

SB0002S01 compared with SB0002

~~text~~ shows text that was in SB0002 but was deleted in SB0002S01.

text shows text that was not in SB0002 but was inserted into SB0002S01.

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Senator Lyle W. Hillyard proposes the following substitute bill:

PUBLIC EDUCATION BUDGET AMENDMENTS

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lyle W. Hillyard

House Sponsor: Melvin R. Brown

LONG TITLE

General Description:

This bill supplements or reduces appropriations previously provided for school districts, charter schools, and certain state education agencies for the fiscal year beginning July 1, 2012 and ending June 30, 2013, and modifies related budgetary provisions.

Highlighted Provisions:

This bill:

- ▶ provides budget increases and decreases for the use and support of certain state education agencies;
- ▶ provides budget increases and decreases for programs that support school districts and charter schools;
- ▶ provides a distribution formula for the appropriation for Teacher Supplies and Materials;

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- ▶ provides intent language;
- ▶ modifies the guarantee dollar amount per weighted pupil unit for the voted leeway and board-authorized leeway programs;
- ▶ sets the estimated minimum basic tax rate at .001665 for fiscal year 2012-13;
- ▶ establishes the value of the weighted pupil unit for fiscal year 2012-13 at:
 - \$2,~~607~~577 for the special education and career and technology add-on programs; and
 - \$2,~~848~~852 for all other programs; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

This bill appropriates for fiscal year 2012-13:

- ▶ \$45,000,000 from the Uniform School Fund;
- ▶ \$71,285,700 ongoing from the Education Fund;
- ▶ (\$37,000,000) one-time from the Education Fund; and
- ▶ \$34,148,900 from various sources as detailed in this bill.

Other Special Clauses:

This bill takes effect on July 1, 2012.

This bill coordinates with H.B. 1, Public Education Base Budget Amendments, by providing superseding substantive amendments.

Utah Code Sections Affected:

AMENDS:

53A-17a-133, as last amended by Laws of Utah 2011, Chapters 364 and 371

53A-17a-134, as last amended by Laws of Utah 2011, Chapters 342 and 371

53A-17a-135, as last amended by Laws of Utah 2011, Chapter 7

Utah Code Sections Affected by Coordination Clause:

53A-17a-135, as last amended by Laws of Utah 2011, Chapter 7

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. Section **53A-17a-133** is amended to read:

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53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

(1) An election to consider adoption or modification of a voted local levy is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.

(2) (a) (i) To impose a voted local levy, a majority of the electors of a district voting at an election in the manner set forth in Subsections (8) and (9) must vote in favor of a special tax.

(ii) The tax rate may not exceed .002 per dollar of taxable value.

(b) Except as provided in Subsection (2)(c), in order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.

(c) Beginning on or after January 1, 2012, a school district may receive state support in accordance with Subsection (3) without complying with the requirements of Subsection (2)(b) if the local school board imposed a tax in accordance with this section during the taxable year beginning on January 1, 2011 and ending on December 31, 2011.

(3) (a) In addition to the revenue a school district collects from the imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to guarantee [~~\$25.25~~] \$27.36 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (3)(a) shall apply to the portion of the board local levy authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.

(c) (i) Beginning July 1, [~~2011~~] 2013, the [~~\$25.25~~] \$27.36 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12 program by making the value of the guarantee equal to .010544 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for the grades 1 through 12 program for each succeeding year subject to the Legislature appropriating funds for an increase in the guarantee.

(d) (i) The amount of state guarantee money to which a school district would otherwise

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be entitled to receive under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(d)(i) applies for a period of five years following any such change in the certified tax rate.

(e) The guarantee provided under this section does not apply to the portion of a voted local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal year, unless an increase in the voted local levy rate was authorized in an election conducted on or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

(4) (a) An election to modify an existing voted local levy is not a reconsideration of the existing authority unless the proposition submitted to the electors expressly so states.

(b) A majority vote opposing a modification does not deprive the district of authority to continue the levy.

(c) If adoption of a voted local levy is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in other levies that would increase the total local school board levy.

(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue imposing an existing voted local levy previously authorized by the voters as a voted leeway program.

(5) Notwithstanding Section 59-2-919, a school district may budget an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without having to comply with the notice requirements of Section 59-2-919, if:

(a) the voted local levy is approved:

(i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(b) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with the requirements of Subsection (7).

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(6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this section that exceeds the certified tax rate without having to comply with the notice requirements of Section 59-2-919 if:

(a) the levy exceeds the certified tax rate as the result of a school district budgeting an increased amount of ad valorem property tax revenue derived from a voted local levy imposed under this section;

(b) the voted local levy was approved:

(i) in accordance with Subsections (8) and (9) on or after January 1, 2003; and

(ii) within the four-year period immediately preceding the year in which the school district seeks to budget an increased amount of ad valorem property tax revenue derived from the voted local levy; and

(c) for a voted local levy approved or modified in accordance with this section on or after January 1, 2009, the school district complies with requirements of Subsection (7).

(7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the electors regarding the adoption or modification of a voted local levy shall contain the following statement:

"A vote in favor of this tax means that (name of the school district) may increase revenue from this property tax without advertising the increase for the next five years."

(8) (a) Before imposing a property tax levy pursuant to this section, a school district shall submit an opinion question to the school district's registered voters voting on the imposition of the tax rate so that each registered voter has the opportunity to express the registered voter's opinion on whether the tax rate should be imposed.

(b) The election required by this Subsection (8) shall be held:

(i) at a regular general election conducted in accordance with the procedures and requirements of Title 20A, Election Code, governing regular elections;

(ii) at a municipal general election conducted in accordance with the procedures and requirements of Section 20A-1-202; or

(iii) at a local special election conducted in accordance with the procedures and requirements of Section 20A-1-203.

(c) Notwithstanding the requirements of Subsections (8)(a) and (b), beginning on or after January 1, 2012, a school district may levy a tax rate in accordance with this section

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without complying with the requirements of Subsections (8)(a) and (b) if the school district imposed a tax in accordance with this section at any time during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

(9) If a school district determines that a majority of the school district's registered voters voting on the imposition of the tax rate have voted in favor of the imposition of the tax rate in accordance with Subsection (8), the school district may impose the tax rate.

Section 2. Section **53A-17a-134** is amended to read:

53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.

(1) Except as provided in Subsection (9), a local school board may levy a tax rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of the basic school program as follows:

(a) a local school board shall use the money generated by the tax for class size reduction within the school district;

(b) if a local school board determines that the average class size in the school district is not excessive, it may use the money for other school purposes but only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate; and

(c) a district may not use the money for other school purposes under Subsection (1)(b) until it has certified in writing that its class size needs are already being met and has identified the other school purposes for which the money will be used to the State Board of Education and the state board has approved their use for other school purposes.

(2) (a) The state shall contribute an amount sufficient to guarantee [~~\$25.25~~] \$27.36 per weighted pupil unit for each .0001 per dollar of taxable value.

(b) The guarantee shall increase in the same manner as provided for the voted local levy guarantee in Subsection 53A-17a-133(3)(c).

(c) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (2) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (2)(c)(i) applies for a period of five years following any such change in the certified tax rate.

(d) The guarantee provided under this section does not apply to:

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(i) a board-authorized leeway in the first fiscal year the leeway is in effect, unless the leeway was approved by voters pursuant to Subsections (4) through (6); or

(ii) the portion of a board-authorized leeway rate that is in excess of the board-authorized leeway rate that was in effect for the previous fiscal year.

(3) The levy authorized under this section is not in addition to the maximum rate of .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax rate under that section.

(4) As an exception to Section 53A-17a-133, the board-authorized levy does not require voter approval, but the board may require voter approval if requested by a majority of the board.

(5) An election to consider disapproval of the board-authorized levy is required, if within 60 days after the levy is established by the board, referendum petitions signed by the number of legal voters required in Section 20A-7-301, who reside within the school district, are filed with the school district.

(6) (a) A local school board shall establish its board-approved levy by April 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an election is required under this section, the levy applies to the fiscal year beginning July 1 of the next calendar year.

(b) The approval and disapproval votes authorized in Subsections (4) and (5) shall occur at a general election in even-numbered years, except that a vote required under this section in odd-numbered years shall occur at a special election held on a day in odd-numbered years that corresponds to the general election date. The school district shall pay for the cost of a special election.

(7) (a) Modification or termination of a voter-approved leeway rate authorized under this section is governed by Section 53A-17a-133.

(b) A board-authorized leeway rate may be modified or terminated by a majority vote of the board subject to disapproval procedures specified in this section.

(8) A board levy election does not require publication of a voter information pamphlet.

(9) Beginning January 1, 2012, a local school board may not levy a tax in accordance with this section.

Section 3. Section **53A-17a-135** is amended to read:

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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 [~~\$284,221,713~~] \$289,021,900 in revenues statewide.

(b) The preliminary estimate for the [~~2011-12~~] 2012-13 minimum basic tax rate is [~~.001628~~] .001665.

(c) The State Tax Commission shall certify on or before June 22 the rate that generates [~~\$284,221,713~~] \$289,021,900 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 4. One-time appropriation for classroom supplies.

(1) (a) The State Board of Education shall distribute money appropriated for Teacher Supplies and Materials to classroom teachers in school districts, the Utah Schools for the Deaf and the Blind, and charter schools on the basis of the number of classroom teachers in each school as compared to the total number of classroom teachers.

(b) Teachers shall receive up to the following amounts:

(i) a teacher on salary schedule steps one through three teaching in grades kindergarten through 6 or preschool handicapped - \$250;

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(ii) a teacher on salary schedule steps one through three teaching in grades 7 through 12 - \$200;

(iii) a teacher on salary schedule step four or higher teaching in grades kindergarten through 6 or preschool handicapped - \$175; and

(iv) a teacher on salary schedule step four or higher teaching in grades 7 through 12 - \$150.

(c) If the appropriation is not sufficient to provide to each teacher the full amount allowed under Subsection (1)(b), teachers on salary schedule steps one through three shall receive the full amount allowed with the remaining money apportioned to all other teachers.

(2) Teachers shall spend money appropriated for classroom supplies and materials for school supplies, materials, or field trips under rules adopted by the State Board of Education.

(3) As used in this section, "classroom teacher" or "teacher" means permanent teacher positions filled by one teacher or two or more job-sharing teachers:

(a) who are licensed personnel;

(b) who are paid on the teacher's salary schedule;

(c) who are hired for an entire contract period; and

(d) whose primary function is to provide instructional or a combination of instructional and counseling services to students in public schools.

Section 5. Appropriations for state education agencies and programs that support school districts and charter schools -- Value of the weighted pupil unit.

(1) Under the terms and conditions of Utah Code Title 63J, Chapter 1, Budgetary Procedures Act, as applicable, the following sums of money are appropriated from resources not otherwise appropriated, or reduced from amounts previously appropriated, out of the funds or fund accounts indicated for distribution to state education agencies, school districts, and charter schools for the fiscal year beginning July 1, 2012 and ending June 30, 2013. These appropriations are additions to amounts previously appropriated for fiscal year 2012-13.

(2) The value of each weighted pupil unit (WPU) for fiscal year 2012-13 is increased by \$30 over the value of the WPU for fiscal year 2012-13 established in H.B. 1, Public Education Base Budget, for a total WPU value of:

(a) \$2,~~607~~⁵⁷⁷ for:

(i) Special Education - Add-on; and

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(ii) Career and Technical Education Add-on; and

(b) \$2, ~~848~~; 852 for all other Basic School programs.

BASIC SCHOOL PROGRAM

ITEM 1 To Basic School Program

From Uniform School Fund, One-time	\$45,000,000
From Education Fund	\$38, 511 ; <u>302</u> , 700 ; <u>400</u>
From Education Fund, One-time	(\$45,000,000)
From Local Revenue	\$4,800,200
From Beginning Nonlapsing Appropriation Balances	(\$13,000,000)
From Closing Nonlapsing Appropriation Balances	\$13,000,000

Schedule of Programs:

Kindergarten (-281 WPU's)	
64 ; <u>171</u> , 300 ; <u>200</u>	
Grades 1 - 12 (1,725 WPU's)	
21 ; <u>23</u> , 658 ; <u>758</u> , 500 ; <u>600</u>	
Necessarily Existent Small Schools (1,053 WPU's)	
\$3, 243 ; <u>278</u> , 700 ; <u>500</u>	
Professional Staff (-641 WPU's)	
261 ; <u>68</u> , 200 ; <u>300</u>	
Administrative Costs (25 WPU's)	
120 ; <u>126</u> , 400 ; <u>600</u>	
Special Education - Add-on (3,318 WPU's)	
10 ; <u>8,550</u> , 605,800 ; <u>500</u>	
Special Education - Pre-school (193 WPU's)	
843 ; <u>881</u> , 700 ; <u>200</u>	
Special Education - Self-contained (264 WPU's)	
\$1, 204 ; <u>262</u> , 600 ; <u>200</u>	
Special Education - Extended Year (14 WPU's)	52,800 ; <u>54,200</u>
Special Education - State Programs (38 WPU's)	
195 ; <u>206</u> , 600 ; <u>700</u>	
Career and Technical Education (CTE)	

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Add-on (526 WPUs)

~~(\$2)~~, ~~\$1~~, ~~(208)~~, 355,500

Class Size Reduction (772 WPUs)

\$3, ~~(375)~~, 525, ~~(200)~~, 400

The Legislature intends that the State Board of Education study a student-based funding allocation model for the Career and Technical Education (CTE) Add-on program that takes into account the relative cost difference associated with providing various CTE programs and does not exceed current funding levels appropriated for the program but may include an annual adjustment for student enrollment growth. The Legislature intends that the State Board of Education report to the Education Interim Committee, the Public Education Appropriations Subcommittee, and the Executive Appropriations Committee by October 2012 the potential allocation models developed by the State Board of Education.

RELATED TO BASIC PROGRAMS

ITEM 2 To Related to Basic Programs

From Education Fund	\$20, (367) , <u>576</u> , (300) , <u>600</u>
From Education Fund, One-time	\$7,000,000

Schedule of Programs:

To and From School - Pupil Transportation	\$6,300,000
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Flexible Allocation - WPU Distribution

~~(\$261)~~, \$470, ~~(000)~~, 300

Charter School Local Replacement	\$10,610,000
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Charter School Administration	\$514,300
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Educator Salary Adjustments	\$2,682,000
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Teacher Supplies and Materials	\$5,000,000
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Beverly Taylor Sorenson Elementary Arts	\$2,000,000
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VOTED AND BOARD LEEWAY PROGRAMS

ITEM 3 To Voted and Board Leeway Programs

From Education Fund	\$13,306,000
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From Local Revenue	(\$5,191,600)
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From Beginning Nonlapsing Appropriation Balances	(\$12,000,000)
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From Closing Nonlapsing Appropriation Balances	\$12,000,000
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Schedule of Programs:

Voted Leeway	\$939,300
Board Leeway	\$7,175,100

The Legislature intends that the State Board of Education develop a comprehensive performance measurement plan for the Minimum School Program that identifies specific program-level outcome and evaluation metrics. This plan shall include program-level performance detail on all restricted and semi-restricted programs as outlined in the 2011 In-Depth Budget Review. The State Board of Education shall report the details of this plan to the Public Education Appropriations Subcommittee during the 2013 General Session.

STATE BOARD OF EDUCATION

ITEM 4 To State Board of Education - State Office of Education

From Education Fund	(\$2,500)
From Education Fund, One-time	\$1,000,000
From Federal Funds	\$2,500
From Dedicated Credits Revenue	\$200
From General Fund Restricted - Mineral Lease	\$200
From Revenue Transfers	\$100
From Beginning Nonlapsing Appropriation Balances	(\$6,162,700)
From Closing Nonlapsing Appropriation Balances	\$6,162,700

Schedule of Programs:

Educational Equity	\$365,400
Assessment and Accountability	\$14,390,400
Board and Administration	\$5,622,800
Business Services	\$1,665,600
Career and Technical Education	\$22,847,400
District Computer Services	\$5,231,400
Educational Technology	\$3,481,800
Federal Elementary and Secondary Education Act	\$125,348,100
Law and Legislation	\$309,200
Public Relations	\$130,700
School Trust	\$513,800

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Special Education	\$162,040,900
Teaching and Learning	\$30,368,300
Board of Education - Administration	(\$5,612,500)
Student Achievement	(\$362,717,900)
Data and Business Services	(\$1,666,600)
Law, Legislation and Educational Services	(\$1,318,300)

The Legislature intends that the State Board of Education address the costs and benefits of its Early Retirement Incentive Pay Plan and its open Other Post Employment Benefits plan that allows individuals to accumulate health insurance benefits at retirement. The State Board should report its finding to the Public Education Appropriations Subcommittee by November 2012.

The Legislature intends that the Utah State Office of Education work with the legislative fiscal analyst for public education in developing job specific outcome based performance measures and report these measures to the Public Education Appropriations Subcommittee by December 2012.

The Legislature intends that the Utah State Office of Education work with the legislative fiscal analyst for public education in performing cost-benefit analysis on the activities of the programs within the Utah State Office of Education - Administration line item and report the results to the Public Education Appropriations Subcommittee before November 2012.

The Legislature intends that the Department of Health, the Utah State Office of Rehabilitation, and the Utah State Office of Education (Special Education) use funds previously transferred to support the Utah Developmental Disability Council (UDDC) information and referral phone/website to instead provide direct client services to individuals with disabilities. The Legislature further intends the UDDC, as a federally-established and federally-governed agency, use its federal funds to support its information and referral phone/website.

The Legislature intends the Department of Health, the Utah State Office of Rehabilitation and the Utah State Office of Education (Special Education) use funds previously transferred to support the Access Utah program to instead contract with a private human services directory database entity to provide a free information and referral service statewide

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for individuals with disabilities.

ITEM 5 To State Board of Education - Utah State Office of Education - Initiative Programs

From Education Fund (916,800)

From General Fund Restricted 5,000

Schedule of Programs:

Contracts and Grants (911,800)

ITEM 6 To State Board of Education - State Charter School Board

From Federal Funds (3,433,400)

Schedule of Programs:

State Charter School Board (3,433,400)

ITEM 7 To State Board of Education - Educator Licensing Professional Practices

From Education Fund Restricted - Professional Practices Subfund 300

Schedule of Programs:

Educator Licensing 300

ITEM 8 To State Board of Education - State Office of Education - Child Nutrition

From Education Fund 100

From Federal Funds 27,000,300

From Dedicated Credits Revenue 10,958,500

Schedule of Programs:

Child Nutrition 37,958,900

ITEM 9 To State Board of Education - Utah Schools for the Deaf and the Blind

From Education Fund 19,900

From Dedicated Credits Revenue 1,000

From Revenue Transfers 5,000

Schedule of Programs:

Support Services 25,900

STATE BOARD OF EDUCATION INDIRECT COST POOL INTERNAL SERVICE FUNDS

ITEM 10 To State Board of Education Indirect Cost Pool - Indirect Cost Pool

From Dedicated Credits - Intragovernmental Revenue 600

Schedule of Programs:

Superintendent Indirect Cost Pool 600

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Section 6. **Effective date.**

This bill takes effect on July 1, 2012.

Section 7. **Coordinating S.B. 2 with H.B. 1 -- Superseding substantive amendments.**

If this S.B. 2 and H.B. 1, Public Education Base Budget, both pass and become law, the Legislature intends that the amendments to Section 53A-17a-135 in this bill supersede the amendments to Section 53A-17a-135 in H.B. 1 when the Office of Legislative Research and General Counsel prepares the Utah Code database for publication.

†

~~Legislative Review Note~~

~~as of 3-5-12 8:33 AM~~

~~Office of Legislative Research and General Counsel~~