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**SCHOOL FUNDING REVISIONS**

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: \_\_\_\_\_

Cosponsors:	Wayne A. Harper	Howard A. Stephenson
J. Stuart Adams	Daniel Hemmert	Daniel W. Thatcher
Curtis S. Bramble	Ann Millner	

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**LONG TITLE**

**General Description:**

This bill amends and enacts provisions related to public education funding.

**Highlighted Provisions:**

This bill:

- ▶ directs the Legislature, subject to future budget constraints, to appropriate funds to increase the number of guaranteed local levy increments;
- ▶ directs the State Board of Education to use the appropriation to increase:
  - the number of guaranteed local levy increments to 20, giving first priority to guaranteed voted local levy increments and second priority to guaranteed board local levy increments; and
  - the guaranteed amount for each local levy increment per weighted pupil unit after increasing the number of guaranteed local levy increments;
- ▶ directs a local school board to use funds received from the state local levy guarantee programs for public education purposes;
- ▶ modifies the property tax rate cap for the school board local levy to subject all school districts to the same rate cap;



- 27 ▶ creates the Local Levy Growth Account;
- 28 ▶ repeals the following outdated levies prohibited since January 1, 2012:
  - 29 • the board-approved leeway;
  - 30 • the capital outlay levy;
  - 31 • the additional levy for debt service, school sites, buildings, buses, textbooks,
  - 32 and supplies; and
    - 33 • the board leeway for reading improvement;
- 34 ▶ repeals outdated language, including language related to school capital outlay in
- 35 counties of the first class repealed December 31, 2016;
- 36 ▶ provides legislative intent language related to certain appropriations; and
- 37 ▶ makes technical and conforming changes.

**38 Money Appropriated in this Bill:**

39 This bill appropriates in fiscal year 2019:

- 40 ▶ to the State Board of Education – Minimum School Program – Related to Basic
- 41 School Programs, as an ongoing appropriation:
  - 42 • from the Education Fund, \$15,000,000;
- 43 ▶ to the State Board of Education – Minimum School Program – Related to Basic
- 44 School Programs, as an ongoing appropriation:
  - 45 • from the Education Fund, \$5,000,000;
- 46 ▶ to the State Board of Education – Minimum School Program – Basic School
- 47 Program, as an ongoing appropriation:
  - 48 • from the Education Fund, \$500,000;
- 49 ▶ to the Education Fund Restricted -- Local Levy Growth Account, as an ongoing
- 50 appropriation:
  - 51 • from the Education Fund, \$36,117,300; and
- 52 ▶ to the State Board of Education -- Minimum School Program -- Voted and Board
- 53 Local Levy Programs, as an ongoing appropriation:
  - 54 • from the Education Fund Restricted -- Local Levy Growth Account,
  - 55 \$36,117,300.

**56 Other Special Clauses:**

57 None

58 **Utah Code Sections Affected:**

59 AMENDS:

- 60 **53F-2-201**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 61 **53F-2-203**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 62 **53F-2-205**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 63 **53F-2-303**, as enacted by Laws of Utah 2018, Chapter 2
- 64 **53F-2-312**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 65 **53F-2-503**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 66 **53F-2-601**, as enacted by Laws of Utah 2018, Chapter 2
- 67 **53F-2-704**, as enacted by Laws of Utah 2018, Chapter 2
- 68 **53F-3-102**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 69 **53F-8-302**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 70 **53F-8-303**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 71 **53F-8-402**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 72 **53F-9-302**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 73 **53G-3-304**, as renumbered and amended by Laws of Utah 2018, Chapter 3

74 ENACTS:

- 75 **53F-9-305**, Utah Code Annotated 1953

76 REPEALS:

- 77 **53F-2-602**, as enacted by Laws of Utah 2018, Chapter 2
- 78 **53F-8-401**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 79 **53F-8-404**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 80 **53F-8-405**, as renumbered and amended by Laws of Utah 2018, Chapter 2
- 81 **53F-8-406**, as renumbered and amended by Laws of Utah 2018, Chapter 2



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

84 Section 1. Section **53F-2-201** is amended to read:

85 **53F-2-201. Cost of operation and maintenance of minimum school program --**

86 **Division between state and school districts.**

87 (1) The total cost of operation and maintenance of the Minimum School Program in the  
88 state is divided between the state and school districts as follows:

89 (a) Each school district shall impose a minimum basic tax rate on all taxable, tangible  
 90 property in the school district and shall contribute the tax proceeds toward the cost of the basic  
 91 program as provided in this chapter.

92 (b) Each school district may also impose a levy under Section [53F-8-301](#) or [53F-8-302](#)  
 93 for the purpose of participating in the respective local levy state programs [~~provided~~] described  
 94 in Section [53F-2-601](#) [~~or 53F-2-602~~].

95 (c) The state shall contribute the balance of the total costs.

96 (2) The contributions by the school districts and by the state are computed separately  
 97 for the purpose of determining their respective contributions to:

98 (a) the basic program; and [~~to the levy programs provided in Section [53F-2-601](#) or~~  
 99 [53F-2-602](#).]

100 (b) the local levy state guarantee programs described in Section [53F-2-601](#).

101 Section 2. Section **53F-2-203** is amended to read:

102 **53F-2-203. Reduction of local education board allocation based on insufficient**  
 103 **revenues.**

104 (1) As used in this section, "Minimum School Program funds" means the total of state  
 105 and local funds appropriated for the minimum school program, excluding:

106 [~~(a) the state-supported voted local levy program pursuant to Section [53F-2-601](#);~~]

107 [~~(b) the state-supported board local levy program pursuant to Section [53F-2-602](#); and]~~

108 (a) an appropriation for a state guaranteed local levy increment as described in Section  
 109 [53F-2-601](#); and

110 [~~(c)~~] (b) the appropriation to charter schools to replace local property tax revenues  
 111 pursuant to Section [53F-2-704](#).

112 (2) If the Legislature reduces appropriations made to support public schools under this  
 113 chapter because an Education Fund budget deficit, as defined in Section [63J-1-312](#), exists, the  
 114 State Board of Education, after consultation with each local education board, shall allocate the  
 115 reduction among school districts and charter schools in proportion to each school district's or  
 116 charter school's percentage share of Minimum School Program funds.

117 (3) Except as provided in Subsection (5) and subject to the requirements of Subsection  
 118 (7), a local education board shall determine which programs are affected by a reduction  
 119 pursuant to Subsection (2) and the amount each program is reduced.

120 (4) Except as provided in Subsections (5) and (6), the requirement to spend a specified  
121 amount in any particular program is waived if reductions are made pursuant to Subsection (2).

122 (5) A local education board may not reduce or reallocate spending of funds distributed  
123 to the school district or charter school for the following programs:

- 124 (a) educator salary adjustments provided in Section 53F-2-405;
- 125 (b) the Teacher Salary Supplement Program provided in Section 53F-2-504;
- 126 (c) the extended year for special educators provided in Section 53F-2-310;
- 127 (d) USTAR centers provided in Section 53F-2-505;
- 128 (e) the School LAND Trust Program created in Section 53F-2-404; or
- 129 (f) a special education program within the Basic School Program.

130 (6) A local education board may not reallocate spending of funds distributed to the  
131 school district or charter school to a reserve account.

132 (7) A local education board that reduces or reallocates funds in accordance with this  
133 section shall report all transfers into, or out of, Minimum School Program programs to the  
134 State Board of Education as part of the school district or charter school's Annual Financial and  
135 Program report.

136 Section 3. Section 53F-2-205 is amended to read:

137 **53F-2-205. Powers and duties of State Board of Education to adjust Minimum**  
138 **School Program allocations -- Use of remaining funds at the end of a fiscal year.**

139 (1) ~~[For purposes of]~~ As used in this section:

- 140 (a) "Board" means the State Board of Education.
- 141 (b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.  
142 Sec. 6301 et seq.

143 (c) "Program" means a program or allocation funded by a line item appropriation or  
144 other appropriation designated as:

- 145 (i) Basic Program;
- 146 (ii) Related to Basic Programs;
- 147 (iii) Voted and Board Levy Programs; or
- 148 (iv) Minimum School Program.

149 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units  
150 in a program is underestimated, the board shall reduce the value of the weighted pupil unit in

151 that program so that the total amount paid for the program does not exceed the amount  
152 appropriated for the program.

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

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

158 (b) to support the state [~~guarantee per weighted pupil unit provided under the voted~~  
159 ~~local levy program established in Section 53F-2-601~~ or the board local levy program  
160 ~~established in Section 53F-2-602~~] guaranteed local levy increments as defined in Section  
161 53F-2-601, if:

162 (i) local contributions to the voted local levy program or board local levy program are  
163 overestimated; or

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

166 (c) to support the state supplement to local property taxes allocated to charter schools,  
167 if the state supplement is less than the amount prescribed by Section 53F-2-704; or

168 (d) to support a school district with a loss in student enrollment as provided in Section  
169 53F-2-207.

170 (4) If local contributions from the minimum basic tax rate imposed under Section  
171 53F-2-301 are overestimated, the board shall reduce the value of the weighted pupil unit for all  
172 programs within the basic state-supported school program so the total state contribution to the  
173 basic state-supported school program does not exceed the amount of state funds appropriated.

174 (5) If local contributions from the minimum basic tax rate imposed under Section  
175 53F-2-301 are underestimated, the board shall:

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

180 (b) reduce the state contribution to the basic state-supported school program so the  
181 total cost of the basic state-supported school program does not exceed the total state and local

182 funds appropriated to the basic state-supported school program plus the local contributions  
183 necessary to support the value of the weighted pupil unit in programs within the basic  
184 state-supported school program in which the number of weighted pupil units is underestimated.

185 (6) Except as provided in Subsection (3) or (5), the board shall reduce the state  
186 guarantee per weighted pupil unit provided under the [voted local levy program established]  
187 local levy state guarantee program described in Section 53F-2-601 [or board local levy program  
188 established in Section 53F-2-602], if:

189 (a) local contributions to the voted local levy program or board local levy program are  
190 overestimated; or

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

193 (7) Money appropriated to the board is nonlapsing.

194 (8) The board shall report actions taken by the board under this section to the Office of  
195 the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

196 Section 4. Section 53F-2-303 is amended to read:

197 **53F-2-303. Foreign exchange student weighted pupil units.**

198 (1) A school district or charter school may include foreign exchange students in the  
199 district's or school's membership and attendance count for the purpose of apportionment of  
200 state money, except as provided in Subsections (2) through (4).

201 (2) (a) Notwithstanding Section 53F-2-302, foreign exchange students may not be  
202 included in average daily membership for the purpose of determining the number of weighted  
203 pupil units in the grades 1-12 basic program.

204 (b) Subject to the limitation in Subsection (3), the number of weighted pupil units in  
205 the grades 1-12 basic program attributed to foreign exchange students shall be equal to the  
206 number of foreign exchange students who were:

207 (i) enrolled in a school district or charter school on October 1 of the previous fiscal  
208 year; and

209 (ii) sponsored by an agency approved by the district's local school board or charter  
210 school's governing board.

211 (3) (a) The total number of foreign exchange students in the state that may be counted  
212 for the purpose of apportioning state money under Subsection (2) shall be the lesser of:

213 (i) the number of foreign exchange students enrolled in public schools in the state on  
214 October 1 of the previous fiscal year; or

215 (ii) 328 foreign exchange students.

216 (b) The State Board of Education shall make rules in accordance with Title 63G,  
217 Chapter 3, Utah Administrative Rulemaking Act, to administer the cap on the number of  
218 foreign exchange students that may be counted for the purpose of apportioning state money  
219 under Subsection (2).

220 (4) Notwithstanding [~~Sections 53F-2-601 and 53F-2-602~~] Section 53F-2-601, weighted  
221 pupil units in the grades 1-12 basic program for foreign exchange students, as determined by  
222 Subsections (2) and (3), may not be included for the purposes of determining a school district's  
223 state guarantee money under [~~the voted or board local levies~~] Section 53F-2-601.

224 Section 5. Section **53F-2-312** is amended to read:

225 **53F-2-312. Appropriation for class size reduction.**

226 (1) Money appropriated to the State Board of Education for class size reduction shall  
227 be used to reduce the average class size in kindergarten through the eighth grade in the state's  
228 public schools.

229 (2) Each school district or charter school shall receive an allocation based upon the  
230 school district or charter school's prior year average daily membership in kindergarten through  
231 grade 8 plus growth as determined under Subsection 53F-2-302(3) as compared to the total  
232 prior year average daily membership in kindergarten through grade 8 plus growth of school  
233 districts and charter schools that qualify for an allocation pursuant to Subsection (8).

234 (3) (a) A local education board may use an allocation to reduce class size in any one or  
235 all of the grades referred to under this section, except as otherwise provided in Subsection  
236 (3)(b).

237 (b) (i) Each local education board shall use 50% of an allocation to reduce class size in  
238 any one or all of grades kindergarten through grade 2, with an emphasis on improving student  
239 reading skills.

240 (ii) If a school district's or charter school's average class size is below 18 in grades  
241 kindergarten through grade 2, a local education board may petition the State Board of  
242 Education for, and the State Board of Education may grant, a waiver to use an allocation under  
243 Subsection (3)(b)(i) for class size reduction in the other grades.



244 (4) Schools may use nontraditional innovative and creative methods to reduce class  
245 sizes with this appropriation and may use part of an allocation to focus on class size reduction  
246 for specific groups, such as at risk students, or for specific blocks of time during the school  
247 day.

248 (5) (a) A local education board may use up to 20% of an allocation under Subsection  
249 (1) for capital facilities projects if such projects would help to reduce class size.

250 (b) If a school district's or charter school's student population increases by 5% or 700  
251 students from the previous school year, the local education board may use up to 50% of any  
252 allocation received by the respective school district or charter school under this section for  
253 classroom construction.

254 (6) This appropriation is to supplement any other appropriation made for class size  
255 reduction.

256 (7) The Legislature shall provide for an annual adjustment in the appropriation  
257 authorized under this section in proportion to the increase in the number of students in the state  
258 in kindergarten through grade eight.

259 (8) (a) For a school district or charter school to qualify for class size reduction money,  
260 a local education board shall submit:

261 (i) a plan for the use of the allocation of class size reduction money to the State Board  
262 of Education; and

263 (ii) beginning with the 2014-15 school year, a report on the local education board's use  
264 of class size reduction money in the prior school year.

265 (b) The plan and report required pursuant to Subsection (8)(a) shall include the  
266 following information:

267 (i) (A) the number of teachers employed using class size reduction money;

268 (B) the amount of class size reduction money expended for teachers; and

269 (C) if supplemental school district or charter school funds are expended to pay for  
270 teachers employed using class size reduction money, the amount of the supplemental money;

271 (ii) (A) the number of paraprofessionals employed using class size reduction money;

272 (B) the amount of class size reduction money expended for paraprofessionals; and

273 (C) if supplemental school district or charter school funds are expended to pay for

274 paraprofessionals employed using class size reduction money, the amount of the supplemental

275 money; and

276 (iii) the amount of class size reduction money expended for capital facilities.

277 (c) In addition to submitting a plan and report on the use of class size reduction money,

278 a local education board shall annually submit a report to the State Board of Education that

279 includes the following information:

280 (i) the number of teachers employed using K-3 Reading Improvement Program money  
281 received pursuant to [Sections] Section 53F-2-503 [~~and 53F-8-406~~];

282 (ii) the amount of K-3 Reading Improvement Program money expended for teachers;

283 (iii) the number of teachers employed in kindergarten through grade 8 using Title I  
284 money;

285 (iv) the amount of Title I money expended for teachers in kindergarten through grade  
286 8; and

287 (v) a comparison of actual average class size by grade in grades kindergarten through 8  
288 in the school district or charter school with what the average class size would be without the  
289 expenditure of class size reduction, K-3 Reading Improvement Program, and Title I money.

290 (d) The information required to be reported in Subsections (8)(b)(i)(A) through (C),  
291 (8)(b)(ii)(A) through (C), and (8)(c) shall be categorized by a teacher's or paraprofessional's  
292 teaching assignment, such as the grade level, course, or subject taught.

293 (e) The State Board of Education may make rules specifying procedures and standards  
294 for the submission of:

295 (i) a plan and a report on the use of class size reduction money as required by this  
296 section; and

297 (ii) a report required under Subsection (8)(c).

298 (f) Based on the data contained in the class size reduction plans and reports submitted  
299 by local education boards, and data on average class size, the State Board of Education shall  
300 annually report to the Public Education Appropriations Subcommittee on the impact of class  
301 size reduction, K-3 Reading Improvement Program, and Title I money on class size.

302 Section 6. Section **53F-2-503** is amended to read:

303 **53F-2-503. K-3 Reading Improvement Program.**

304 (1) As used in this section:

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

306 (b) "Five domains of reading" include phonological awareness, phonics, fluency,  
307 comprehension, and vocabulary.

308 (c) "Program" means the K-3 Reading Improvement Program.

309 (d) "Program money" means:

310 (i) school district revenue allocated to the program from other money available to the  
311 school district, except money provided by the state, for the purpose of receiving state funds  
312 under this section; and

313 (ii) money appropriated by the Legislature to the program.

314 (2) The K-3 Reading Improvement Program consists of program money and is created  
315 to supplement other school resources to achieve the state's goal of having third graders reading  
316 at or above grade level.

317 (3) Subject to future budget constraints, the Legislature may annually appropriate  
318 money to the K-3 Reading Improvement Program.

319 (4) (a) For a school district or charter school to receive program money, a local  
320 education board shall submit a plan to the board for reading proficiency improvement that  
321 incorporates the following components:

322 (i) assessment;

323 (ii) intervention strategies;

324 (iii) professional development for classroom teachers in kindergarten through grade  
325 three;

326 (iv) reading performance standards; and

327 (v) specific measurable goals that include the following:

328 (A) a growth goal for each school within a school district and each charter school  
329 based upon student learning gains as measured by benchmark assessments administered  
330 pursuant to Section 53E-4-307; and

331 (B) a growth goal for each school district and charter school to increase the percentage  
332 of third grade students who read on grade level from year to year as measured by the third  
333 grade reading test administered pursuant to Section 53E-4-302.

334 (b) The board shall provide model plans that a local education board may use, or the  
335 local education board may develop the local education board's own plan.

336 (c) Plans developed by a local education board shall be approved by the board.

337 (d) The board shall develop uniform standards for acceptable growth goals that a local  
338 education board adopts for a school district or charter school as described in this Subsection  
339 (4).

340 (5) (a) There is created within the K-3 Reading Achievement Program three funding  
341 programs:

- 342 (i) the Base Level Program;
- 343 (ii) the Guarantee Program; and
- 344 (iii) the Low Income Students Program.

345 (b) The board may use no more than \$7,500,000 from an appropriation described in  
346 Subsection (3) for computer-assisted instructional learning and assessment programs.

347 (6) Money appropriated to the board for the K-3 Reading Improvement Program and  
348 not used by the board for computer-assisted instructional learning and assessments as described  
349 in Subsection (5)(b), shall be allocated to the three funding programs as follows:

- 350 (a) 8% to the Base Level Program;
- 351 (b) 46% to the Guarantee Program; and
- 352 (c) 46% to the Low Income Students Program.

353 (7) (a) For a school district or charter school to participate in the Base Level Program,  
354 the local education board shall submit a reading proficiency improvement plan to the board as  
355 provided in Subsection (4) and must receive approval of the plan from the board.

356 (b) (i) The local school board of a school district qualifying for Base Level Program  
357 funds and the governing boards of qualifying elementary charter schools combined shall  
358 receive a base amount.

359 (ii) The base amount for the qualifying elementary charter schools combined shall be  
360 allocated among each charter school in an amount proportionate to:

361 (A) each existing charter school's prior year fall enrollment in grades kindergarten  
362 through grade three; and

363 (B) each new charter school's estimated fall enrollment in grades kindergarten through  
364 grade three.

365 (8) (a) A local school board that applies for program money in excess of the Base Level  
366 Program funds shall choose to first participate in either the Guarantee Program or the Low  
367 Income Students Program.

368 (b) A school district must fully participate in either the Guarantee Program or the Low  
369 Income Students Program before the local school board may elect for the school district to  
370 either fully or partially participate in the other program.

371 (c) For a school district to fully participate in the Guarantee Program, the local school  
372 board shall allocate to the program money available to the school district, except money  
373 provided by the state, equal to the amount of revenue that would be generated by a tax rate of  
374 .000056.

375 (d) For a school district to fully participate in the Low Income Students Program, the  
376 local school board shall allocate to the program money available to the school district, except  
377 money provided by the state, equal to the amount of revenue that would be generated by a tax  
378 rate of .000065.

379 (e) (i) The board shall verify that a local school board allocates the money required in  
380 accordance with Subsections (8)(c) and (d) before the local school board distributes funds in  
381 accordance with this section.

382 (ii) The State Tax Commission shall provide the board the information the board needs  
383 in order to comply with Subsection (8)(e)(i).

384 (9) (a) Except as provided in Subsection (9)(c), the local school board of a school  
385 district that fully participates in the Guarantee Program shall receive state funds in an amount  
386 that is:

387 (i) equal to the difference between \$21 multiplied by the school district's total WPU's  
388 and the revenue the local school board is required to allocate under Subsection (8)(c) for the  
389 school district to fully participate in the Guarantee Program; and

390 (ii) not less than \$0.

391 (b) Except as provided in Subsection (9)(c), an elementary charter school shall receive  
392 under the Guarantee Program an amount equal to \$21 times the elementary charter school's  
393 total WPU's.

394 (c) The board may adjust the \$21 guarantee amount described in Subsections (9)(a) and  
395 (b) to account for actual appropriations and money used by the board for computer-assisted  
396 instructional learning and assessments.

397 (10) The board shall distribute Low Income Students Program funds in an amount  
398 proportionate to the number of students in each school district or charter school who qualify for

399 free or reduced price school lunch multiplied by two.

400 (11) A school district that partially participates in the Guarantee Program or Low  
401 Income Students Program shall receive program funds based on the amount of school district  
402 revenue allocated to the program as a percentage of the amount of revenue that could have been  
403 allocated if the school district had fully participated in the program.

404 (12) (a) A local education board shall use program money for reading proficiency  
405 improvement interventions in grades kindergarten through grade 3 that have proven to  
406 significantly increase the percentage of students reading at grade level, including:

407 (i) reading assessments; and

408 (ii) focused reading remediations that may include:

409 (A) the use of reading specialists;

410 (B) tutoring;

411 (C) before or after school programs;

412 (D) summer school programs; or

413 (E) the use of reading software; or

414 (F) the use of interactive computer software programs for literacy instruction and  
415 assessments for students.

416 (b) A local education board may use program money for portable technology devices  
417 used to administer reading assessments.

418 (c) Program money may not be used to supplant funds for existing programs, but may  
419 be used to augment existing programs.

420 (13) (a) Each local education board shall annually submit a report to the board  
421 accounting for the expenditure of program money in accordance with its plan for reading  
422 proficiency improvement.

423 (b) If a local education board uses program money in a manner that is inconsistent with  
424 Subsection (12), the school district or charter school is liable for reimbursing the board for the  
425 amount of program money improperly used, up to the amount of program money received from  
426 the board.

427 (14) (a) The board shall make rules to implement the program.

428 (b) (i) The rules under Subsection (14)(a) shall require each local education board to  
429 annually report progress in meeting goals stated in the school district's or charter school's plan

430 for student reading proficiency.

431 (ii) If a school does not meet or exceed the school's goals, the local education board  
432 shall prepare a new plan which corrects deficiencies.

433 (iii) The new plan described in Subsection (14)(b)(ii) shall be approved by the board  
434 before the local education board receives an allocation for the next year.

435 (15) (a) If for two consecutive school years, a school district fails to meet the school  
436 district's goal to increase the percentage of third grade students who read on grade level as  
437 measured by the third grade reading test administered pursuant to Section 53E-4-302, the  
438 school district [~~shall terminate any levy imposed under Section 53F-8-406 and~~] may not  
439 receive money appropriated by the Legislature for the K-3 Reading Improvement Program.

440 (b) If for two consecutive school years, a charter school fails to meet the charter  
441 school's goal to increase the percentage of third grade students who read on grade level as  
442 measured by the third grade reading test administered pursuant to Section 53E-4-302, the  
443 charter school may not receive money appropriated by the Legislature for the K-3 Reading  
444 Improvement Program.

445 (16) The board shall make an annual report to the Public Education Appropriations  
446 Subcommittee that:

447 (a) includes information on:

448 (i) student learning gains in reading for the past school year and the five-year trend;

449 (ii) the percentage of third grade students reading on grade level in the past school year  
450 and the five-year trend;

451 (iii) the progress of schools and school districts in meeting goals stated in a school  
452 district's or charter school's plan for student reading proficiency; and

453 (iv) the correlation between third grade students reading on grade level and results of  
454 third grade language arts scores on a criterion-referenced test or computer adaptive test; and

455 (b) may include recommendations on how to increase the percentage of third grade  
456 students who read on grade level.

457 Section 7. Section 53F-2-601 is amended to read:

458 **53F-2-601. State guaranteed local levy increments -- Appropriation to increase**  
459 **number of guaranteed local levy increments -- No effect of change of minimum basic tax**  
460 **rate -- Voted and board local levy funding balance -- Use of guaranteed local levy**

461 **increment funds.**462 (1) As used in this section~~["voted"]~~:463 (a) "Board local levy" means a local levy described in Section [53F-8-302](#).464 (b) "Guaranteed local levy increment" means a local levy increment guaranteed by the465 state:466 (i) for the board local levy, described in Subsections (2)(a)(ii)(A) and (2)(b)(ii)(B); or467 (ii) for the voted local levy, described in Subsections (2)(a)(ii)(B) and (2)(b)(ii)(A).468 (c) "Local levy increment" means .0001 per dollar of taxable value.469 (d) (i) "Voted and board local levy funding balance" means the difference between:470 ~~[(a)]~~ (A) the amount appropriated for the [voted and board local levy program]471 guaranteed local levy increments in a fiscal year; and472 ~~[(b)]~~ (B) the amount necessary to [provide the state guarantee per weighted pupil unit]473 fund in the same fiscal year the guaranteed local levy increments as determined under this474 section [and Section [53F-2-602](#) in the same fiscal year].475 (ii) "Voted and board local levy funding balance" does not include appropriations476 described in Subsection (2)(b)(i).477 (e) "Voted local levy" means a local levy described in Section [53F-8-301](#).478 (2) (a) (i) In addition to the revenue collected from the imposition of a ~~[levy pursuant~~479 ~~to Section [53F-8-301](#)]~~ voted local levy or a board local levy, the state shall [contribute]480 guarantee that a school district receives, subject to Subsections (2)(b)(ii)(C) and (3)(a), for each481 guaranteed local levy increment, an amount sufficient to guarantee [~~\$35.55~~] for a fiscal year482 that begins on July 1, 2018, \$43.10 per weighted pupil unit [for each .0001 of the first .0016483 per dollar of taxable value].484 ~~[(3) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar~~485 ~~of taxable value under Subsection (2) shall apply to the portion of the board local levy~~486 ~~authorized in Section [53F-8-302](#), so that the guarantee shall apply up to a total of .002 per~~487 ~~dollar of taxable value if a local school board levies a tax rate under both programs.]~~488 (ii) Except as provided in Subsection (2)(b)(ii), the number of local levy increments489 that are subject to the guarantee amount described in Subsection (2)(a)(i) are:490 (A) for a board local levy, the first four local levy increments a local school board491 imposes under the board local levy; and



492 (B) for a voted local levy, the first 16 local levy increments a local school board  
493 imposes under the voted local levy.

494 (b) (i) Subject to future budget constraints and Subsection (2)(c), the Legislature shall  
495 annually appropriate money from the Local Levy Growth Account established in Section  
496 53F-9-305 for purposes described in Subsection (2)(b)(ii).

497 (ii) The State Board of Education shall, for a fiscal year beginning on or after July 1,  
498 2018, and subject to Subsection (2)(c), allocate funds appropriated under Subsection (2)(b)(i)  
499 in the following order of priority by increasing:

500 (A) by up to four increments the number of voted local levy guaranteed local levy  
501 increments above 16;

502 (B) by up to 16 increments the number of board local levy guaranteed local levy  
503 increments above four; and

504 (C) the guaranteed amount described in Subsection (2)(a)(i).

505 (c) The number of guaranteed local levy increments under this Subsection (2) for a  
506 school district may not exceed 20 guaranteed local levy increments, regardless of whether the  
507 guaranteed local levy increments are from the imposition of a voted local levy, a board local  
508 levy, or a combination of the two.

509 ~~[(4)(a) Beginning July 1, 2015, the \$35.55 guarantee under Subsections (2) and (3)]~~

510 (3) (a) The guarantee described in Subsection (2)(a)(i) shall be indexed each year to the  
511 value of the weighted pupil unit [for the grades 1 through 12 program] by making the value of  
512 the guarantee equal to .011962 times the value of the prior year's weighted pupil unit [for the  
513 grades 1 through 12 program].

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

517 ~~[(5)]~~ (4) (a) The amount of state guarantee money [to which] that a school district  
518 would otherwise be entitled to receive under this section may not be reduced for the sole reason  
519 that the school district's board local levy or voted local levy is reduced as a consequence of  
520 changes in the certified tax rate under Section 59-2-924 pursuant to changes in property  
521 valuation.

522 (b) Subsection [(5)] (4)(a) applies for a period of five years following [any such] a

523 change in the certified tax rate as described in Subsection (4)(a).

524 [(6)] (5) The guarantee provided under this section does not apply to the portion of a  
525 voted local levy rate that exceeds the voted local levy rate that was in effect for the previous  
526 fiscal year, unless an increase in the voted local levy rate was authorized in an election  
527 conducted on or after July 1 of the previous fiscal year and before December 2 of the previous  
528 fiscal year.

529 [(7)] (6) (a) If a voted and board local levy funding balance exists for the prior fiscal  
530 year, the State Board of Education shall:

531 (i) use the voted and board local levy funding balance to increase the value of the state  
532 guarantee per weighted pupil unit described in Subsection [(4)] (3)(a) in the current fiscal year;  
533 and

534 (ii) distribute [~~the state contribution to the voted and board local levy programs~~]  
535 guaranteed local levy increment funds to school districts based on the increased value of the  
536 state guarantee per weighted pupil unit described in Subsection [(7)] (6)(a)(i).

537 (b) The State Board of Education shall report action taken under [~~this~~] Subsection [(7)]  
538 (6)(a) to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management  
539 and Budget.

540 (7) A local school board of a school district that receives funds described in this section  
541 shall budget and expend the funds for public education purposes.

542 Section 8. Section **53F-2-704** is amended to read:

543 **53F-2-704. Charter school levy state guarantee.**

544 (1) As used in this section:

545 (a) "Charter school levy per pupil revenues" means the same as that term is defined in  
546 Section **53F-2-703**.

547 (b) "Charter school students' average local revenues" means the amount determined as  
548 follows:

549 (i) for each student enrolled in a charter school on the previous October 1, calculate the  
550 district per pupil local revenues of the school district in which the student resides;

551 (ii) sum the district per pupil local revenues for each student enrolled in a charter  
552 school on the previous October 1; and

553 (iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students

554 enrolled in charter schools on the previous October 1.

555 (c) "District local property tax revenues" means the sum of a school district's revenue  
556 received from the following:

557 (i) a voted local levy imposed under Section 53F-8-301;

558 (ii) a board local levy imposed under Section 53F-8-302, excluding revenues expended  
559 for:

560 (A) pupil transportation, up to the amount of revenue generated by a .0003 per dollar of  
561 taxable value of the school district's board local levy; and

562 (B) the K-3 Reading Improvement Program, up to the amount of revenue generated by  
563 a .000121 per dollar of taxable value of the school district's board local levy;

564 (iii) a capital local levy imposed under Section 53F-8-303; and

565 (iv) a guarantee described in Section 53F-2-601, [~~53F-2-602~~], 53F-3-202, or  
566 53F-3-203.

567 (d) "District per pupil local revenues" means, using data from the most recently  
568 published school district annual financial reports and state superintendent's annual report, an  
569 amount equal to district local property tax revenues divided by the sum of:

570 (i) a school district's average daily membership; and

571 (ii) the average daily membership of a school district's resident students who attend  
572 charter schools.

573 (e) "Resident student" means a student who is considered a resident of the school  
574 district under Title 53G, Chapter 6, Part 3, School District Residency.

575 (f) "Statewide average debt service revenues" means the amount determined as  
576 follows, using data from the most recently published state superintendent's annual report:

577 (i) sum the revenues of each school district from the debt service levy imposed under  
578 Section 11-14-310; and

579 (ii) divide the sum calculated under Subsection (1)(f)(i) by statewide school district  
580 average daily membership.

581 (2) (a) Subject to future budget constraints, the Legislature shall provide an  
582 appropriation for charter schools for each charter school student enrolled on October 1 to  
583 supplement the allocation of charter school levy per pupil revenues described in Subsection  
584 53F-2-702(3)(a).

585 (b) Except as provided in Subsection (2)(c), the amount of money provided by the state  
586 for a charter school student shall be the sum of:

587 (i) charter school students' average local revenues minus the charter school levy per  
588 pupil revenues; and

589 (ii) statewide average debt service revenues.

590 (c) If the total of charter school levy per pupil revenues distributed by the State Board  
591 of Education and the amount provided by the state under Subsection (2)(b) is less than \$1,427,  
592 the state shall provide an additional supplement so that a charter school receives at least \$1,427  
593 per student under Subsection 53F-2-702(3).

594 (d) (i) If the appropriation provided under this Subsection (2) is less than the amount  
595 prescribed by Subsection (2)(b) or (c), the appropriation shall be allocated among charter  
596 schools in proportion to each charter school's enrollment as a percentage of the total enrollment  
597 in charter schools.

598 (ii) If the State Board of Education makes adjustments to Minimum School Program  
599 allocations as provided under Section 53F-2-205, the allocation provided in Subsection  
600 (2)(d)(i) shall be determined after adjustments are made under Section 53F-2-205.

601 (3) (a) Except as provided in Subsection (3)(b), of the money provided to a charter  
602 school under Subsection 53F-2-702(3), 10% shall be expended for funding school facilities  
603 only.

604 (b) Subsection (3)(a) does not apply to an online charter school.

605 Section 9. Section 53F-3-102 is amended to read:

606 **53F-3-102. Definitions.**

607 As used in this chapter:

608 (1) "ADM" or "pupil in average daily membership" is as defined in Section 53F-2-102.

609 (2) "Base tax effort rate" means the average of:

610 (a) the highest combined capital levy rate; and

611 (b) the average combined capital levy rate for the school districts statewide.

612 (3) "Combined capital levy rate" means a rate that includes the sum of the following  
613 property tax levies:

614 [~~(a) (i) the capital outlay levy authorized in Section 53F-8-401;~~]

615 [~~(ii) the portion of the 10% of basic levy described in Section 53F-8-405 that is~~

616 budgeted for debt service or capital outlay;]

617 [(iii)] (a) (i) the debt service levy authorized in Section 11-14-310; and

618 [(iv)] (ii) the voted capital outlay leeway authorized in Section 53F-8-402; or

619 (b) (i) the capital local levy authorized in Section 53F-8-303; and

620 (ii) the debt service levy authorized in Section 11-14-310.

621 (4) "Derived net taxable value" means the quotient of:

622 (a) the total property tax collections from April 1 through the following March 31 for a  
623 school district for the calendar year preceding the March 31 date; divided by

624 (b) the school district's total tax rate for the calendar year preceding the March 31  
625 referenced in Subsection (4)(a).

626 (5) "Highest combined capital levy rate" means the highest combined capital levy rate  
627 imposed by a school district within the state for a fiscal year.

628 (6) "Property tax base per ADM" means the quotient of:

629 (a) a school district's derived net taxable value; divided by

630 (b) the school district's ADM.

631 (7) "Property tax yield per ADM" means:

632 (a) the product of:

633 (i) a school district's derived net taxable value; and

634 (ii) the base tax effort rate; divided by

635 (b) the school district's ADM.

636 (8) "Statewide average property tax base per ADM" means the quotient of:

637 (a) the sum of all school districts' derived net taxable value; divided by

638 (b) the sum of all school districts' ADM.

639 Section 10. Section 53F-8-302 is amended to read:

640 **53F-8-302. Board local levy.**

641 (1) The terms defined in Section 53F-2-102 apply to this section.

642 (2) Subject to the other requirements of this section, [~~for a calendar year beginning on~~  
643 ~~or after January 1, 2012,~~] a local school board may levy a tax to fund the school district's  
644 general fund.

645 (3) (a) For purposes of this Subsection (3), "combined rate" means the sum of:

646 (i) the rate imposed by a local school board under Subsection (2); and

647 (ii) the charter school levy rate, described in Section [53F-2-703](#), for the local school  
648 board's school district.

649 ~~[(b) Except as provided in Subsection (3)(c), beginning on January 1, 2017, a school  
650 district's combined rate may not exceed .0018 per dollar of taxable value in any calendar year.]~~

651 ~~[(c)]~~ (b) Beginning on January 1, ~~[2017]~~ 2018, a school district's combined rate may  
652 not exceed .0025 per dollar of taxable value in any calendar year ~~[if, during the calendar year  
653 beginning on January 1, 2011, the school district's total tax rate for the following levies was  
654 greater than .0018 per dollar of taxable value:].~~

655 ~~[(i) a recreation levy imposed under Section [11-2-7](#);~~

656 ~~[(ii) a transportation levy imposed under Section [53F-8-403](#);~~

657 ~~[(iii) a board-authorized levy imposed under Section [53F-8-404](#);~~

658 ~~[(iv) an impact aid levy imposed under Section [53F-2-515](#);~~

659 ~~[(v) the portion of a 10% of basic levy imposed under Section [53F-8-405](#) that is  
660 budgeted for purposes other than capital outlay or debt service;]~~

661 ~~[(vi) a reading levy imposed under Section [53F-8-406](#); and]~~

662 ~~[(vii) a tort liability levy imposed under Section [63G-7-704](#).]~~

663 (4) In addition to the revenue a school district collects from the imposition of a levy  
664 pursuant to this section, the state shall contribute an amount as described in Section  
665 ~~[[53F-2-602](#)]~~ [53F-2-601](#).

666 (5) (a) For a calendar year beginning on or after January 1, 2017, the State Tax  
667 Commission shall adjust a board local levy rate imposed by a local school board under this  
668 section by the amount necessary to offset the change in revenues from the charter school levy  
669 imposed under Section [53F-2-703](#).

670 (b) A local school board is not required to comply with the notice and public hearing  
671 requirements of Section [59-2-919](#) for an offset described in Subsection (5)(a) to the change in  
672 revenues from the charter school levy imposed under Section [53F-2-703](#).

673 ~~[(c) A local school board may not increase a board local levy rate under this section  
674 before December 31, 2016, if the local school board did not give public notice on or before  
675 March 4, 2016, of the local school board's intent to increase the board local levy rate.]~~

676 ~~[(d)]~~ (c) So long as the charter school levy rate does not exceed 25% of the charter  
677 school levy per district revenues, a local school board may not increase a board local levy rate

678 under this section if the purpose of increasing the board local levy rate is to capture the  
 679 revenues assigned to the charter school levy through the adjustment in a board local levy rate  
 680 under Subsection (5)(a).

681 ~~(e)~~ (d) Before a local school board takes action to increase a board local levy rate  
 682 under this section, the local school board shall:

683 (i) prepare a written statement that attests that the local school board is in compliance  
 684 with Subsection (5)~~(d)~~(c);

685 (ii) read the statement described in Subsection (5)~~(e)~~(d)(i) during a local school board  
 686 public meeting where the local school board discusses increasing the board local levy rate; and

687 (iii) send a copy of the statement described in Subsection (5)~~(e)~~(d)(i) to the State Tax  
 688 Commission.

689 Section 11. Section **53F-8-303** is amended to read:

690 **53F-8-303. Capital local levy.**

691 (1) ~~(a)~~ Subject to the other requirements of this section, a local school board may levy  
 692 a tax to fund the school district's capital projects.

693 ~~(b)~~ (2) A tax rate imposed by a school district pursuant to this section may not exceed  
 694 .0030 per dollar of taxable value in any calendar year.

695 ~~[(2) A school district that imposes a capital local levy in the calendar year beginning on  
 696 January 1, 2012, is exempt from the public notice and hearing requirements of Section  
 697 59-2-919 if the school district budgets an amount of ad valorem property tax revenue equal to  
 698 or less than the sum of the following amounts:]~~

699 ~~[(a) the amount of revenue generated during the calendar year beginning on January 1,  
 700 2011, from the sum of the following levies of a school district:]~~

701 ~~[(i) a capital outlay levy imposed under Section 53F-8-401; and]~~

702 ~~[(ii) the portion of the 10% of basic levy described in Section 53F-8-405 that is  
 703 budgeted for debt service or capital outlay, and]~~

704 ~~[(b) revenue from eligible new growth as defined in Section 59-2-924.]~~

705 ~~[(3) (a) Subject to Subsections (3)(b), (c), and (d), for fiscal year 2013-14, a local  
 706 school board may utilize the proceeds of a maximum of .0024 per dollar of taxable value of the  
 707 local school board's annual capital local levy for general fund purposes if the proceeds are not  
 708 committed or dedicated to pay debt service or bond payments.]~~

709 ~~[(b) If a local school board uses the proceeds described in Subsection (3)(a) for general~~  
710 ~~fund purposes, the local school board shall notify the public of the local school board's use of~~  
711 ~~the capital local levy proceeds for general fund purposes:]~~

712 ~~[(i) before the local school board's budget hearing in accordance with the notification~~  
713 ~~requirements described in Section 53G-7-303; and]~~

714 ~~[(ii) at a budget hearing required in Section 53G-7-303.]~~

715 ~~[(c) A local school board may not use the proceeds described in Subsection (3)(a) to~~  
716 ~~fund the following accounting function classifications as provided in the Financial Accounting~~  
717 ~~for Local and State School Systems guidelines developed by the National Center for Education~~  
718 ~~Statistics:]~~

719 ~~[(i) 2300 Support Services - General District Administration; or]~~

720 ~~[(ii) 2500 Support Services - Central Services.]~~

721 Section 12. Section **53F-8-402** is amended to read:

722 **53F-8-402. Special tax to buy school building sites, build and furnish**  
723 **schoolhouses, or improve school property.**

724 (1) (a) Except as provided in Subsection (6), a local school board may, by following  
725 the process for special elections established in Sections 20A-1-203 and 20A-1-204, call a  
726 special election to determine whether a special property tax should be levied for one or more  
727 years to buy building sites, build and furnish schoolhouses, or improve the school property  
728 under its control.

729 (b) The tax may not exceed .2% of the taxable value of all taxable property in the  
730 district in any one year.

731 (2) The board shall give reasonable notice of the election and follow the same  
732 procedure used in elections for the issuance of bonds.

733 (3) If a majority of those voting on the proposition vote in favor of the tax, it is ~~levied~~  
734 ~~in addition to a levy authorized under Section 53F-8-405 and]~~ computed on the valuation of the  
735 county assessment roll for that year.

736 (4) (a) Within 20 days after the election, the board shall certify the amount of the  
737 approved tax to the governing body of the county in which the school district is located.

738 (b) The governing body shall acknowledge receipt of the certification and levy and  
739 collect the special tax.



740 (c) It shall then distribute the collected taxes to the business administrator of the school  
741 district at the end of each calendar month.

742 (5) The special tax becomes due and delinquent and attaches to and becomes a lien on  
743 real and personal property at the same time as state and county taxes.

744 (6) Notwithstanding Subsections (3) and (4), beginning January 1, 2012, a local school  
745 board may not levy a tax in accordance with this section.

746 Section 13. Section **53F-9-302** is amended to read:

747 **53F-9-302. Minimum Basic Growth Account.**

748 (1) As used in this section, "account" means the Minimum Basic Growth Account  
749 created in this section.

750 (2) There is created within the Education Fund a restricted account known as the  
751 "Minimum Basic Growth Account."

752 (3) The account shall be funded by amounts deposited into the account in accordance  
753 with Section [53F-2-301](#).

754 (4) The account shall earn interest.

755 (5) Interest earned on the account shall be deposited into the account.

756 (6) Upon appropriation by the Legislature:

757 (a) 75% of the money from the account shall be used to fund the state's contribution to  
758 the voted local levy guarantee described in Section [53F-2-601](#);

759 (b) 20% of the money from the account shall be used to fund the Capital Outlay  
760 Foundation Program as provided in Section [53F-3-203](#); and

761 (c) 5% of the money from the account shall be used to fund the Capital Outlay  
762 Enrollment Growth Program as provided in Section [53F-3-203](#).

763 Section 14. Section **53F-9-305** is enacted to read:

764 **53F-9-305. Local Levy Growth Account.**

765 (1) As used in this section, "account" means the Local Levy Growth Account created in  
766 this section.

767 (2) There is created within the Education Fund a restricted account known as the  
768 "Local Levy Growth Account."

769 (3) (a) On July 1 each year, if growth in individual income tax and the corporate  
770 franchise tax over the previous year is sufficient to fund an amount equal to a 3% increase in

771 the value of the weighted pupil unit multiplied by 1.02, the Division of Finance shall transfer  
772 from the Education Fund to the account an amount equal to a 1% increase in the value of the  
773 weighted pupil unit multiplied by 1.02.

774 (b) The account may also be funded by other legislative appropriations.

775 (4) The account shall earn interest.

776 (5) The interest earned on the account shall be deposited into the account.

777 (6) The Legislature shall appropriate money in the account to the State Board of  
778 Education for purposes described in Section [53F-2-601](#).

779 Section 15. Section **53G-3-304** is amended to read:

780 **53G-3-304. Property tax levies in new district and remaining district --**

781 **Distribution of property tax revenue.**

782 (1) Notwithstanding terms defined in Section [53G-3-102](#), as used in this section:

783 (a) "Divided school district" or "existing district" means a school district from which a  
784 new district is created.

785 (b) "New district" means a school district created under Section [53G-3-302](#) after May  
786 10, 2011.

787 (c) "Property tax levy" means a property tax levy that a school district is authorized to  
788 impose, except:

789 (i) the minimum basic tax rate imposed under Section [53F-2-301](#);

790 (ii) a debt service levy imposed under Section [11-14-310](#); or

791 (iii) a judgment levy imposed under Section [59-2-1330](#).

792 (d) "Qualifying taxable year" means the calendar year in which a new district begins to  
793 provide educational services.

794 (e) "Remaining district" means an existing district after the creation of a new district.

795 (2) A new district and remaining district shall continue to impose property tax levies  
796 that were imposed by the divided school district in the taxable year prior to the qualifying  
797 taxable year.

798 (3) Except as provided in Subsection (6), a property tax levy that a new district and  
799 remaining district are required to impose under Subsection (2) shall be set at a rate that:

800 (a) is uniform in the new district and remaining district; and

801 (b) generates the same amount of revenue that was generated by the property tax levy

802 within the divided school district in the taxable year prior to the qualifying taxable year.

803 (4) ~~[(a) Except as provided in Subsection (4)(b), the]~~ The county treasurer of the  
 804 county in which a property tax levy is imposed under Subsection (2) shall distribute revenues  
 805 generated by the property tax levy to the new district and remaining district in proportion to the  
 806 percentage of the divided school district's enrollment on the October 1 prior to the new district  
 807 commencing educational services that were enrolled in schools currently located in the new  
 808 district or remaining district.

809 ~~[(b) The county treasurer of a county of the first class shall distribute revenues~~  
 810 ~~generated by a capital local levy of .0006 that a school district in a county of the first class is~~  
 811 ~~required to impose under Section 53F-8-303 in accordance with the distribution method~~  
 812 ~~specified in Section 53A-16-114.]~~

813 (5) On or before March 31, a county treasurer shall distribute revenues generated by a  
 814 property tax levy imposed under Subsection (2) in the prior calendar year to a new district and  
 815 remaining district as provided in Subsection (4).

816 (6) (a) Subject to the notice and public hearing requirements of Section 59-2-919, a  
 817 new district or remaining district may set a property tax rate higher than the rate required by  
 818 Subsection (3), up to:

819 (i) the maximum rate, if any, allowed by law; or  
 820 (ii) the maximum rate authorized by voters for a voted local levy under Section  
 821 53F-8-301.

822 (b) The revenues generated by the portion of a property tax rate in excess of the rate  
 823 required by Subsection (3) shall be retained by the district that imposes the higher rate.

824 Section 16. **Repealer.**

825 This bill repeals:

826 Section 53F-2-602, **Board local levy state guarantee.**

827 Section 53F-8-401, **Capital outlay levy -- Authority to use proceeds of .0002 tax**  
 828 **rate for maintenance of school facilities -- Restrictions and procedure -- Limited**  
 829 **authority to use proceeds for general fund purposes -- Notification required when using**  
 830 **proceeds for general fund purposes -- Authority for small school districts to use levy**  
 831 **proceeds for operation and maintenance of plant services.**

832 Section 53F-8-404, **Board-approved leeway -- Purpose -- State support --**

833 **Disapproval.**

834 Section **53F-8-405, Additional levy by local school board for debt service, school**  
835 **sites, buildings, buses, textbooks, and supplies.**

836 Section **53F-8-406, Board leeway for reading improvement.**

837 Section 17. **Appropriation.**

838 The following sums of money are appropriated for the fiscal year beginning July 1,  
839 2018, and ending June 30, 2019. These are additions to amounts previously appropriated for  
840 fiscal year 2019.

841 Subsection 17(a). **Operating and Capital Budgets.**

842 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, the  
843 Legislature appropriates the following sums of money from the funds or accounts indicated for  
844 the use and support of the government of the state of Utah.

845 ITEM 1

846 To State Board of Education -- Minimum School Program - Related to  
847 Basic School Programs

848 From Education Fund \$15,000,000

849 Schedule of Programs:

850 Enhancement for At-Risk Students Program \$15,000,000

851 ITEM 2

852 To State Board of Education -- Minimum School Program - Related to  
853 Basic School Programs

854 From Education Fund \$5,000,000

855 Schedule of Programs:

856 To and From School - Pupil Transportation \$5,000,000

857 The Legislature intends that the appropriation under this item:

858 (1) for the fiscal year beginning July 1, 2019, the total ongoing appropriation shall be  
859 \$10,000,000;

860 (2) for the fiscal year beginning July 1, 2020, the total ongoing appropriation shall be  
861 \$15,000,000;

862 (3) for the fiscal year beginning July 1, 2021, the total ongoing appropriation shall be  
863 \$20,000,000; and

864 (4) for the fiscal year beginning July 1, 2022, the total ongoing appropriation shall be  
865 \$25,000,000.

866 ITEM 3

867 To State Board of Education -- Minimum School Program - Basic School Program

868 From Education Fund \$500,000

869 Schedule of Programs:

870 Necessarily Existent Small Schools \$500,000

871 The Legislature intends that the appropriation under this item:

872 (1) for the fiscal year beginning July 1, 2019, the total ongoing appropriation shall be  
873 \$1,000,000; and

874 (2) for the fiscal year beginning July 1, 2020, the total ongoing appropriation shall be  
875 \$1,500,000.

876 ITEM 4

877 To State Board of Education -- Minimum School Program -- Voted and

878 Board Local Levy Programs

879 From Education Fund Restricted -- Local Levy Growth Account \$36,117,300

880 Schedule of Programs:

881 Voted Local Levy Program \$18,050,600

882 Board Local Levy Program \$18,066,700

883 Subsection 17(b). **Restricted fund and account transfers.**

884 The Legislature authorizes the State Division of Finance to transfer the following  
885 amounts between the following funds or accounts as indicated. Expenditures and outlays from  
886 the funds to which the money is transferred must be authorized by an appropriation.

887 ITEM 5

888 To Education Fund Restricted -- Local Levy Growth Account

889 From Education Fund \$36,117,300

890 Schedule of Programs:

891 Education Fund Restricted -- Local Levy

892 Growth Account \$36,117,300

**Legislative Review Note  
Office of Legislative Research and General Counsel**