

**STUDENT-BASED BUDGETING**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: David G. Butterfield**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill requires a school district to distribute certain revenues to schools in accordance with a weighted student formula and requires a principal to determine how to use revenues available to the school to meet students' needs.

**Highlighted Provisions:**

This bill:

- ▶ provides for reporting of noncompliance, and enforcement of compliance, of certain State Board of Education rules;
- ▶ requires a school district to distribute, by July 1, 2014, no less than 85% of Minimum School Program revenues to schools;
- ▶ requires a school district to allocate Minimum School Program revenues distributed to a school in accordance with a weighted student formula, with exceptions;
- ▶ directs a school principal to:
  - prepare a school budget;
  - consult with an advisory committee in preparing a school budget; and
  - submit the school budget to the local school board for approval;
- ▶ requires a school budget to be aligned with and support the school instructional, academic, and student achievement goals;
- ▶ requires a school principal to determine how to use revenue available to the school to meet the needs of the school's students; and



28           ▶ requires a school district to publish on the school district's website information on  
29 revenue available to a school and the school budget.

30 **Money Appropriated in this Bill:**

31           None

32 **Other Special Clauses:**

33           None

34 **Utah Code Sections Affected:**

35 AMENDS:

36           **53A-1a-108.5**, as enacted by Laws of Utah 2002, Chapter 324

37 ENACTS:

38           **53A-1-410**, Utah Code Annotated 1953

39           **53A-2-501**, Utah Code Annotated 1953

40           **53A-2-502**, Utah Code Annotated 1953

41           **53A-2-503**, Utah Code Annotated 1953

42           **53A-2-504**, Utah Code Annotated 1953

43           **53A-2-505**, Utah Code Annotated 1953

44           **53A-2-506**, Utah Code Annotated 1953

45           **53A-2-507**, Utah Code Annotated 1953



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

48           Section 1. Section **53A-1-410** is enacted to read:

49           **53A-1-410. Report of noncompliance to the State Board of Education.**

50           (1) The state superintendent shall report to the State Board of Education any report  
51 made to a member of the staff of the State Board of Education regarding noncompliance of  
52 Chapter 2, Part 5, Student-based Budgeting Act.

53           (2) In accordance with the powers granted to the State Board of Education under  
54 Section 53A-1-401, the State Board of Education may take action to enforce compliance with  
55 State Board of Education rules related to Chapter 2, Part 5, Student-based Budgeting Act.

56           Section 2. Section **53A-1a-108.5** is amended to read:

57           **53A-1a-108.5. School improvement plan.**

58           (1) (a) Each school community council shall annually evaluate the school's U-PASS

59 test results and use the evaluations in developing a school improvement plan.

60 (b) In evaluating U-PASS test results and developing a school improvement plan, a  
61 school community council may not have access to data that reveal the identity of students.

62 (2) Each school improvement plan shall:

63 (a) identify the school's most critical academic needs;

64 (b) recommend a course of action to meet the identified needs;

65 (c) list any programs, practices, materials, or equipment that the school will need to  
66 implement its action plan to have a direct impact on the instruction of students and result in  
67 measurable increased student performance; and

68 (d) describe how the school intends to enhance or improve academic achievement,  
69 including how ~~[financial resources available to the school, such as School LAND Trust  
70 Program money received under Section 53A-16-101.5 and state and federal grants;]~~ the school  
71 budget will be used to enhance or improve academic achievement.

72 (3) The school improvement plan shall focus on the school's most critical academic  
73 needs but may include other actions to enhance or improve academic achievement and  
74 community environment for students.

75 (4) The school principal shall make available to the school community council the  
76 school budget and other data needed to develop the school improvement plan.

77 (5) The school improvement plan shall be subject to the approval of the local school  
78 board of the school district in which the school is located.

79 (6) A school community council may develop a multiyear school improvement plan,  
80 but the plan must be presented to and approved annually by the local school board.

81 (7) Each school shall:

82 (a) implement the school improvement plan as developed by the school community  
83 council and approved by the local school board;

84 (b) provide ongoing support for the council's plan; and

85 (c) meet local school board reporting requirements regarding performance and  
86 accountability.

87 Section 3. Section **53A-2-501** is enacted to read:

88 **Part 5. Student-based Budgeting Act**

89 **53A-2-501. Title.**

90 This part is known as the "Student-based Budgeting Act."

91 Section 4. Section **53A-2-502** is enacted to read:

92 **53A-2-502. Definitions.**

93 As used in this part:

94 (1) "Minimum School Program revenues" means the following revenues received by a  
95 school district:

96 (a) state revenues distributed to a school district for a program funded by a line item  
97 appropriation designated as follows:

98 (i) Basic School Program;

99 (ii) Related to Basic Programs; or

100 (iii) Voted and Board Leeway Programs;

101 (b) revenue from a basic levy imposed by the school district under Section  
102 53A-17a-135, except proceeds which exceed the cost of a school district's basic program and  
103 are deposited into the Uniform School Fund pursuant to Section 53A-17a-135;

104 (c) revenue from a voted local levy imposed by the school district under Section  
105 53A-17a-133; and

106 (d) revenue from a board local levy imposed by the school district under Section  
107 53A-17a-164.

108 (2) "Weighted student formula" means a formula for distributing money to schools in  
109 which a base allocation is set for each student and weights are added to the base allocation  
110 depending on student need or other factors.

111 Section 5. Section **53A-2-503** is enacted to read:

112 **53A-2-503. Purposes of student-based budgeting.**

113 The purposes of student-based budgeting are to:

114 (1) create a system of excellent schools in Utah led by great principals who have the  
115 authority, resources, and responsibility to teach all students well;

116 (2) engage those closest to the students in making key decisions that impact the  
117 students;

118 (3) empower schools and hold them accountable for results;

119 (4) provide for fair and transparent funding that schools can rely on annually;

120 (5) allow dollars to follow each student;

- 121 (6) put the resources in the schools;
- 122 (7) provide students with similar characteristics a similar level of resources; and
- 123 (8) develop an equitable, simple, and transparent approach to help schools achieve
- 124 results for students.

125 Section 6. Section **53A-2-504** is enacted to read:

126 **53A-2-504. Distribution of revenue to schools in accordance with a weighted**  
127 **student formula.**

128 (1) Beginning on July 1, 2014, a school district shall distribute no less than 85% of  
129 Minimum School Program revenues to schools.

130 (2) (a) Except as provided in Subsections (3) and (4), Minimum School Program  
131 revenues distributed to schools shall be allocated in accordance with a weighted student  
132 formula established by the local school board.

133 (b) A weighted student formula shall allocate revenue distributed to schools under  
134 Subsection (1) in a fair and equitable manner that takes into account student needs.

135 (3) Revenue a school district receives for a program funded through a Related to Basic  
136 Programs line item appropriation that is restricted for a certain purpose may be allocated to  
137 schools in a manner other than a weighted student formula.

138 (4) To mitigate a decrease in resources available to a school, a school district may  
139 phase in the implementation of a weighted student formula over a three-year period.

140 Section 7. Section **53A-2-505** is enacted to read:

141 **53A-2-505. School budget -- Principal to determine use of school revenue.**

142 (1) The principal of each school shall:

143 (a) prepare a budget for the expenditure of revenue distributed to the school under  
144 Section 53A-2-504;

145 (b) consult with an advisory committee appointed under Subsection (2) in preparing the  
146 budget; and

147 (c) submit the budget to the local school board for approval.

148 (2) (a) The principal shall appoint an advisory committee to:

149 (i) review the instructional, academic, and student achievement goals of the school;

150 and

151 (ii) recommend how a school budget may be created to achieve the goals described in

152 Subsection (2)(a)(i).

153 (b) The advisory committee:

154 (i) shall include a parent or guardian member of the school community council who  
155 serves as chair of the school community council; and

156 (ii) may include the following personnel employed at the school:

157 (A) administrators;

158 (B) teachers; and

159 (C) instructional support personnel.

160 (3) A school budget prepared and approved under Subsection (1) shall be aligned with  
161 and support:

162 (a) the goals described in Subsection (2); and

163 (b) the school improvement plan developed under Section 53A-1a-108.5.

164 (4) (a) If a local school board disapproves a school budget submitted under Subsection  
165 (1), the local school board shall provide a written explanation of why the budget was  
166 disapproved and request the principal to revise the budget.

167 (b) The principal shall submit a revised school budget to the local school board for  
168 approval.

169 (5) In preparing a school budget, a principal shall determine:

170 (a) how to use revenue available to the school to meet the needs of the school's  
171 students;

172 (b) the number and type of both licensed and classified staff positions;

173 (c) the teaching assignments or other work assignments of licensed and classified  
174 personnel at the school;

175 (d) how to provide for instructional support services, such as curriculum development  
176 or professional development;

177 (e) how to provide for building and grounds maintenance;

178 (f) what instructional materials to acquire, subject to the requirements of Sections  
179 53A-13-101 and 53A-14-107; and

180 (g) what other resources are necessary for the education of the school's students.

181 Section 8. Section **53A-2-506** is enacted to read:

182 **53A-2-506. School budget -- Employee salaries and benefits.**

183 A school shall be charged for, and a school budget shall include revenue and  
184 expenditures for, the actual cost of the salaries and benefits of personnel employed at the  
185 school.

186 Section 9. Section **53A-2-507** is enacted to read:

187 **53A-2-507. Revenue and budget information published on school district website.**

188 A school district shall publish on the school district's website:

189 (1) the amount of revenue distributed to each school in accordance with Section  
190 53A-2-504;

191 (2) how the total revenues distributed to a school are calculated using a weighted pupil  
192 formula and other allocation formulas;

193 (3) how a weighted pupil formula is phased in over a three-year period pursuant to  
194 Section 53A-2-504; and

195 (4) each school budget.

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**Legislative Review Note**  
**as of 2-15-12 9:53 AM**

**Office of Legislative Research and General Counsel**