

MODIFICATIONS TO EDUCATION FUNDING

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Norman K. Thurston

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions regarding public education funding.

Highlighted Provisions:

This bill:

- ▶ establishes a limit on the amount of an increase to the value of the weighted pupil unit funded through the weighted pupil unit value tax rate;
- ▶ requires a local education agency governing board to hold a public meeting regarding the use of funds from the Teacher and Student Success Account; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

⌚→ [None] This bill provides a coordination clause. ←⌚

Utah Code Sections Affected:

AMENDS:

53F-2-301, as last amended by Laws of Utah 2018, Chapters 6, 456 and renumbered and amended by Laws of Utah 2018, Chapter 2

53F-2-301.5, as enacted by Laws of Utah 2018, Chapter 456

ENACTS:

53G-7-217, Utah Code Annotated 1953

⌚→ Utah Code Sections Affected by Coordination Clause:

53G-2-217, Utah Code Annotated 1953 ←⌚

H.B. 374



59 (h) "WPU value amount" means an amount:

60 (i) that is equal to the product of:

61 (A) [~~the total cost to the basic school program to increase the WPU value over the~~
62 ~~WPU value in the immediately preceding fiscal year]~~ the WPU value increase limit; and

63 (B) the percentage share of local revenue to the cost of the basic school program in the
64 immediately preceding fiscal year; and

65 (ii) set annually by the Legislature in Subsection (4)(a).

66 (i) "WPU value increase limit" means the lesser of:

67 (i) the total cost to the basic school program to increase the WPU value over the WPU
68 value in the prior fiscal year; or

69 (ii) the total cost to the basic school program to increase the WPU value by ~~H~~→ [3] 4 ←~~H~~ %
69a over

70 the WPU value in the prior fiscal year.

71 [~~(i)~~] (j) "WPU value rate" means a tax rate certified by the commission that will
72 generate an amount of revenue equal to the WPU value amount described in Subsection (4)(a).

73 (3) (a) The minimum basic local amount for the fiscal year that begins on July 1, 2018,
74 is \$408,073,800 in revenue statewide.

75 (b) The preliminary estimate of the minimum basic tax rate for a fiscal year that begins
76 on July 1, 2018, is .001498.

77 (4) (a) The WPU value amount for the fiscal year that begins on July 1, 2018, is
78 \$18,650,000 in revenue statewide.

79 (b) The preliminary estimate of the WPU value rate for the fiscal year that begins on
80 July 1, 2018, is .000069.

81 (5) (a) On or before June 22, the commission shall certify for the year:

82 (i) the minimum basic tax rate; and

83 (ii) the WPU value rate.

84 (b) The estimate of the minimum basic tax rate provided in Subsection (3)(b) and the
85 estimate of the WPU value rate provided in Subsection (4)(b) are based on a forecast for
86 property values for the next calendar year.

87 (c) The certified minimum basic tax rate described in Subsection (5)(a)(i) and the
88 certified WPU value rate described in Subsection (5)(a)(ii) are based on property values as of
89 January 1 of the current calendar year, except personal property, which is based on values from

152 (f) "Minimum basic tax rate" means a tax rate certified by the commission that will
153 generate an amount of revenue equal to the minimum basic local amount described in
154 Subsection (3)(a).

155 (g) "Rate floor" means a rate that is the greater of:

- 156 (i) a .0016 tax rate; or
- 157 (ii) the minimum basic tax rate.

158 (h) "Weighted pupil unit value" or "WPU value" means the amount established each
159 year in the enacted public education budget that is multiplied by the number of weighted pupil
160 units to yield the funding level for the basic school program.

161 (i) "WPU value amount" means an amount that is:

162 (i) equal to the product of:

163 (A) [~~the total cost to the basic school program to increase the WPU value over the~~
164 ~~WPU value in the prior fiscal year]~~ the WPU value increase limit; and

165 (B) the percentage share of local revenue to the cost of the basic school program in the
166 prior fiscal year; and

167 (ii) set annually by the Legislature in Subsection (4)(a).

168 (j) "WPU value increase limit" means the lesser of:

169 (i) the total cost to the basic school program to increase the WPU value over the WPU
170 value in the prior fiscal year; or

171 (ii) the total cost to the basic school program to increase the WPU value by ~~H~~→ [3] 4 ←~~H~~ %

171a over

172 the WPU value in the prior fiscal year.

173 [~~(j)~~] (k) "WPU value rate" means a tax rate certified by the commission that will
174 generate an amount of revenue equal to the WPU value amount described in Subsection (4)(a).

175 (3) (a) The minimum basic local amount for the fiscal year that begins on July 1, 2018,
176 is \$408,073,800 in revenue statewide.

177 (b) The preliminary estimate for the minimum basic tax rate for the fiscal year that
178 begins on July 1, 2018, is .001498.

179 (4) (a) The WPU value amount for the fiscal year that begins on July 1, 2018, is
180 \$18,650,000 in revenue statewide.

181 (b) The preliminary estimate for the WPU value rate for the fiscal year that begins on
182 July 1, 2018, is .000069.

214 (8) Upon appropriation by the Legislature, the Division of Finance shall deposit an
215 amount equal to the proceeds generated statewide:

216 (a) by the basic levy increment rate into the Minimum Basic Growth Account created
217 in Section 53F-9-302;

218 (b) by the equity pupil tax rate into the Local Levy Growth Account created in Section
219 53F-9-305; and

220 (c) by the WPU value rate into the Teacher and Student Success Account created in
221 Section 53F-9-306.

222 Section 3. Section **53G-7-217** is enacted to read:

223 **53G-7-217. Meeting requirement for using Teacher and Student Success Account**
224 **funds.**

225 Before using funds distributed by the state board from the Teacher and Student Success
226 Account described in Section 53F-9-306, an LEA governing board shall hold a meeting that is
227 subject to Title 52, Chapter 4, Open and Public Meetings Act, to:

228 (1) discuss how the LEA proposes to use the funds; and

229 (2) allow for public comment on the proposed use of the funds.

229a **Ĥ→ Section 4. Coordinating H.B. 374 with S.B. 149 -- Substantive amendment.**

229b **If this H.B. 374 and S.B. 149, Teacher and Student Success Act, both pass and become**

229c **law, it is the intent of the Legislature that the Office of Legislative Research and General**

229d **Counsel, when preparing the Utah Code Database for publication, not enact Section 53G-7-**

229e **217. ←Ĥ**