

Representative Ken Ivory proposes the following substitute bill:

PUBLIC EDUCATION CAPITAL FUNDING EQUALIZATION

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ken Ivory

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

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

Money Appropriated in this Bill:

This bill appropriates in fiscal year 2015:



- 26 ▶ to School Building Programs as a one-time appropriation:
- 27 • from the Education Fund, one-time, \$61,000,000.

28 **Other Special Clauses:**

29 This bill takes effect on July 1, 2014.

30 **Utah Code Sections Affected:**

31 AMENDS:

32 **53A-17a-105**, as last amended by Laws of Utah 2013, Chapter 310

33 **53A-21-301**, as last amended by Laws of Utah 2010, Chapter 185

34 ENACTS:

35 **53A-21-303**, Utah Code Annotated 1953



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

38 Section 1. Section **53A-17a-105** is amended to read:

39 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum**
40 **School Program allocations.**

41 (1) Except as provided in Subsection (2) or (4), if the number of weighted pupil units
42 in a program is underestimated, the State Board of Education shall reduce the value of the
43 weighted pupil unit in that program so that the total amount paid for the program does not
44 exceed the amount appropriated for the program.

45 (2) If the number of weighted pupil units in a program is overestimated, the State
46 Board of Education shall spend excess money appropriated for the following purposes giving
47 priority to the purpose described in Subsection (2)(a):

48 (a) to support the value of the weighted pupil unit in a program within the basic
49 state-supported school program in which the number of weighted pupil units is underestimated;

50 (b) to support the state guarantee per weighted pupil unit provided under the voted
51 local levy program established in Section **53A-17a-133** or the board local levy program
52 established in Section **53A-17a-164**, if:

53 (i) local contributions to the voted local levy program or board local levy program are
54 overestimated; or

55 (ii) the number of weighted pupil units within school districts qualifying for a
56 guarantee is underestimated;

57 (c) to support the state supplement to local property taxes allocated to charter schools,
58 if the state supplement is less than the amount prescribed by Subsection 53A-1a-513(4); or

59 (d) to support a school district with a loss in student enrollment as provided in Section
60 53A-17a-139.

61 (3) If local contributions from the minimum basic tax rate imposed under Section
62 53A-17a-135 are overestimated, the State Board of Education shall reduce the value of the
63 weighted pupil unit for all programs within the basic state-supported school program so the
64 total state contribution to the basic state-supported school program does not exceed the amount
65 of state funds appropriated.

66 (4) If local contributions from the minimum basic tax rate imposed under Section
67 53A-17a-135 are underestimated, the State Board of Education shall:

68 (a) spend the excess local contributions for the purposes specified in Subsection (2),
69 giving priority to supporting the value of the weighted pupil unit in programs within the basic
70 state-supported school program in which the number of weighted pupil units is underestimated;
71 and

72 (b) reduce the state contribution to the basic state-supported school program so the
73 total cost of the basic state-supported school program does not exceed the total state and local
74 funds appropriated to the basic state-supported school program plus the local contributions
75 necessary to support the value of the weighted pupil unit in programs within the basic
76 state-supported school program in which the number of weighted pupil units is underestimated.

77 (5) Except as provided in Subsection (2) or (4), the State Board of Education shall
78 reduce the guarantee per weighted pupil unit provided under the voted local levy program
79 established in Section 53A-17a-133 or board local levy program established in Section
80 53A-17a-164, if:

81 (a) local contributions to the voted local levy program or board local levy program are
82 overestimated; or

83 (b) the number of weighted pupil units within school districts qualifying for a
84 guarantee is underestimated.

85 (6) ~~Money~~ Except as provided in Section 53A-21-303, money appropriated to the
86 State Board of Education is nonlapsing.

87 (7) The State Board of Education shall report actions taken by the board under this

88 section to the Office of the Legislative Fiscal Analyst and the Governor's Office of
89 Management and Budget.

90 Section 2. Section **53A-21-301** is amended to read:

91 **53A-21-301. Capital Outlay Enrollment Growth Program -- Definitions.**

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

94 (2) As used in this part:

95 (a) "Account" means the Enrollment Growth Account created in Section [53A-21-303](#).

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

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

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

99 divided by

100 (ii) three.

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

102 (d) "Education Fund revenue surplus balance" means the balance of an Education Fund
103 revenue surplus remaining after the Division of Finance:

104 (i) transfers Education Fund revenue surplus money to the Education Budget Reserve
105 Account as required by Section [63J-1-313](#); and

106 (ii) transfers from the Education Fund revenue surplus any year-end contingency
107 appropriations, year-end set-asides, or other year-end transfers required by law.

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

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

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

112 (f) "Operating deficit" has the meaning defined in Section [63J-1-313](#).

113 Section 3. Section **53A-21-303** is enacted to read:

114 **53A-21-303. Enrollment Growth Account.**

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

117 (2) The Enrollment Growth Account consists of:

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

119 Subsection (3):

120 (b) unexpended balances in the following programs within the Minimum School
121 Program at the end of a fiscal year that are transferred to the account pursuant to Subsection

122 (4):

123 (i) the Basic Program; and

124 (ii) the Related to Basic Programs; and

125 (c) interest on account funds.

126 (3) The Division of Finance shall transfer the Education Fund revenue surplus balance,
127 up to a maximum \$75,000,000, to the Enrollment Growth Account.

128 (4) The Division of Finance shall transfer to the Enrollment Growth Account 33% of
129 the unexpended balance in each of the following programs within the Minimum School
130 Program at the end of a fiscal year:

131 (a) the Basic Program; and

132 (b) the Related to Basic Programs.

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

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

140 **Section 4. Appropriation.**

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

146 To School Building Programs

147 From Education Fund, one-time

\$61,000,000

148 Schedule of Programs:

149 Capital Outlay Enrollment Growth Program

\$61,000,000

150 Section 5. **Effective date.**

151 This bill takes effect on July 1, 2014.