

1                   **PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION**

2                                   2014 GENERAL SESSION

3                                   STATE OF UTAH

4                           **Chief Sponsor: Ken Ivory**

5                           Senate Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9           This bill modifies and provides funding for the Capital Outlay Enrollment Growth  
10 Program.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ modifies eligibility requirements for a school district to receive funds through the  
14 Capital Outlay Enrollment Growth Program;
- 15           ▶ creates a restricted account known as the Enrollment Growth Account;
- 16           ▶ requires a portion of an Education Fund revenue surplus to be deposited in the  
17 Enrollment Growth Account;
- 18           ▶ requires unallocated balances in certain programs of the Minimum School Program  
19 at the end of the fiscal year to be deposited in the Enrollment Growth Account; and
- 20           ▶ requires the State Board of Education to allocate money appropriated from the  
21 Enrollment Growth Account to school districts eligible to receive funds through the  
22 Capital Outlay Enrollment Growth Program.

23 **Money Appropriated in this Bill:**

24           This bill appropriates in fiscal year 2015:

- 25           ▶ to School Building Programs as a one-time appropriation:
  - 26           • from the Education Fund, one-time, \$122,000,000.

27 **Other Special Clauses:**



28 This bill takes effect on July 1, 2014.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **53A-21-301**, as last amended by Laws of Utah 2010, Chapter 185

32 ENACTS:

33 **53A-21-303**, Utah Code Annotated 1953



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

36 Section 1. Section **53A-21-301** is amended to read:

37 **53A-21-301. Capital Outlay Enrollment Growth Program -- Definitions.**

38 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital  
39 outlay funding to school districts experiencing net enrollment increases.

40 (2) As used in this part:

41 (a) "Account" means the Enrollment Growth Account created in Section 53A-21-303.

42 ~~[(a)]~~ (b) "Average annual net enrollment increase" means the quotient of:

43 (i) (A) enrollment in the prior fiscal year, based on October 1 enrollment counts; minus

44 (B) enrollment in the year four years prior, based on October 1 enrollment counts;

45 divided by

46 (ii) three.

47 (c) "Education Fund revenue surplus" has the meaning defined in Section 63J-1-313.

48 ~~[(b)]~~ (d) "Eligible district" or "eligible school district" means a school district that:

49 (i) has an average annual net enrollment increase; and

50 (ii) has a property tax base per ADM in the year two years prior that is less than [~~two~~  
51 ~~times~~] the statewide average property tax base per ADM in the year two years prior.

52 (e) "Operating deficit" has the meaning defined in Section 63J-1-313.

53 Section 2. Section **53A-21-303** is enacted to read:

54 **53A-21-303. Enrollment Growth Account.**

55 (1) There is created within the Education Fund a restricted account known as the  
56 Enrollment Growth Account.

57 (2) The Enrollment Growth Account consists of:

58 (a) an Education Fund revenue surplus transferred to the account pursuant to

59 Subsection (3):

60 (b) unallocated balances in the following programs within the Minimum School  
61 Program at the end of a fiscal year that are transferred to the account pursuant to Subsection  
62 (4):

- 63 (i) the Basic Program; and  
64 (ii) the Related to Basic Programs; and  
65 (c) interest on account funds.

66 (3) The Division of Finance shall transfer to the Enrollment Growth Account the  
67 balance of an Education Fund revenue surplus remaining after:

68 (a) the transfer of Education Fund revenue surplus money to the Education Budget  
69 Reserve Account as required by Section [63J-1-313](#); and

70 (b) any year-end contingency appropriations, year-end set-asides, or other year-end  
71 transfers required by law.

72 (4) The Division of Finance shall transfer to the Enrollment Growth Account  
73 unallocated balances in the following programs within the Minimum School Program at the  
74 end of a fiscal year:

- 75 (a) the Basic Program; and  
76 (b) the Related to Basic Programs.

77 (5) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of  
78 Finance determines that an operating deficit exists, the Division of Finance may reduce the  
79 transfer to the Enrollment Growth Account by the amount necessary to eliminate the operating  
80 deficit.

81 (6) Upon the appropriation of money from the Enrollment Growth Account to the State  
82 Board of Education, the State Board of Education shall allocate the money to an eligible school  
83 district as provided by Section [53A-21-302](#).

84 **Section 3. Appropriation.**

85 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for  
86 the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following sums of money  
87 are appropriated from resources not otherwise appropriated, or reduced from amounts  
88 previously appropriated, out of the funds or accounts indicated. These sums of money are in  
89 addition to any amounts previously appropriated for fiscal year 2015.

90	<u>To School Building Programs</u>	
91	<u>From Education Fund, one-time</u>	<u>\$122,000,000</u>
92	<u>Schedule of Programs:</u>	
93	<u>Capital Outlay Enrollment Growth Program</u>	<u>\$122,000,000</u>
94	Section 4. <b>Effective date.</b>	
95	<u>This bill takes effect on July 1, 2014.</u>	

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**Legislative Review Note**  
**as of 2-5-14 12:09 PM**

**Office of Legislative Research and General Counsel**