

**BLOCK GRANT FUNDING AND STATUTORY EXEMPTION
PROGRAM FOR PUBLIC EDUCATION**

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Norman K Thurston

Senate Sponsor: _____

LONG TITLE

General Description:

This bill requires the State Board of Education to design a block grant and statutory exemption program for local education agencies.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ authorizes a local education agency that participates in a block grant program to comply with provisions related to block grant funding in place of other statutory requirements;
- ▶ requires the board to design a block grant program;
- ▶ specifies the otherwise restricted money and statutory provisions that the board may include in a block grant program;
- ▶ requires the board to report to the Legislature;
- ▶ requires the board to make rules;
- ▶ requires the board to, beginning in the 2018-2019 school year, distribute certain money to a participating LEA as a block grant; and
- ▶ requires the board to, beginning in the 2018-2019 school year, grant a participating LEA an exemption from certain requirements related to employee evaluations.

Money Appropriated in this Bill:



28 None

29 **Other Special Clauses:**

30 None

31 **Utah Code Sections Affected:**

32 AMENDS:

33 **53A-17a-105**, as last amended by Laws of Utah 2016, Chapter 229

34 ENACTS:

35 **53A-8a-103**, Utah Code Annotated 1953

36 **53A-17a-301**, Utah Code Annotated 1953

37 **53A-17a-302**, Utah Code Annotated 1953

38 **53A-17a-303**, Utah Code Annotated 1953

39 **53A-17a-304**, Utah Code Annotated 1953

40 **53A-17a-305**, Utah Code Annotated 1953



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

43 Section 1. Section **53A-8a-103** is enacted to read:

44 **53A-8a-103. Applicability of part.**

45 (1) Except as provided in Subsection (2), a local school board shall comply with the
46 provisions of this part.

47 (2) In accordance with Chapter 17a, Part 3, Block Grant Program, a school district that
48 participates in a block grant program may receive an exemption from:

49 (a) Chapter 8a, Part 3, Employee Evaluations;

50 (b) Chapter 8a, Part 4, Educator Evaluations;

51 (c) Chapter 8a, Part 6, Performance Compensation; or

52 (d) Chapter 8a, Part 7, Evaluation and Compensation of Administrators.

53 Section 2. Section **53A-17a-105** is amended to read:

54 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum**

55 **School Program allocations -- Use of remaining funds at the end of a fiscal year --**

56 **Applicability of statutory requirements.**

57 (1) For purposes of this section:

58 (a) "Board" means the State Board of Education.

59 (b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.
60 Sec. 6301 et seq.

61 (c) "LEA" means:

62 (i) a school district; or

63 (ii) a charter school.

64 (d) "Program" means a program or allocation funded by a line item appropriation or
65 other appropriation designated as:

66 (i) Basic Program;

67 (ii) Related to Basic Programs;

68 (iii) Voted and Board Levy Programs; or

69 (iv) Minimum School Program.

70 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units
71 in a program is underestimated, the board shall reduce the value of the weighted pupil unit in
72 that program so that the total amount paid for the program does not exceed the amount
73 appropriated for the program.

74 (3) If the number of weighted pupil units in a program is overestimated, the board shall
75 spend excess money appropriated for the following purposes giving priority to the purpose
76 described in Subsection (3)(a):

77 (a) to support the value of the weighted pupil unit in a program within the basic
78 state-supported school program in which the number of weighted pupil units is underestimated;

79 (b) to support the state guarantee per weighted pupil unit provided under the voted
80 local levy program established in Section 53A-17a-133 or the board local levy program
81 established in Section 53A-17a-164, if:

82 (i) local contributions to the voted local levy program or board local levy program are
83 overestimated; or

84 (ii) the number of weighted pupil units within school districts qualifying for a
85 guarantee is underestimated;

86 (c) to support the state supplement to local property taxes allocated to charter schools,
87 if the state supplement is less than the amount prescribed by Section 53A-1a-513; or

88 (d) to support a school district with a loss in student enrollment as provided in Section
89 53A-17a-139.

90 (4) If local contributions from the minimum basic tax rate imposed under Section
91 [53A-17a-135](#) are overestimated, the board shall reduce the value of the weighted pupil unit for
92 all programs within the basic state-supported school program so the total state contribution to
93 the basic state-supported school program does not exceed the amount of state funds
94 appropriated.

95 (5) If local contributions from the minimum basic tax rate imposed under Section
96 [53A-17a-135](#) are underestimated, the board shall:

97 (a) spend the excess local contributions for the purposes specified in Subsection (3),
98 giving priority to supporting the value of the weighted pupil unit in programs within the basic
99 state-supported school program in which the number of weighted pupil units is underestimated;
100 and

101 (b) reduce the state contribution to the basic state-supported school program so the
102 total cost of the basic state-supported school program does not exceed the total state and local
103 funds appropriated to the basic state-supported school program plus the local contributions
104 necessary to support the value of the weighted pupil unit in programs within the basic
105 state-supported school program in which the number of weighted pupil units is underestimated.

106 (6) Except as provided in Subsection (3) or (5), the board shall reduce the guarantee
107 per weighted pupil unit provided under the voted local levy program established in Section
108 [53A-17a-133](#) or board local levy program established in Section [53A-17a-164](#), if:

109 (a) local contributions to the voted local levy program or board local levy program are
110 overestimated; or

111 (b) the number of weighted pupil units within school districts qualifying for a
112 guarantee is underestimated.

113 (7) (a) The board may use program funds as described in Subsection (7)(b) if:

114 (i) the state loses flexibility due to the U.S. Department of Education's rejection of the
115 state's renewal application for flexibility under the ESEA; and

116 (ii) the state is required to fully implement the requirements of Title I of the ESEA, as
117 amended by the No Child Left Behind Act of 2001.

118 (b) Subject to the requirements of Subsections (7)(a) and (c), for fiscal year 2016, after
119 any transfers or adjustments described in Subsections (2) through (6) are made, the board may
120 use up to \$15,000,000 of excess money appropriated to a program, remaining at the end of

121 fiscal year 2015, to mitigate a budgetary impact to an LEA due to the LEA's loss of flexibility
 122 related to implementing the requirements of Title I of the ESEA, as amended by the No Child
 123 Left Behind Act of 2001.

124 (c) In addition to the reporting requirement described in Subsection [~~(9)~~] (10), the
 125 board shall report actions taken by the board under this Subsection (7) to the Executive
 126 Appropriations Committee.

127 (8) Money appropriated to the board is nonlapsing.

128 (9) (a) Except as provided in Subsection (9)(b), an LEA shall comply with statutory
 129 restrictions on the use of money received for a program described in this title.

130 (b) For money that an LEA receives as a block grant under Part 3, Block Grant
 131 Program, the LEA shall comply with the requirements placed on the block grant under Part 3,
 132 Block Grant Program, in place of the requirements otherwise described in this title.

133 [~~(9)~~] (10) The board shall report actions taken by the board under [~~this section~~]
 134 Subsections (2) through (7) to the Office of the Legislative Fiscal Analyst and the Governor's
 135 Office of Management and Budget.

136 Section 3. Section **53A-17a-301** is enacted to read:

137 **Part 3. Block Grant Program**

138 **53A-17a-301. Definitions.**

139 As used in this part:

140 (1) "Block grant program" means a program designed by the board under Section
 141 53A-17a-302 to:

142 (a) distribute otherwise restricted money to an LEA as a block grant; or

143 (b) allow an LEA to be exempt from provisions related to employee evaluations.

144 (2) "Board" means the State Board of Education.

145 (3) "Local education agency" or "LEA" means:

146 (a) a school district; or

147 (b) a charter school.

148 (4) "Participating LEA" means an LEA that qualifies to receive:

149 (a) a block grant described in this part; or

150 (b) an exemption from statutory provisions described in Subsection

151 53A-17a-302(2)(b).

152 Section 4. Section 53A-17a-302 is enacted to read:

153 **53A-17a-302. Board to design a block grant program -- Report to Legislature on**
154 **block grant program design.**

155 (1) The board shall design a block grant program that provides an LEA the opportunity
156 to:

157 (a) receive certain money, which is otherwise restricted, as a block grant; and

158 (b) be exempted from certain statutory provisions related to employee evaluations.

159 (2) (a) In designing a block grant program, the board may only include in the program
160 design, money appropriated for:

161 (i) within the state-supported Minimum School Program described in Part 1, Minimum
162 School Program Act, the purposes described in:

163 (A) Section 53A-17a-111;

164 (B) Section 53A-17a-112;

165 (C) Section 53A-17a-113;

166 (D) Section 53A-17a-124.5;

167 (E) Section 53A-17a-127;

168 (F) Section 53A-17a-150;

169 (G) Section 53A-17a-154;

170 (H) Section 53A-17a-155;

171 (I) Section 53A-17a-159;

172 (J) Section 53A-17a-162;

173 (K) Section 53A-17a-165;

174 (L) Section 53A-17a-166;

175 (M) Section 53A-17a-167;

176 (N) Section 53A-17a-168; or

177 (O) Section 53A-17a-170;

178 (ii) the Capital Outlay Foundation Program described in Chapter 21, Part 2, Capital
179 Outlay Foundation Program;

180 (iii) the Capital Outlay Enrollment Growth Program described in Chapter 21, Part 3,
181 Capital Outlay Enrollment Growth Program;

182 (iv) the Critical Languages Program described in Section 53A-15-104;

- 183 (v) the Dual Language Immersion Program described in Section 53A-15-105;
184 (vi) the Digital Teaching and Learning Program described in Chapter 1, Part 15, Digital
185 Teaching and Learning Grant Program; or
186 (vii) the concurrent enrollment program described in Chapter 15, Part 17, Concurrent
187 Enrollment.
- 188 (b) In the design of the block grant program, the board may include a provision for a
189 participating LEA to receive an exemption from:
- 190 (i) Chapter 8a, Part 3, Employee Evaluations;
191 (ii) Chapter 8a, Part 4, Educator Evaluations;
192 (iii) Chapter 8a, Part 6, Performance Compensation; or
193 (iv) Chapter 8a, Part 7, Evaluation and Compensation of Administrators.
- 194 (3) On or before the Education Interim Committee's November 2017 meeting, the
195 board shall report to the Education Interim Committee and the Public Education
196 Appropriations Subcommittee on the design of the block grant program, including:
- 197 (a) subject to Subsection (2):
- 198 (i) the specific otherwise restricted money that an LEA may apply to the board to
199 receive as a block grant; and
- 200 (ii) statutory restrictions from which an LEA may apply to the board for an exemption
201 as part of the block grant program;
- 202 (b) requirements for an LEA's application to participate in the block grant program;
203 (c) the objective criteria the board will use to determine if an LEA qualifies to receive
204 money as a block grant;
- 205 (d) how the board will determine the amount of money to distribute to a participating
206 LEA as a block grant;
- 207 (e) the potential administrative cost to the board of distributing money to a
208 participating LEA as a block grant;
- 209 (f) the outcome measures the board will use to evaluate the block grant program; and
210 (g) the number of years an LEA may participate in the block grant program and the
211 conditions under which an LEA's participation in the block grant program ends.
- 212 Section 5. Section **53A-17a-303** is enacted to read:
- 213 **53A-17a-303. Rulemaking.**

214 After reporting to the Legislature as described in Section 53A-1a-302, in accordance
215 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the board shall make rules
216 that:

- 217 (1) establish the block grant program;
- 218 (2) describe the specific otherwise restricted money an LEA may request to have
219 included in a block grant;
- 220 (3) describe the process for an LEA to apply for a block grant or statutory exemption;
- 221 (4) establish objective criteria for the board to use in determining if an LEA qualifies
222 for a block grant; and
- 223 (5) establish goals, outcome measures, and reporting requirements for a participating
224 LEA.

225 Section 6. Section **53A-17a-304** is enacted to read:

226 **53A-17a-304. Selection of participating LEAs.**

227 Beginning in the 2018-2019 school year, the board shall select participating LEAs and
228 implement the block grant program designed by the board under Section 53A-17a-302.

229 Section 7. Section **53A-17a-305** is enacted to read:

230 **53A-17a-305. Reporting requirements.**

231 (1) Each year that an LEA participates in the block grant program, the board shall
232 report to the Education Interim Committee about the block grant program on or before
233 November 1.

234 (2) The board shall ensure that the report includes:

- 235 (a) a summary of accounting for each participating LEA, if applicable;
- 236 (b) an evaluation of how well each participating LEA is meeting the participating
237 LEA's goals and outcome measures;
- 238 (c) problems or difficulties with the program that the board identifies;
- 239 (d) recommendations for statutory changes; and
- 240 (e) a recommendation about whether the block grant program should be maintained,
241 eliminated, or expanded.