

## SB0145S02 compared with SB0145S01

~~deleted text~~ shows text that was in SB0145S01 but was deleted in SB0145S02.

Inserted text shows text that was not in SB0145S01 but was inserted into SB0145S02.

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Senator Lincoln Fillmore proposes the following substitute bill:

### SCHOOL FUNDING REVISIONS

2018 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Lincoln Fillmore**

House Sponsor: ~~\_\_\_\_\_~~ Bradley G. Last

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:

- ▶ amends provisions related to the Enhancement for At-Risk Students Program;
- ▶ 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:

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- ▶ repeals the following outdated levies prohibited since January 1, 2012: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- ▶ repeals outdated language, including language related to school capital outlay in counties of the first class repealed December 31, 2016;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

### Money Appropriated in this Bill:

This bill appropriates in fiscal year 2019:

~~{ → to the State Board of Education – Minimum School Program – Related to Basic School Programs, as an ongoing appropriation:~~

~~• from the Education Fund, \$15,000,000;~~

~~→ to the State Board of Education – Minimum School Program – Related to Basic School Programs, as an ongoing appropriation:~~

~~• from the Education Fund, \$5,000,000;~~

~~→ to the State Board of Education – Minimum School Program – Basic School Program, as an ongoing appropriation:~~

~~• from the Education Fund, \$500,000;~~

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- ‡ ▶ to the Education Fund Restricted -- Local Levy Growth Account, as an ongoing appropriation:
  - from the Education Fund, ~~(\$36)~~\$31, ~~{117}~~000, ~~{300}~~000; and
- ▶ to the State Board of Education -- Minimum School Program -- Voted and Board Local Levy Programs, as an ongoing appropriation:
  - from the Education Fund Restricted -- Local Levy Growth Account, ~~(\$36)~~\$31, ~~{117}~~000, ~~{300}~~000.

### Other Special Clauses:

None

### Utah Code Sections Affected:

#### AMENDS:

53F-2-201, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-203, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-205, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-303, as enacted by Laws of Utah 2018, Chapter 2

53F-2-312, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-410, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-503, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-601, as enacted by Laws of Utah 2018, Chapter 2

53F-2-704, as enacted by Laws of Utah 2018, Chapter 2

53F-3-102, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-302, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-303, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-402, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-9-302, as renumbered and amended by Laws of Utah 2018, Chapter 2

53G-3-304, as renumbered and amended by Laws of Utah 2018, Chapter 3

#### ENACTS:

53F-9-305, Utah Code Annotated 1953

#### REPEALS:

53F-2-602, as enacted by Laws of Utah 2018, Chapter 2

53F-8-401, as renumbered and amended by Laws of Utah 2018, Chapter 2

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53F-8-404, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-405, as renumbered and amended by Laws of Utah 2018, Chapter 2

53F-8-406, as renumbered and amended by Laws of Utah 2018, Chapter 2

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

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

**53F-2-201. Cost of operation and maintenance of minimum school program --  
Division between state and school districts.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) If local contributions from the minimum basic tax rate imposed under Section 53F-2-301 are overestimated, the board shall reduce the value of the weighted pupil unit for all

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programs within the basic state-supported school program so the total state contribution to the basic state-supported school program does not exceed the amount of state funds appropriated.

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

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

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

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

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

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

(7) Money appropriated to the board is nonlapsing.

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

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

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

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

(2) (a) Notwithstanding Section 53F-2-302, foreign exchange students may not be included in average daily membership for the purpose of determining the number of weighted

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pupil units in the grades 1-12 basic program.

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

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

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

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

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

(ii) 328 foreign exchange students.

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

- (i) (A) the number of teachers employed using class size reduction money;
- (B) the amount of class size reduction money expended for teachers; and
- (C) if supplemental school district or charter school funds are expended to pay for teachers employed using class size reduction money, the amount of the supplemental money;
- (ii) (A) the number of paraprofessionals employed using class size reduction money;
- (B) the amount of class size reduction money expended for paraprofessionals; and
- (C) if supplemental school district or charter school funds are expended to pay for paraprofessionals employed using class size reduction money, the amount of the supplemental money; and
- (iii) the amount of class size reduction money expended for capital facilities.

(c) In addition to submitting a plan and report on the use of class size reduction money, a local education board shall annually submit a report to the State Board of Education that includes the following information:

- (i) the number of teachers employed using K-3 Reading Improvement Program money received pursuant to [~~Sections~~] Section 53F-2-503 [~~and 53F-8-406~~];
- (ii) the amount of K-3 Reading Improvement Program money expended for teachers;
- (iii) the number of teachers employed in kindergarten through grade 8 using Title I money;
- (iv) the amount of Title I money expended for teachers in kindergarten through grade 8; and
- (v) a comparison of actual average class size by grade in grades kindergarten through 8 in the school district or charter school with what the average class size would be without the expenditure of class size reduction, K-3 Reading Improvement Program, and Title I money.

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

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

- (i) a plan and a report on the use of class size reduction money as required by this

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section; and

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

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

Section 6. Section **53F-2-410** is amended to read:

### **53F-2-410. Enhancement for At-Risk Students Program.**

(1) (a) Subject to the requirements of Subsection (1)(b), the State Board of Education shall distribute money appropriated for the Enhancement for At-Risk Students Program to school districts and charter schools according to a formula adopted by the State Board of Education, after consultation with local education boards.

(b) (i) The State Board of Education shall appropriate \$1,200,000 from the appropriation for Enhancement for At-Risk Students for a gang prevention and intervention program designed to help students at-risk for gang involvement stay in school.

(ii) Money for the gang prevention and intervention program shall be distributed to school districts and charter schools through a request for proposals process.

(2) In establishing a distribution formula under Subsection (1)(a), the State Board of Education shall:

(a) use the following criteria:

~~(a)~~ (i) low performance on statewide assessments described in Section 53E-4-301;

~~(b)~~ (ii) poverty;

~~(c)~~ (iii) mobility; ~~and~~

~~(d)~~ (iv) limited English proficiency[?];

(v) chronic absenteeism; and

(vi) homelessness;

(b) ensure that the distribution formula distributes money on a per student and per criterion basis; and

(c) ensure that the distribution formula provides funding for each criterion that a student meets such that a student who meets:

(i) one criterion is counted once; and

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(ii) more than one criterion is counted for each criterion the student meets.

(3) Subject to future budget constraints, the amount appropriated for the Enhancement for At-Risk Students Program shall increase annually with growth in the at-risk student population and changes to the value of the weighted pupil unit as defined in Section 53F-9-305.

~~[(3)]~~ (4) A local education board shall use money distributed under this section to improve the academic achievement of students who are at risk of academic failure.

~~[(4)]~~ (5) The State Board of Education shall develop performance criteria to measure the effectiveness of the Enhancement for At-Risk Students Program.

~~[(5)]~~ (6) If a school district or charter school receives an allocation of less than \$10,000 under this section, the school district or charter school may use the allocation as described in Section 53F-2-206.

(7) During the fiscal year that begins July 1, 2022, the Public Education Appropriations Subcommittee shall evaluate:

(a) the impact of funding provided in this section to determine whether the funding has improved educational outcomes for students who are at-risk for academic failure; and

(b) whether the funding should continue as established, be amended, or be consolidated in the value of the weighted pupil unit.

Section 7. Section **53F-2-503** is amended to read:

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

(1) As used in this section:

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

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

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

(d) "Program money" means:

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

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

(2) The K-3 Reading Improvement Program consists of program money and is created to supplement other school resources to achieve the state's goal of having third graders reading

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at or above grade level.

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

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

(i) assessment;

(ii) intervention strategies;

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

(iv) reading performance standards; and

(v) specific measurable goals that include the following:

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

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

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

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

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

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

(i) the Base Level Program;

(ii) the Guarantee Program; and

(iii) the Low Income Students Program.

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

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

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

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

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

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

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

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

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

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

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

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

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rate of .000065.

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

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

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

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

(ii) not less than \$0.

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

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

(10) The board shall distribute Low Income Students Program funds in an amount proportionate to the number of students in each school district or charter school who qualify for free or reduced price school lunch multiplied by two.

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

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

(i) reading assessments; and

(ii) focused reading remediations that may include:

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(A) the use of reading specialists;  
(B) tutoring;  
(C) before or after school programs;  
(D) summer school programs; or  
(E) the use of reading software; or  
(F) the use of interactive computer software programs for literacy instruction and assessments for students.

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

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

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

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

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

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

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

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

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



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

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

(a) includes information on:

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

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

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

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

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

Section 8. Section **53F-2-601** is amended to read:

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

(1) As used in this section[; "~~voted~~]:

(a) "Board local levy" means a local levy described in Section 53F-8-302.

(b) "Guaranteed local levy increment" means a local levy increment guaranteed by the state:

(i) for the board local levy, described in Subsections (2)(a)(ii)(A) and (2)(b)(ii)(B); or

(ii) for the voted local levy, described in Subsections (2)(a)(ii)(B) and (2)(b)(ii)(A).

(c) "Local levy increment" means .0001 per dollar of taxable value.

(d) (i) "Voted and board local levy funding balance" means the difference between:

[~~(a)~~] (A) the amount appropriated for the [~~voted and board local levy program~~]

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guaranteed local levy increments in a fiscal year; and

~~[(b)] (B)~~ the amount necessary to ~~[provide the state guarantee per weighted pupil unit]~~ fund in the same fiscal year the guaranteed local levy increments as determined under this section ~~[and Section 53F-2-602 in the same fiscal year]~~.

(ii) "Voted and board local levy funding balance" does not include appropriations described in Subsection (2)(b)(i).

(e) "Voted local levy" means a local levy described in Section 53F-8-301.

(2) (a) (i) In addition to the revenue collected from the imposition of a ~~[levy pursuant to Section 53F-8-301]~~ voted local levy or a board local levy, the state shall ~~[contribute]~~ guarantee that a school district receives, subject to Subsections (2)(b)(ii)(C) and (3)(a), for each guaranteed local levy increment, an amount sufficient to guarantee [\$35.55] for a fiscal year that begins on July 1, 2018, \$43.10 per weighted pupil unit [for each .0001 of the first .0016 per dollar of taxable value].

~~[(3) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (2) shall apply to the portion of the board local levy authorized in Section 53F-8-302, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a local school board levies a tax rate under both programs.]~~

(ii) Except as provided in Subsection (2)(b)(ii), the number of local levy increments that are subject to the guarantee amount described in Subsection (2)(a)(i) are:

(A) for a board local levy, the first four local levy increments a local school board imposes under the board local levy; and

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

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

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

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

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

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

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

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

(3) (a) The guarantee described in Subsection (2)(a)(i) 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 .011962 times the value of the prior year's weighted pupil unit [for the grades 1 through 12 program].

(b) 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.

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

(b) Subsection ~~[(5)]~~ (4)(a) applies for a period of five years following ~~[any such]~~ a change in the certified tax rate as described in Subsection (4)(a).

~~[(6)]~~ (5) 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.

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

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

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and

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

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

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

Section 9. Section **53F-2-704** is amended to read:

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

(1) As used in this section:

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

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

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

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

(iii) divide the sum calculated under Subsection (1)(a)(ii) by the number of students enrolled in charter schools on the previous October 1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) statewide average debt service revenues.

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

(d) (i) If the appropriation provided under this Subsection (2) is less than the amount

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prescribed by Subsection (2)(b) or (c), the appropriation shall be allocated among charter schools in proportion to each charter school's enrollment as a percentage of the total enrollment in charter schools.

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

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

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

Section 10. Section **53F-3-102** is amended to read:

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

As used in this chapter:

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

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

(a) the highest combined capital levy rate; and

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

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

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

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

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

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

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

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

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

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

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

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

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

- (a) a school district's derived net taxable value; divided by
- (b) the school district's ADM.

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

- (a) the product of:
  - (i) a school district's derived net taxable value; and
  - (ii) the base tax effort rate; divided by
- (b) the school district's ADM.

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

- (a) the sum of all school districts' derived net taxable value; divided by
- (b) the sum of all school districts' ADM.

Section 11. Section **53F-8-302** is amended to read:

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

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

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

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

- (i) the rate imposed by a local school board under Subsection (2); and
- (ii) the charter school levy rate, described in Section 53F-2-703, for the local school board's school district.

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

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

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

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

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

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

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

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

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

(4) 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 as described in Section ~~[53F-2-602]~~ 53F-2-601.

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

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

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

~~[(d)]~~ (c) So long as the charter school levy rate does not exceed 25% of the charter school levy per district revenues, a local school board may not increase a board local levy rate under this section if the purpose of increasing the board local levy rate is to capture the revenues assigned to the charter school levy through the adjustment in a board local levy rate under Subsection (5)(a).

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

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

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

(iii) send a copy of the statement described in Subsection (5)~~[(e)]~~(d)(i) to the State Tax



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Commission.

Section 12. Section **53F-8-303** is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 13. Section **53F-8-402** is amended to read:

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

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

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

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

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

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

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

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

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

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

Section 14. Section **53F-9-302** is amended to read:

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

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

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

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

(4) The account shall earn interest.

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

(6) Upon appropriation by the Legislature:

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

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

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

Section 15. Section **53F-9-305** is enacted to read:

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

(1) As used in this section:

(a) "Account" means the Local Levy Growth Account created in this section.

(b) "Growth threshold" means the product of:

(i) the total state cost to increase by 1% the prior year value of the weighted pupil unit;

and

(ii) 3.

(c) "Value of the weighted pupil unit" means the amount established each year in the enacted public education budget that is multiplied by the number of weighted pupil units to yield the funding level for the basic state-supported school program.

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

(3) (a) For a fiscal year beginning on July 1, 2019, and each July 1 thereafter, if revenues collected from the individual income tax and the corporate franchise tax over the previous fiscal year are greater than the growth threshold, the Tax Commission shall, subject to Subsection (3)(b), transfer from the Education Fund to the account an amount equal to the product of:

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(i) the total state cost to increase by 1% the prior year value of the weighted pupil unit;  
and

(ii) 1.02.

(b) The Tax Commission shall consult with the State Board of Education on the amount to transfer under Subsection (3)(a).

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

(4) The account shall earn interest.

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

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

Section 16. Section **53G-3-304** is amended to read:

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

#### **Distribution of property tax revenue.**

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

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

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

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

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

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

(iii) a judgment levy imposed under Section 59-2-1330.

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

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

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

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

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

(b) generates the same amount of revenue that was generated by the property tax levy within the divided school district in the taxable year prior to the qualifying taxable year.

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

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

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

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

(i) the maximum rate, if any, allowed by law; or

(ii) the maximum rate authorized by voters for a voted local levy under Section 53F-8-301.

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

### Section 17. **Repealer.**

This bill repeals:

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

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

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proceeds for operation and maintenance of plant services.

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

**Disapproval.**

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

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

Section 18. **Appropriation.**

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

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

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

### ITEM 1

~~{ To State Board of Education -- Minimum School Program - Related to~~

~~Basic School Programs~~

~~From Education Fund \$15,000,000~~

~~Schedule of Programs:~~

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

### ITEM 2

~~To State Board of Education -- Minimum School Program - Related to~~

~~Basic School Programs~~

~~From Education Fund \$5,000,000~~

~~Schedule of Programs:~~

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

~~The Legislature intends that the appropriation under this item:~~

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

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

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

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

ITEM 3

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

~~From Education Fund \$500,000~~

~~Schedule of Programs:~~

~~Necessarily Existent Small Schools \$500,000~~

~~The Legislature intends that the appropriation under this item:~~

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

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

ITEM 4

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

~~Board Local Levy Programs~~

~~From Education Fund Restricted -- Local Levy Growth Account ~~(\$26) \$31, (117) 000, (300) 000~~~~

~~Schedule of Programs:~~

~~Voted Local Levy Program~~

~~~~(\$18) \$15,500, (050,600) 000~~~~

~~Board Local Levy Program~~

~~~~(\$18) \$15,500, (066,700) 000~~~~

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

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

ITEM ~~5~~ 2

To Education Fund Restricted -- Local Levy Growth Account

From Education Fund ~~(36) \$31, (117) 000, (300) 000~~

Schedule of Programs:

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Education Fund Restricted -- Local Levy

Growth Account

~~(\$36)~~ ~~\$31~~, ~~(117)~~ 000, ~~300~~

~~000~~