

PUBLIC EDUCATION TRUST FUND MODIFICATIONS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Carol S. Moss

Senate Sponsor: _____

LONG TITLE

General Description:

This bill creates the Public Education Trust Fund.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ creates the Public Education Trust Fund (trust fund);
- ▶ creates an advisory council to advise on the management and use of the trust fund;
- ▶ provides that the trust fund shall be used to fund a grant program to assist school personnel seeking advanced degrees or certifications; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

This bill appropriates:

- ▶ to Public Education Trust Fund, as a one-time appropriation:
 - from Public Education Economic Stabilization Restricted Account, One-time, \$200,000,000.

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53F-9-204, as last amended by Laws of Utah 2022, Chapters 386, 456



28 ENACTS:

29 [53F-9-207](#), Utah Code Annotated 1953



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

32 Section 1. Section **53F-9-204** is amended to read:

33 **53F-9-204. Public Education Economic Stabilization Restricted Account.**

34 (1) There is created within the Uniform School Fund a restricted account known as the
35 "Public Education Economic Stabilization Restricted Account."

36 (2) (a) Except as provided in Subsection (2)(b), the account shall be funded from the
37 following revenue sources:

38 (i) 15% of the difference between, as determined by the Office of the Legislative Fiscal
39 Analyst:

40 (A) the estimated amount of ongoing Income Tax Fund and Uniform School Fund
41 revenue available for the Legislature to appropriate for the next fiscal year; and

42 (B) the amount of ongoing appropriations from the Income Tax Fund and Uniform
43 School Fund in the current fiscal year; and

44 (ii) other appropriations as the Legislature may designate.

45 (b) If the appropriation described in Subsection (2)(a) would cause the ongoing
46 appropriations to the account to exceed 11% of Uniform School Fund appropriations described
47 in Section [53F-9-201.1](#) for the same fiscal year, the Legislature shall appropriate only those
48 funds necessary to ensure that the ongoing appropriations to the account equal 11% of Uniform
49 School Fund appropriations for that fiscal year.

50 (3) Subject to the availability of ongoing appropriations to the account, in accordance
51 with Utah Constitution, Article X, Section 5, Subsection (4), the ongoing appropriation to the
52 account shall be used to fund:

53 (a) except for a year described in Subsection (3)(b), one-time appropriations to:

54 (i) the public education system; or

55 (ii) the trust fund created in Section [53F-9-207](#); and

56 (b) the Minimum School Program for a year in which Income Tax Fund revenue and
57 Uniform School Fund revenue are insufficient to fund:

58 (i) ongoing appropriations to the public education system; and

59 (ii) enrollment growth and inflation estimates, as defined in Section 53F-9-201.1.

60 (4) (a) The account shall earn interest.

61 (b) All interest earned on account money shall be deposited in the account.

62 (5) On or before December 31, 2023, and every three years thereafter, the Office of the

63 Legislative Fiscal Analyst shall:

64 (a) review the percentages described in Subsections (2)(a)(i) and (2)(b); and

65 (b) recommend to the Executive Appropriations Subcommittee any changes based on
66 the review described in Subsection (5)(a).

67 (6) In preparing budget bills for a given fiscal year, the Executive Appropriations
68 Committee shall make the one-time appropriations described in Subsection (3)(a) by
69 appropriating at least the lesser of 10% of the total amount of the one-time appropriations or
70 the cost of providing 32 paid professional hours for teachers in accordance with Section
71 53F-7-203.

72 Section 2. Section 53F-9-207 is enacted to read:

73 **53F-9-207. Public Education Trust Fund -- Creation -- Advisory council -- Grant**
74 **program -- Investment -- Reporting.**

75 (1) As used in this section:

76 (a) "Account" means the Public Education Economic Stabilization Restricted Account
77 created in Section 53F-9-204.

78 (b) "Advisory council" means the Public Education Trust Fund Advisory Council
79 created in Subsection (4).

80 (c) "Rural school district" means a school district that is located in a county of the
81 fourth, fifth, or sixth class, as defined in Section 17-50-501.

82 (d) "School personnel" means a school district employee, including a teacher, aide, or
83 specialist, whose primary responsibility is to work in a classroom or with a student or students.

84 (e) "Trust fund" means the Public Education Trust Fund created in Subsection (2).

85 (f) "Urban school district" means a school district that is located in a county of the first,
86 second, or third class, as defined in Section 17-50-501.

87 (2) There is created the Public Education Trust Fund.

88 (3) The trust fund consists of:

89 (a) appropriations from the account by the Legislature;

90 (b) other appropriations made to the trust fund, if any;

91 (c) interest and earnings from the investment of trust funds; and

92 (d) other revenues received from other sources.

93 (4) (a) There is created the Public Education Trust Fund Advisory Council consisting

94 of the following seven members:

95 (i) the executive director of the Utah Educational Savings Plan, or the executive
96 director's designee;

97 (ii) one member of the state board appointed by the chair of the state board;

98 (iii) two public education school district superintendents appointed by the School
99 Board Association, one of whom shall be from a rural school district and one of whom shall be
100 from an urban school district;

101 (iv) one member appointed by the Utah School Boards Association; and

102 (v) two members appointed by the state treasurer on a nonpartisan basis who possess
103 professional qualifications pertinent to institutional investment management.

104 (b) (i) Except as provided in Subsection (4)(b)(ii), an appointed member of the
105 advisory council shall serve a term of four years.

106 (ii) Notwithstanding Subsection (4)(b)(i), a member of the advisory council's term ends
107 on the day on which the member's position allowing the member to serve on the advisory
108 council under Subsection (4)(a) ends.

109 (c) A vacancy on the advisory council shall be filled in the same manner in which the
110 original appointment is made.

111 (d) (i) A majority of the members of the advisory council constitutes a quorum of the
112 advisory council.

113 (ii) An action by a majority of the members of a quorum constitutes the action of the
114 advisory council.

115 (e) A member of the advisory council may not receive compensation or benefits for the
116 member's service on the advisory council, but may receive per diem and reimbursement for
117 travel expenses incurred as an advisory council member at the rates established by the Division
118 of Finance under:

119 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

120 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and

121 [63A-3-107.](#)

122 (f) The state board shall provide staff support for the advisory council.

123 (5) The advisory council shall advise the state board regarding the trust fund, including
124 recommendations for the implementation and maintenance of the grant program described in
125 Subsection (6).

126 (6) The state board shall establish a grant program to assist school personnel with the
127 costs of pursuing an advanced degree or certification in a relevant field as determined by the
128 state board in consultation with the advisory council.

129 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
130 in consultation with the advisory council, the state board shall make rules to administer the
131 trust fund, and to establish and administer the grant program described in Subsection (6),
132 including rules to:

133 (a) create a grant application process;

134 (b) establish criteria for awarding a grant; and

135 (c) require a grant recipient to use a grant exclusively for the purposes described in
136 Subsection (6).

137 (8) To fund the grant program described in Subsection (6), the state board may expend:

138 (a) for fiscal years 2024 and 2025, up to 10% of the trust fund;

139 (b) for fiscal years 2026 through 2030, up to 4% of the trust fund; and

140 (c) for fiscal years after 2030, income earned on the trust fund principal.

141 (9) The state board shall:

142 (a) serve as the trustee of the trust fund and exercise the state's fiduciary
143 responsibilities;

144 (b) meet at least twice a year to conduct business on behalf of the trust fund;

145 (c) review and approve all trust fund policies, projections, rules, criteria, procedures,
146 forms, standards, and performance goals;

147 (d) review and approve the budget for and expenditures from the trust fund in
148 accordance with this section;

149 (e) review financial records for the trust fund, including trust fund receipts,
150 expenditures, and investments; and

151 (f) take any other action necessary to fulfill the state board's fiduciary obligations.

152 (10) The state board shall ensure that:

153 (a) money deposited into the trust fund is irrevocable and is expended only as provided
154 in this section;

155 (b) creditors of the state board may not seize, attach, or otherwise obtain assets of the
156 trust fund; and

157 (c) except for expenditures authorized in this section, the principal of the trust fund is
158 held in perpetuity.

159 (11) (a) With the primary goal of providing for stability, income, and growth of the
160 principal, the state treasurer shall invest:

161 (i) for fiscal years 2024 and 2025, up to 80% of the trust funds;

162 (ii) for fiscal years 2026 through 2030, up to 92% of the trust funds; and

163 (iii) for fiscal years after 2030, the principal of the trust fund.

164 (b) The state treasurer shall invest the money in the trust fund by following the
165 procedures and requirements of Title 51, Chapter 7, State Money Management Act.

166 (12) (a) The trust fund shall earn interest.

167 (b) Except for interest that is expended by the state board in accordance with
168 Subsection (8), the treasurer shall deposit the interest or other income earned from investment
169 of the trust funds into the trust fund.

170 (13) The state board shall annually report trust fund earnings and expenditures to the
171 Higher Education Appropriations Subcommittee no later than November 1.

172 **Section 3. Appropriation.**

173 The following sums of money are appropriated for the fiscal year beginning July 1,
174 2023, and ending June 30, 2024. These are additions to amounts previously appropriated for
175 fiscal year 2024. Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures
176 Act, the Legislature appropriates the following sums of money from the funds or accounts
177 indicated for the use and support of the government of the state of Utah.

178 ITEM 1

179 To Public Education Trust Fund

180 From Public Education Economic Stabilization Restricted

181 Account, One-time

200,000,000

182 Schedule of Programs:

183 Public Education Trust Fund 200,000,000
184 The Legislature intends that the appropriation provided under this item be used for the
185 purposes described in Section [53F-9-207](#).