 ▶ requires the State Board of Education to report to the Education Interim Committee.

32 **Money Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 None

36 **Utah Code Sections Affected:**

37 AMENDS:

38 **53A-2-210**, as last amended by Laws of Utah 2008, Chapter 346

39 ENACTS:

40 **53A-17a-105.7**, Utah Code Annotated 1953

41 **53A-17b-101**, Utah Code Annotated 1953

42 **53A-17b-102**, Utah Code Annotated 1953

43 **53A-17b-103**, Utah Code Annotated 1953

44 **53A-17b-104**, Utah Code Annotated 1953

45 **53A-17b-105**, Utah Code Annotated 1953

46 **53A-17b-106**, Utah Code Annotated 1953

47 **53A-17b-107**, Utah Code Annotated 1953

48 **53A-17b-108**, Utah Code Annotated 1953

49 **53A-17b-109**, Utah Code Annotated 1953

50 **53A-17b-110**, Utah Code Annotated 1953

51

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

53 Section 1. Section **53A-2-210** is amended to read:

54 **53A-2-210. Funding.**

55 (1) A student who enrolls in a nonresident district is considered a resident of that

56 district for purposes of state funding.

57 (2) The State Board of Education shall adopt rules providing that:

58 (a) the resident district pay the nonresident district, for each of the resident district's
59 students who enroll in the nonresident district, 1/2 of the amount by which the resident
60 district's per student expenditure exceeds the value of the state's contribution; and

61 (b) if a student is enrolled in a nonresident district for less than a full year, the resident
62 district shall pay a portion of the amount specified in Subsection (2)(a) based on the percentage
63 of school days the student is enrolled in the nonresident district.

64 (3) (a) Except as provided in this Subsection (3), the parent or guardian of a
65 nonresident student shall arrange for the student's own transportation to and from school.

66 (b) The State Board of Education may adopt rules under which nonresident students
67 may be transported to their schools of attendance if:

68 (i) the transportation of students to schools in other districts would relieve
69 overcrowding or other serious problems in the district of residence and the costs of
70 transportation are not excessive; or

71 (ii) the Legislature has granted an adequate specific appropriation for that purpose.

72 (c) A receiving district shall provide transportation for a nonresident student on the
73 basis of available space on an approved route within the district to the school of attendance if
74 district students would be eligible for transportation to the same school from that point on the
75 bus route and the student's presence does not increase the cost of the bus route.

76 (d) Nothing in this section shall be construed as prohibiting the resident district or the
77 receiving district from providing bus transportation on any approved route.

78 (e) Except as provided in Subsection (3)(b), the district of residence may not claim any
79 state transportation costs for students enrolled in other school districts.

80 (4) This section does not apply to a student who participates in an education savings
81 account pilot project under Chapter 17b, Education Savings Accounts.

82 Section 2. Section **53A-17a-105.7** is enacted to read:

83 **53A-17a-105.7. Withholding of Minimum School Program money distributed to a**
84 **school district or charter school for a student with an education savings account.**

85 (1) The State Board of Education shall withhold a portion of a school district's or
86 charter school's distribution of money the school district or charter school is otherwise eligible
87 to receive under Chapter 17a, Minimum School Program Act, for a student with an education

88 savings account.

89 (2) The amount withheld under Subsection (1) shall be an amount equal to the product
90 of:

91 (a) 1.2:

92 (b) the value of the weighted pupil unit for the grades 1 through 12 basic program; and

93 (c) the number of full-time equivalent students enrolled in courses in the school district
94 or charter school and participating in the education savings account pilot project established in
95 Chapter 17b, Education Savings Accounts Act.

96 (3) The State Board of Education shall make rules to implement this section so that the
97 money withheld pursuant to this section is withheld in the same school year that the student
98 pays for courses using money in an education savings account.

99 Section 3. Section **53A-17b-101** is enacted to read:

100 **CHAPTER 17b. EDUCATION SAVINGS ACCOUNTS ACT**

101 **53A-17b-101. Title.**

102 This chapter is known as the "Education Savings Accounts Act."

103 Section 4. Section **53A-17b-102** is enacted to read:

104 **53A-17b-102. Purpose of education savings accounts.**

105 Education savings accounts are created as a means of funding high school students'
106 education for the following purpose:

107 (1) to allow a parent or guardian to customize education to meet the learning needs and
108 interests of each individual child while providing greater flexibility in the use of education
109 dollars to best suit a child's individual needs;

110 (2) to provide access to the best teachers and coursework available, regardless of
111 residential location; and

112 (3) to nurture a dynamic education system that is prepared to adapt to new modes of
113 delivering instruction in the future while fostering an expanded range of innovative learning
114 alternatives.

115 Section 5. Section **53A-17b-103** is enacted to read:

116 **53A-17b-103. Education savings account pilot project.**

117 (1) A pilot project is established for the 2013-14 and 2014-15 school years to evaluate
118 the use of education savings accounts as a means of funding high school students' education.

119 (2) (a) The State Board of Education shall establish an education savings account for a
120 student who opts to participate in the pilot project.

121 (b) The maximum number of education savings accounts that may exist for any year of
122 the pilot project is 2,500.

123 (3) A student may opt to participate in the pilot project if:

124 (a) the student is enrolled in grade 11 or 12 in a public school; and

125 (b) (i) the student is age 18 or older; or

126 (ii) the student is younger than age 18 and the student's parent or guardian consents to
127 the student's participation in the pilot project.

128 (4) (a) The State Board of Education shall make rules specifying procedures and
129 criteria for a student to obtain an education savings account for use during the pilot project.

130 (b) The rules shall:

131 (i) impose a deadline for applying for an education savings account;

132 (ii) provide for a lottery to select students who may obtain an education savings

133 account, if the number of applicants who apply by the application deadline exceeds the

134 maximum number of education savings accounts that may exist pursuant to Subsection (2); and

135 (iii) allow a student who obtains an education savings account in the first year of the
136 pilot project to continue to use it in the second year of the pilot project.

137 (5) (a) The Legislature shall appropriate money to the State Board of Education for an
138 equal per pupil allocation for each student participating in the pilot project.

139 (b) From money appropriated under Subsection (5)(a), the State Board of Education
140 shall deposit an amount equal to the per pupil allocation in the education savings account of
141 each student participating in the pilot project.

142 (c) For fiscal year 2013-14, the per pupil allocation is \$6,400.

143 (6) Money in an education savings account may earn interest.

144 (7) In accordance with procedures established by the State Board of Education in rule,
145 a student's parent or legal guardian or a student, if the student is age 18 or older, may authorize
146 the use of money in an education savings account to pay for:

147 (a) course fees for courses provided by a Utah school district or charter school;

148 (b) course fees for online courses offered through the Statewide Online Education

149 Program created in Chapter 15, Part 12, Statewide Online Education Program Act;

150 (c) course fees for courses provided by an entity under contract with the State Board of
151 Education pursuant to Section 53A-17b-109;

152 (d) course fees for courses provided by an institution of higher education listed in
153 Section 53B-2-101;

154 (e) course fees for courses provided by a private, nonprofit college or university in the
155 state under contract with the State Board of Regents pursuant to Section 53A-17b-109; and

156 (f) fees, deposits, or other charges required of a student's or the student's parent or
157 guardian as a condition for student participation in:

158 (i) a course provided by an entity listed in Subsections (7)(a) through (e); or

159 (ii) an activity, class, or program provided, sponsored, or supported by or through a
160 public school or school district.

161 (8) Money in an education savings account at the end of a fiscal year shall remain in
162 the account and may be expended for a use described in Subsection (7) in a subsequent fiscal
163 year.

164 (9) (a) The State Board of Education shall close an education savings account 10 years
165 after the account is opened.

166 (b) Money remaining in an education savings account upon closure shall lapse to the
167 Education Fund.

168 (10) The State Board of Education shall provide for:

169 (a) electronic invoicing of course fees and other fees for payment from an education
170 savings account;

171 (b) electronic payment of course fees and other fees from deposits to an education
172 savings account; and

173 (c) online electronic savings accounts where a student and the student's parent or legal
174 guardian can monitor activity and balances in the student's account.

175 Section 6. Section **53A-17b-104** is enacted to read:

176 **53A-17b-104. Course fees for courses offered by a school district or charter**
177 **school.**

178 (1) A public school shall charge a course fee for each course a student participating in
179 the pilot project takes at the school.

180 (2) (a) A course fee shall be based upon the cost of providing a course, including an

181 appropriate amount of overhead costs.

182 (b) A course fee may be set at the average cost of providing a course.

183 (3) A local school board or charter school governing board shall establish course fees
184 and publish the course fee schedule on the school district's or charter school's website.

185 (4) The total course fees for a student participating in the pilot project who takes a full
186 course load throughout the school year in a single school district or charter school may not
187 exceed the amount of money deposited in the student's education savings account for the
188 school year.

189 (5) In accordance with procedures established by the State Board of Education in rule,
190 a course fee charged by a public school shall be paid from deposits made to an education
191 savings account under Section 53A-17b-103.

192 Section 7. Section **53A-17b-105** is enacted to read:

193 **53A-17b-105. Preference for or restrictions on courses prohibited -- Differentiated**
194 **diplomas.**

195 (1) Neither the State Board of Education, staff of the State Board of Education, a
196 school district, nor a charter school may impose restrictions or give preference to any course
197 provider that is authorized to offer a course that a student may take using money in an
198 education savings account.

199 (2) A school district or a charter school may specify course requirements for a
200 differentiated diploma, but may not specify from which course provider a required course must
201 be taken.

202 Section 8. Section **53A-17b-106** is enacted to read:

203 **53A-17b-106. Eligibility to participate in an extracurricular activity.**

204 (1) A student is eligible to participate in an extracurricular activity at a school where
205 the student takes one or more courses.

206 (2) A student who is not a full-time student at a school is eligible to participate in an
207 extracurricular activity consistent with eligibility standards applied to a full-time student.

208 (3) A school district or public school may not impose additional requirements on a
209 part-time student to participate in an extracurricular activity that are not imposed on a full-time
210 student.

211 Section 9. Section **53A-17b-107** is enacted to read:

212 **53A-17b-107. Campus hours.**

213 A school district or charter school may not impose restrictions on campus hours that
214 limit a student's ability to customize a course schedule with multiple course providers.

215 Section 10. Section **53A-17b-108** is enacted to read:

216 **53A-17b-108. Accelerated high school completion.**

217 (1) The State Board of Education shall make rules to allow a student to complete high
218 school graduation requirements, and exit high school, up to one or more years early, in
219 accordance with the student's education/occupation plan (SEOP).

220 (2) The rules adopted under Subsection (1) shall allow the student to withdraw money
221 the student is otherwise eligible to receive over the two-year pilot project period in a shorter
222 period of time.

223 Section 11. Section **53A-17b-109** is enacted to read:

224 **53A-17b-109. Courses provided under contract with State Board of Education or**
225 **State Board of Regents.**

226 (1) (a) The State Board of Education may establish a program in which the State Board
227 of Education contracts with a private entity located in Utah to provide courses to high school
228 students who use money in an education savings account to pay for the courses.

229 (b) A State Board of Education program established under Subsection (1) shall be
230 consistent with Utah Constitution Article X, Sections 1 and 2.

231 (2) (a) The State Board of Regents may establish a program in which the State Board
232 of Regents contracts with a private, nonprofit college or university in the state to provide
233 courses to students who use money in an education savings account to pay for the courses.

234 (b) A State Board of Regents program established under Subsection (1) shall be
235 consistent with Utah Constitution Article X, Section 1.

236 (c) A private, nonprofit college or university in the state under contract with the State
237 Board of Regents pursuant to Subsection (2)(a) must be accredited by the Northwest
238 Association of Schools and Colleges.

239 Section 12. Section **53A-17b-110** is enacted to read:

240 **53A-17b-110. State Board of Education report.**

241 The State Board of Education shall:

242 (1) make periodic reports to the Education Interim Committee on the pilot project

243 established under this chapter; and

244 (2) by the committee's November 2013 and 2014 meetings, make recommendations for

245 the implementation of education savings accounts.