

1 **PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION**

2 2014 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Ken Ivory**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies and provides funding for the Capital Outlay Enrollment Growth
10 Program.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ modifies eligibility requirements for a school district to receive funds through the
14 Capital Outlay Enrollment Growth Program;
- 15 ▶ creates a restricted account known as the Enrollment Growth Account;
- 16 ▶ requires a portion of an Education Fund revenue surplus to be deposited in the
17 Enrollment Growth Account;
- 18 ▶ requires unallocated balances in certain programs of the Minimum School Program
19 at the end of the fiscal year to be deposited in the Enrollment Growth Account; and
- 20 ▶ requires the State Board of Education to allocate money appropriated from the
21 Enrollment Growth Account to school districts eligible to receive funds through the
22 Capital Outlay Enrollment Growth Program.

23 **Money Appropriated in this Bill:**

24 This bill appropriates in fiscal year 2015:

- 25 ▶ to School Building Programs as a one-time appropriation:
 - 26 • from the Education Fund, one-time, \$122,000,000.

27 **Other Special Clauses:**



28 This bill takes effect on July 1, 2014.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **53A-21-301**, as last amended by Laws of Utah 2010, Chapter 185

32 ENACTS:

33 **53A-21-303**, Utah Code Annotated 1953



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

36 Section 1. Section **53A-21-301** is amended to read:

37 **53A-21-301. Capital Outlay Enrollment Growth Program -- Definitions.**

38 (1) There is created the Capital Outlay Enrollment Growth Program to provide capital
39 outlay funding to school districts experiencing net enrollment increases.

40 (2) As used in this part:

41 (a) "Account" means the Enrollment Growth Account created in Section 53A-21-303.

42 ~~[(a)]~~ (b) "Average annual net enrollment increase" means the quotient of:

43 (i) (A) enrollment in the prior fiscal year, based on October 1 enrollment counts; minus

44 (B) enrollment in the year four years prior, based on October 1 enrollment counts;

45 divided by

46 (ii) three.

47 (c) "Education Fund revenue surplus" has the meaning defined in Section 63J-1-313.

48 ~~[(b)]~~ (d) "Eligible district" or "eligible school district" means a school district that:

49 (i) has an average annual net enrollment increase; and

50 (ii) has a property tax base per ADM in the year two years prior that is less than [~~two~~
51 ~~times~~] the statewide average property tax base per ADM in the year two years prior.

52 (e) "Operating deficit" has the meaning defined in Section 63J-1-313.

53 Section 2. Section **53A-21-303** is enacted to read:

54 **53A-21-303. Enrollment Growth Account.**

55 (1) There is created within the Education Fund a restricted account known as the
56 Enrollment Growth Account.

57 (2) The Enrollment Growth Account consists of:

58 (a) an Education Fund revenue surplus transferred to the account pursuant to

59 Subsection (3):

60 (b) unallocated balances in the following programs within the Minimum School
61 Program at the end of a fiscal year that are transferred to the account pursuant to Subsection
62 (4):

- 63 (i) the Basic Program; and
- 64 (ii) the Related to Basic Programs; and
- 65 (c) interest on account funds.

66 (3) The Division of Finance shall transfer to the Enrollment Growth Account the
67 balance of an Education Fund revenue surplus remaining after:

- 68 (a) the transfer of Education Fund revenue surplus money to the Education Budget
69 Reserve Account as required by Section [63J-1-313](#); and
- 70 (b) any year-end contingency appropriations, year-end set-asides, or other year-end
71 transfers required by law.

72 (4) The Division of Finance shall transfer to the Enrollment Growth Account
73 unallocated balances in the following programs within the Minimum School Program at the
74 end of a fiscal year:

- 75 (a) the Basic Program; and
- 76 (b) the Related to Basic Programs.

77 (5) Notwithstanding Subsection (3), if, at the end of a fiscal year, the Division of
78 Finance determines that an operating deficit exists, the Division of Finance may reduce the
79 transfer to the Enrollment Growth Account by the amount necessary to eliminate the operating
80 deficit.

81 (6) Upon the appropriation of money from the Enrollment Growth Account to the State
82 Board of Education, the State Board of Education shall allocate the money to an eligible school
83 district as provided by Section [53A-21-302](#).

84 **Section 3. Appropriation.**

85 Under the terms and conditions of Title 63J, Chapter 1, Budgetary Procedures Act, for
86 the fiscal year beginning July 1, 2014, and ending June 30, 2015, the following sums of money
87 are appropriated from resources not otherwise appropriated, or reduced from amounts
88 previously appropriated, out of the funds or accounts indicated. These sums of money are in
89 addition to any amounts previously appropriated for fiscal year 2015.

90	<u>To School Building Programs</u>	
91	<u>From Education Fund, one-time</u>	<u>\$122,000,000</u>
92	<u>Schedule of Programs:</u>	
93	<u>Capital Outlay Enrollment Growth Program</u>	<u>\$122,000,000</u>
94	Section 4. Effective date.	
95	<u>This bill takes effect on July 1, 2014.</u>	

Legislative Review Note
as of 2-5-14 12:09 PM

Office of Legislative Research and General Counsel