

Senator Aaron Osmond proposes the following substitute bill:

PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: Aaron Osmond

Cosponsors:	Brian M. Greene	David E. Lifferth
Jacob L. Anderegg	Richard A. Greenwood	Daniel McCay
Jim Bird	Keith Grover	Curtis Oda
Kay J. Christofferson	Michael S. Kennedy	Keven J. Stratton
Rich Cunningham	John Knotwell	

LONG TITLE

General Description:

This bill provides funding for public education capital outlay programs.

Highlighted Provisions:

This bill:

- ▶ creates a restricted account known as the Capital Outlay Account;
- ▶ requires a portion of an Education Fund revenue surplus to be deposited in the

Capital Outlay Account; and

- ▶ requires the State Board of Education to allocate money appropriated from the

Capital Outlay Account to school districts eligible to receive funds through the

Capital Outlay Enrollment Growth Program or Capital Outlay Foundation Program.

Money Appropriated in this Bill:

None



25 **Other Special Clauses:**

26 This bill takes effect on July 1, 2014.

27 **Utah Code Sections Affected:**

28 ENACTS:

29 [53A-21-601](#), Utah Code Annotated 1953

30 [53A-21-602](#), Utah Code Annotated 1953



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

33 Section 1. Section **53A-21-601** is enacted to read:

34 **53A-21-601. Capital Outlay Account -- Definitions.**

35 As used in this part:

36 (1) "Account" means the Capital Outlay Account created in Section [53A-21-602](#).

37 (2) "Education Fund revenue surplus" has the meaning defined in Section [63J-1-313](#).

38 (3) "Education Fund revenue surplus balance" means the balance of an Education Fund
39 revenue surplus remaining after the Division of Finance:

40 (a) transfers Education Fund revenue surplus money to the Education Budget Reserve
41 Account as required by Section [63J-1-313](#); and

42 (b) transfers any year-end contingency appropriations, year-end set-asides, or other
43 year-end transfers required by law from the Education Fund revenue surplus.

44 (4) "Operating deficit" has the meaning defined in Section [63J-1-313](#).

45 Section 2. Section **53A-21-602** is enacted to read:

46 **53A-21-602. Capital Outlay Account.**

47 (1) There is created within the Education Fund a restricted account known as the
48 Capital Outlay Account.

49 (2) The Capital Outlay Account consists of:

50 (a) an Education Fund revenue surplus transferred to the account pursuant to
51 Subsection (3); and

52 (b) interest on account funds.

53 (3) The Division of Finance shall transfer the Education Fund revenue surplus balance,
54 up to a maximum of \$25,000,000 annually, to the Capital Outlay Account.

55 (4) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of

56 Finance determines that an operating deficit exists, the Division of Finance may reduce the
57 transfer to the Capital Outlay Account by the amount necessary to eliminate the operating
58 deficit.

59 (5) Upon the appropriation of money from the Capital Outlay Account to the State
60 Board of Education, the State Board of Education shall:

61 (a) (i) allocate 50% of the money to the Capital Outlay Enrollment Growth Program;

62 and

63 (ii) distribute the money to school districts in accordance with Section [53A-21-302](#);

64 and

65 (b) (i) allocate 50% of the money to the Capital Outlay Foundation Program; and

66 (ii) distribute the money to school districts in accordance with Section [53A-21-202](#).

67 **Section 3. Effective date.**

68 This bill takes effect on July 1, 2014.