

**Representative Derrin R. Owens** proposes the following substitute bill:

**FUNDING FOR NECESSARILY EXISTENT SMALL  
SCHOOLS AND RURAL SCHOOLS AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Derrin R. Owens**

Senate Sponsor: Lyle W. Hillyard

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**LONG TITLE**

**General Description:**

This bill amends provisions related to formulas for funding for necessarily existent small schools and creates a process to reimburse rural schools for expenses related to extracurricular activities.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ amends provisions related to formulas for funding for necessarily existent small schools;
- ▶ creates a process to reimburse rural schools for expenses related to extracurricular activities approved by the State Board of Education; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

This bill appropriates:

- ▶ to State Board of Education -- Minimum School Program -- Related to Basic School Programs, as an ongoing appropriation:
  - from the Education Fund, \$100,000.



26 **Other Special Clauses:**

27 None

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **53F-2-102**, as last amended by Laws of Utah 2019, Chapter 186

31 **53F-2-304**, as last amended by Laws of Utah 2019, Chapter 186

32 ENACTS:

33 **53F-5-214**, Utah Code Annotated 1953



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

36 Section 1. Section **53F-2-102** is amended to read:

37 **53F-2-102. Definitions.**

38 As used in this chapter:

39 (1) "Basic state-supported school program," "basic program," or "basic school  
40 program" means public education programs for kindergarten, elementary, and secondary school  
41 students that are operated and maintained for the amount derived by multiplying the number of  
42 weighted pupil units for each school district or charter school by the value established each  
43 year in the enacted public education budget, except as otherwise provided in this chapter.

44 (2) "LEA governing board" means a local school board or charter school governing  
45 board.

46 (3) "Pupil in average daily membership [~~ADM~~]" or "ADM" means a full-day  
47 equivalent pupil.

48 (4) (a) "Minimum School Program" means the state-supported public school programs  
49 for kindergarten, elementary, and secondary schools as described in this Subsection (4).

50 (b) The Minimum School Program established in school districts and charter schools  
51 shall include the equivalent of a school term of nine months as determined by the state board.

52 (c) (i) The state board shall establish the number of days or equivalent instructional  
53 hours that school is held for an academic school year.

54 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
55 when approved by an LEA governing board, shall receive full support by the state board as it  
56 pertains to fulfilling the attendance requirements, excluding time spent viewing commercial

57 advertising.

58 (d) (i) An LEA governing board may reallocate up to 32 instructional hours or four  
59 school days established under Subsection (4)(c) for teacher preparation time or teacher  
60 professional development.

61 (ii) A reallocation of instructional hours or school days under Subsection (4)(d)(i) is  
62 subject to the approval of two-thirds of the members of an LEA governing board voting in a  
63 regularly scheduled meeting:

64 (A) at which a quorum of the LEA governing board is present; and

65 (B) held in compliance with Title 52, Chapter 4, Open and Public Meetings Act.

66 (iii) If an LEA governing board reallocates instructional hours or school days as  
67 provided by this Subsection (4)(d), the school district or charter school shall notify students'  
68 parents of the school calendar at least 90 days before the beginning of the school year.

69 (iv) Instructional hours or school days reallocated for teacher preparation time or  
70 teacher professional development pursuant to this Subsection (4)(d) is considered part of a  
71 school term referred to in Subsection (4)(b).

72 (e) The Minimum School Program includes a program or allocation funded by a line  
73 item appropriation or other appropriation designated as follows:

74 (i) Basic School Program;

75 (ii) Related to Basic Programs;

76 (iii) Voted and Board Levy Programs; or

77 (iv) Minimum School Program.

78 (5) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of  
79 factors that is computed in accordance with this chapter for the purpose of determining the  
80 costs of a program on a uniform basis for each school district or charter school.

81 Section 2. Section **53F-2-304** is amended to read:

82 **53F-2-304. Necessarily existent small schools -- Computing additional weighted**  
83 **pupil units -- Consolidation of small schools.**

84 (1) As used in this section, "necessarily existent small schools funding balance" means  
85 the difference between:

86 (a) the amount appropriated for the necessarily existent small schools program in a  
87 fiscal year; and

88 (b) the amount distributed to school districts for the necessarily existent small schools  
89 program in the same fiscal year.

90 (2) (a) Upon application by a local school board, the state board shall, in consultation  
91 with the local school board, classify schools in the school district as necessarily existent small  
92 schools, in accordance with this section and state board rules adopted under Subsection (3).

93 (b) An application must be submitted to the state board before April 2, and the state  
94 board must report a decision to a local school board before June 2.

95 (3) The state board shall adopt standards and make rules to:

96 (a) govern the approval of necessarily existent small schools consistent with principles  
97 of efficiency and economy that serve the purpose of eliminating schools where consolidation is  
98 feasible by participation in special school units; and

99 (b) ensure that school districts are not building secondary schools in close proximity to  
100 one another where economy and efficiency would be better served by one school meeting the  
101 needs of secondary students in a designated geographical area.

102 [~~(4) A one or two-year secondary school that has received necessarily existent small  
103 school money under this section prior to July 1, 2000, may continue to receive such money in  
104 subsequent years.~~]

105 [~~(5)~~] (4) The state board shall prepare and publish objective standards and guidelines  
106 for determining which small schools are necessarily existent after consultation with local  
107 school boards.

108 [~~(6)~~] (5) (a) Additional weighted pupil units for schools classified as necessarily  
109 existent small schools shall be computed using [~~regression~~] distribution formulas adopted by  
110 the state board.

111 (b) The [~~regression~~] distribution formulas establish the following maximum sizes for  
112 funding under the necessarily existent small school program:

- 113 (i) an elementary school 160
- 114 (ii) a one or two-year secondary school 300
- 115 (iii) a three-year secondary school 450
- 116 (iv) a four-year secondary school 500
- 117 (v) a six-year secondary school 600

118 (c) [~~Schools~~] An elementary school with fewer than 10 students shall receive the same

119 add-on weighted pupil units as ~~[schools]~~ an elementary school with 10 students.

120 (d) A secondary school with fewer than 15 students shall receive the same add-on  
 121 weighted pupil units as a secondary school with 15 students.

122 (e) If a necessarily existent small school generates ADM in both elementary and  
 123 secondary grades, the state board may divide the school's ADM between an elementary and  
 124 secondary distribution formula.

125 ~~[(d)]~~ (f) The state board shall prepare and distribute an allocation table based on the  
 126 ~~[regression]~~ distribution formula to each school district.

127 ~~[(7)]~~ (6) (a) To avoid penalizing a school district financially for consolidating the  
 128 school district's small schools, additional weighted pupil units may be allowed a school district  
 129 each year, not to exceed two years.

130 (b) The additional weighted pupil units may not exceed the difference between what  
 131 the school district receives for a consolidated school and what the school district would have  
 132 received for the small schools had the small schools not been consolidated.

133 ~~[(8)]~~ (7) Subject to legislative appropriation, the state board shall give first priority  
 134 from an appropriation made under this section to funding an expense approved by the state  
 135 board as described in Subsection [53G-6-305\(3\)\(a\)](#).

136 ~~[(9)]~~ (8) (a) Subject to Subsection ~~[(9)]~~ (8)(b) and after a distribution made under  
 137 Subsection ~~[(8)]~~ (7), the state board may distribute a portion of necessarily existent small  
 138 schools funding:

139 (i) in accordance with a formula adopted by the state board that considers the tax effort  
 140 of a local school board~~[-];~~ or

141 (ii) to isolated small schools, as identified by the state board.

142 (b) The amount distributed in accordance with Subsection ~~[(9)]~~ (8)(a) may not exceed  
 143 the necessarily existent small schools fund in balance of the prior fiscal year.

144 ~~[(10)]~~ (9) A local school board may use the money allocated under this section for  
 145 maintenance and operation of school programs or for other school purposes as approved by the  
 146 state board.

147 Section 3. Section **53F-5-214** is enacted to read:

148 **53F-5-214. Rural school extracurricular activities reimbursement.**

149 (1) As used in this section:

150 (a) "Approved extracurricular activity" means an extracurricular activity as that term is  
151 defined in Section 53G-7-501, that is approved by the state board in accordance with this  
152 section.

153 (b) "Eligible LEA" means an LEA in a county of the fourth, fifth, or sixth class, as  
154 defined in Section 17-50-501.

155 (c) "LEA governing board" means:

156 (i) the local school board of a school district that is an eligible LEA; or

157 (ii) the charter school governing board of a charter school that is an eligible LEA.

158 (2) (a) An LEA governing board may annually submit a request to the state board to  
159 receive reimbursement for an expense related to an approved extracurricular activity incurred  
160 by the eligible LEA, including transportation expenses.

161 (b) The state board may approve a request for reimbursement in accordance with  
162 criteria established by the state board under Subsection (4).

163 (3) (a) Subject to appropriations of the Legislature for this purpose, and except as  
164 provided in Subsection (3)(b), the state board shall reimburse an eligible LEA for expenses  
165 related to an approved extracurricular activity in accordance with this section and rules made  
166 by the state board under Subsection (4).

167 (b) If the appropriation of the Legislature for this section is insufficient to reimburse an  
168 expense in a request received under Subsection (2), the state board may reduce an eligible  
169 LEA's reimbursement in accordance with rules made by the state board under Subsection (4).

170 (4) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah  
171 Administrative Rulemaking Act, that establish:

172 (a) an approved extracurricular activity;

173 (b) requirements for information an LEA governing board shall submit in a request  
174 described in Subsection (2);

175 (c) a deadline by which an LEA governing board shall submit a request described in  
176 Subsection (2);

177 (d) criteria for approving a request for reimbursement;

178 (e) a formula for reducing an eligible LEA's reimbursement under Subsection (3); and

179 (f) a process for distributing reimbursement to an eligible LEA.

180 (5) In making the rules described in Subsection (4)(a), the state board shall prioritize

181 extracurricular activities that promote heritage, arts, and cultural education.

182 Section 4. **Appropriation.**

183 The following sums of money are appropriated for the fiscal year beginning July 1,  
184 2020, and ending June 30, 2021. These are additions to amounts previously appropriated for  
185 fiscal year 2021. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures  
186 Act, the Legislature appropriates the following sums of money from the funds or accounts  
187 indicated for the use and support of the government of the state of Utah.

188 ITEM 1

189 To State Board of Education -- Minimum School Program -- Related to Basic School  
190 Programs

191 From Education Fund, Ongoing \$100,000

192 Schedule of Programs:

193 Rural school extracurricular activities reimbursement \$100,000

194 The Legislature intends that the State Board of Education use the appropriation  
195 described in this section to reimburse an eligible local education agency for expenses related to  
196 an approved extracurricular activity in accordance with Section [53F-5-214](#).