

1 **LOCAL SCHOOL ENTITY AMENDMENTS**

2 2017 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Bruce R. Cutler**

5 Senate Sponsor: _____

6 **LONG TITLE**7 **General Description:**

8 This bill modifies provisions relating to the Minimum School Program Act.

9 **Highlighted Provisions:**

10 This bill:

- 11 ▶ amends certain references to education entities in Title 53A, Chapter 17a, Minimum
- 12 School Program Act;
- 13 ▶ repeals outdated language; and
- 14 ▶ makes technical changes.

15 **Money Appropriated in this Bill:**

16 None

17 **Other Special Clauses:**

18 None

19 **Utah Code Sections Affected:**

20 AMENDS:

- 21 53A-1a-106, as last amended by Laws of Utah 2012, Chapter 315
- 22 53A-2-214, as last amended by Laws of Utah 2011, Chapter 371
- 23 53A-17a-103, as last amended by Laws of Utah 2016, Chapter 367
- 24 53A-17a-105, as last amended by Laws of Utah 2016, Chapter 229
- 25 53A-17a-105.5, as last amended by Laws of Utah 2016, Chapter 200
- 26 53A-17a-106, as last amended by Laws of Utah 2001, Chapter 73



28 **53A-17a-107**, as last amended by Laws of Utah 2008, Chapter 382
29 **53A-17a-108**, as last amended by Laws of Utah 2010, Chapters 3 and 399
30 **53A-17a-109**, as last amended by Laws of Utah 2013, Chapter 106
31 **53A-17a-111**, as last amended by Laws of Utah 2011, Chapter 342
32 **53A-17a-111.5**, as last amended by Laws of Utah 2003, Chapter 221
33 **53A-17a-112**, as last amended by Laws of Utah 2011, Chapters 359 and 366
34 **53A-17a-113**, as last amended by Laws of Utah 2010, Chapter 3
35 **53A-17a-116**, as last amended by Laws of Utah 2010, Chapter 3
36 **53A-17a-119**, as last amended by Laws of Utah 2010, Chapter 3
37 **53A-17a-124**, as last amended by Laws of Utah 2014, Chapter 346
38 **53A-17a-124.5**, as last amended by Laws of Utah 2016, Chapter 188
39 **53A-17a-125**, as last amended by Laws of Utah 2010, Chapter 3
40 **53A-17a-126**, as last amended by Laws of Utah 2016, Chapter 214
41 **53A-17a-127**, as last amended by Laws of Utah 2011, Chapters 366 and 371
42 **53A-17a-133**, as last amended by Laws of Utah 2016, Chapters 2, 350, and 367
43 **53A-17a-134**, as last amended by Laws of Utah 2013, Chapter 178
44 **53A-17a-135**, as last amended by Laws of Utah 2016, Chapter 2
45 **53A-17a-139**, as enacted by Laws of Utah 1991, Chapter 72
46 **53A-17a-140**, as enacted by Laws of Utah 1991, Chapter 72
47 **53A-17a-141**, as enacted by Laws of Utah 1991, Chapter 72
48 **53A-17a-143**, as last amended by Laws of Utah 2011, Chapter 371
49 **53A-17a-144**, as last amended by Laws of Utah 2011, Chapter 342
50 **53A-17a-145**, as last amended by Laws of Utah 2011, Chapter 371
51 **53A-17a-146**, as last amended by Laws of Utah 2011, Chapters 371 and 381
52 **53A-17a-150**, as last amended by Laws of Utah 2016, Chapter 188
53 **53A-17a-151**, as last amended by Laws of Utah 2011, Chapter 371
54 **53A-17a-153**, as last amended by Laws of Utah 2010, Chapter 3
55 **53A-17a-159**, as enacted by Laws of Utah 2008, Chapter 397
56 **53A-17a-165**, as last amended by Laws of Utah 2015, Chapter 258
57 **53A-17a-166**, as enacted by Laws of Utah 2011, Chapter 359
58 **53A-17a-167**, as last amended by Laws of Utah 2015, Chapter 372

59 **53A-17a-171**, as last amended by Laws of Utah 2016, Chapter 188

60 **63J-1-220**, as enacted by Laws of Utah 2015, Chapter 407

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

63 Section 1. Section **53A-1a-106** is amended to read:

64 **53A-1a-106. School district and individual school powers -- Student**
65 **education/occupation plan (SEOP) definition.**

66 (1) In order to acquire and develop the characteristics listed in Section **53A-1a-104**,
67 each school district and each public school within its respective district shall implement a
68 comprehensive system of accountability in which students advance through public schools by
69 demonstrating competency in required skills and mastery of required knowledge through the
70 use of diverse assessment instruments such as authentic and criterion referenced tests, projects,
71 and portfolios.

72 (2) (a) Each school district and public school shall:

73 (i) develop and implement programs integrating technology into the curriculum,
74 instruction, and student assessment;
75 (ii) provide for teacher and parent involvement in policymaking at the school site;
76 (iii) implement a public school choice program to give parents, students, and teachers
77 greater flexibility in designing and choosing among programs with different focuses through
78 schools within the same district and other districts, subject to space availability, demographics,
79 and legal and performance criteria;

80 (iv) establish strategic planning at both the district and school level and site-based
81 decision making programs at the school level;

82 (v) provide opportunities for each student to acquire and develop academic and
83 occupational knowledge, skills, and abilities;

84 (vi) participate in ongoing research and development projects primarily at the school
85 level aimed at improving the quality of education within the system; and

86 (vii) involve business and industry in the education process through the establishment
87 of partnerships with the business community at the district and school level.

88 (b) (i) As used in this title, "student education/occupation plan" or "SEOP" means a
89 plan developed by a student and the student's parent or guardian, in consultation with school

90 counselors, teachers, and administrators that:

91 (A) is initiated at the beginning of grade 7;

92 (B) identifies a student's skills and objectives;

93 (C) maps out a strategy to guide a student's course selection; and

94 (D) links a student to post-secondary options, including higher education and careers.

95 (ii) Each local school board, in consultation with school personnel, parents, and school

96 community councils or similar entities shall establish policies to provide for the effective

97 implementation of a personalized student education plan (SEP) or student

98 education/occupation plan (SEOP) for each student at the school site.

99 (iii) The policies shall include guidelines and expectations for:

100 (A) recognizing the student's accomplishments, strengths, and progress towards

101 meeting student achievement standards as defined in U-PASS;

102 (B) planning, monitoring, and managing education and career development; and

103 (C) involving students, parents, and school personnel in preparing and implementing

104 SEPs and SEOPs.

105 (iv) A parent may request conferences with school personnel in addition to SEP or

106 SEOP conferences established by local school board policy.

107 (v) Time spent during the school day to implement SEPs and SEOPs is considered part

108 of the school term referred to in Subsection 53A-17a-103[4](7).

109 (3) A school district or public school may submit proposals to modify or waive rules or

110 policies of a supervisory authority within the public education system in order to acquire or

111 develop the characteristics listed in Section 53A-1a-104.

112 (4) (a) Each school district and public school shall make an annual report to its patrons

113 on its activities under this section.

114 (b) The reporting process shall involve participation from teachers, parents, and the

115 community at large in determining how well the district or school is performing.

116 Section 2. Section **53A-2-214** is amended to read:

117 **53A-2-214. Online students' participation in extracurricular activities.**

118 (1) As used in this section:

119 (a) "Online education" means the use of information and communication technologies

120 to deliver educational opportunities to a student in a location other than a school.

(b) "Online student" means a student who:

(i) participates in an online education program sponsored or supported by the State Board of Education, a school district, or charter school; and

(ii) generates funding for the school district or school pursuant to Subsection 53A-17a-103[(4)](7) and rules of the State Board of Education.

(2) An online student is eligible to participate in extracurricular activities at:

(a) the school within whose attendance boundaries the student's custodial parent or legal guardian resides; or

(b) the public school from which the student withdrew for the purpose of participating in an online education program.

(3) A school other than a school described in Subsection (2)(a) or (b) may allow an online student to participate in extracurricular activities other than:

(a) interschool competitions of athletic teams sponsored and supported by a public school; or

(b) interschool contests or competitions for music, drama, or forensic groups or teams sponsored and supported by a public school.

(4) An online student is eligible for extracurricular activities at a public school consistent with eligibility standards as applied to full-time students of the public school.

(5) A school district or public school may not impose additional requirements on an online school student to participate in extracurricular activities that are not imposed on full-time students of the public school.

(6) (a) The State Board of Education shall make rules establishing fees for an online school student's participation in extracurricular activities at school district schools.

(b) The rules shall provide that:

(i) online school students pay the same fees as other students to participate in extracurricular activities;

(ii) online school students are eligible for fee waivers pursuant to Section 53A-12-103;

(iii) for each online school student who participates in an extracurricular activity at a school district school, the online school shall pay a share of the school district's costs for the extracurricular activity; and

(iv) an online school's share of the costs of an extracurricular activity shall reflect state

152 and local tax revenues expended, except capital facilities expenditures, for an extracurricular
153 activity in a school district or school divided by total student enrollment of the school district
154 or school.

155 (c) In determining an online school's share of the costs of an extracurricular activity
156 under Subsections (6)(b)(iii) and (iv), the State Board of Education may establish uniform fees
157 statewide based on average costs statewide or average costs within a sample of school districts.

158 (7) When selection to participate in an extracurricular activity at a public school is
159 made on a competitive basis, an online student is eligible to try out for and participate in the
160 activity as provided in this section.

161 Section 3. Section **53A-17a-103** is amended to read:

162 **53A-17a-103. Definitions.**

163 As used in this chapter:

164 (1) "Basic state-supported school program" or "basic program" means public education
165 programs for kindergarten, elementary, and secondary school students that are operated and
166 maintained for the amount derived by multiplying the number of weighted pupil units for each
167 school district or charter school by the value established each year in statute, except as
168 otherwise provided in this chapter.

169 (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of
170 ad valorem property tax revenue equal to the sum of:

171 (i) the amount of ad valorem property tax revenue to be generated statewide in the
172 previous year from imposing a minimum basic tax rate, as specified in Section **53A-17a-135**;
173 and

174 (ii) the product of:

175 (A) eligible new growth, as defined in Section **59-2-924** and rules of the State Tax
176 Commission; and

177 (B) the minimum basic tax rate certified by the State Tax Commission for the previous
178 year.

179 (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not
180 include property tax revenue received statewide from personal property that is:

181 (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County
182 Assessment; and

183 (ii) semiconductor manufacturing equipment.

184 (c) For purposes of calculating the certified revenue levy described in this Subsection
185 (2), the State Tax Commission shall use:

186 (i) the taxable value of real property assessed by a county assessor contained on the
187 assessment roll;

188 (ii) the taxable value of real and personal property assessed by the State Tax
189 Commission; and

190 (iii) the taxable year end value of personal property assessed by a county assessor
191 contained on the prior year's assessment roll.

192 (3) "Charter school governing board" means the governing board, as defined in Section
193 53A-1a-501.3, that governs a charter school.

194 (4) "Local education board" means a local school board or charter school governing
195 board.

196 (5) "Local school board" means a board elected under Title 20A, Chapter 14, Part 2,
197 Election of Members of Local Boards of Education.

198 [③] (6) "Pupil in average daily membership (ADM)" means a full-day equivalent
199 pupil.

200 [④] (7) (a) "State-supported minimum school program" or "Minimum School
201 Program" means public school programs for kindergarten, elementary, and secondary schools
202 as described in this Subsection [④] (7).

203 (b) The minimum school program established in school districts and charter schools
204 shall include the equivalent of a school term of nine months as determined by the State Board
205 of Education.

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

208 (ii) Education, enhanced by utilization of technologically enriched delivery systems,
209 when approved by [local school boards or charter school governing boards] a local education
210 board, shall receive full support by the State Board of Education as it pertains to fulfilling the
211 attendance requirements, excluding time spent viewing commercial advertising.

212 (d) (i) A local [school board or charter school governing] education board may
213 reallocate up to 32 instructional hours or four school days established under Subsection [④]

214 (7)(c) for teacher preparation time or teacher professional development.

215 (ii) A reallocation of instructional hours or school days under Subsection [4] (7)(d)(i)
216 is subject to the approval of two-thirds of the members of a local [school board or charter
217 school governing] education board voting in a regularly scheduled meeting:

218 (A) at which a quorum of the local [school board or charter school governing]
219 education board is present; and

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

221 (iii) If a local [school board or charter school governing] education board reallocates
222 instructional hours or school days as provided by this Subsection [4] (7)(d), the school district
223 or charter school shall notify students' parents and guardians of the school calendar at least 90
224 days before the beginning of the school year.

225 (iv) Instructional hours or school days reallocated for teacher preparation time or
226 teacher professional development pursuant to this Subsection [4] (7)(d) is considered part of a
227 school term referred to in Subsection [4] (7)(b).

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

- 230 (i) Basic School Program;
- 231 (ii) Related to Basic Programs;
- 232 (iii) Voted and Board Levy Programs; or
- 233 (iv) Minimum School Program.

234 [5] (8) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of
235 factors that is computed in accordance with this chapter for the purpose of determining the
236 costs of a program on a uniform basis for each school district or charter school.

237 Section 4. Section **53A-17a-105** is amended to read:

238 **53A-17a-105. Powers and duties of State Board of Education to adjust Minimum
239 School Program allocations -- Use of remaining funds at the end of a fiscal year.**

240 (1) For purposes of this section:

241 (a) "Board" means the State Board of Education.

242 (b) "ESEA" means the Elementary and Secondary Education Act of 1965, 20 U.S.C.

243 Sec. 6301 et seq.

244 [e) "LEA" means:]

245 [(i) a school district; or]

246 [(ii) a charter school.]

247 [(d)] (c) "Program" means a program or allocation funded by a line item appropriation
248 or other appropriation designated as:

249 (i) Basic Program;

250 (ii) Related to Basic Programs;

251 (iii) Voted and Board Levy Programs; or

252 (iv) Minimum School Program.

253 (2) Except as provided in Subsection (3) or (5), if the number of weighted pupil units
254 in a program is underestimated, the board shall reduce the value of the weighted pupil unit in
255 that program so that the total amount paid for the program does not exceed the amount
256 appropriated for the program.

257 (3) If the number of weighted pupil units in a program is overestimated, the board shall
258 spend excess money appropriated for the following purposes giving priority to the purpose
259 described in Subsection (3)(a):

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

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

265 (i) local contributions to the voted local levy program or board local levy program are
266 overestimated; or

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

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

271 (d) to support a school district with a loss in student enrollment as provided in Section
272 53A-17a-139.

273 (4) If local contributions from the minimum basic tax rate imposed under Section
274 53A-17a-135 are overestimated, the board shall reduce the value of the weighted pupil unit for
275 all programs within the basic state-supported school program so the total state contribution to

276 the basic state-supported school program does not exceed the amount of state funds
277 appropriated.

278 (5) If local contributions from the minimum basic tax rate imposed under Section
279 [53A-17a-135](#) are underestimated, the board shall:

280 (a) spend the excess local contributions for the purposes specified in Subsection (3),
281 giving priority to supporting the value of the weighted pupil unit in programs within the basic
282 state-supported school program in which the number of weighted pupil units is underestimated;
283 and

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

289 (6) Except as provided in Subsection (3) or (5), the board shall reduce the guarantee
290 per weighted pupil unit provided under the voted local levy program established in Section
291 [53A-17a-133](#) or board local levy program established in Section [53A-17a-164](#), if:

292 (a) local contributions to the voted local levy program or board local levy program are
293 overestimated; or

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

296 [~~(7) (a) The board may use program funds as described in Subsection (7)(b) if:~~]

297 [~~(i) the state loses flexibility due to the U.S. Department of Education's rejection of the~~
298 ~~state's renewal application for flexibility under the ESEA; and~~]

299 [~~(ii) the state is required to fully implement the requirements of Title I of the ESEA, as~~
300 ~~amended by the No Child Left Behind Act of 2001.~~]

301 [~~(b) Subject to the requirements of Subsections (7)(a) and (c), for fiscal year 2016, after~~
302 ~~any transfers or adjustments described in Subsections (2) through (6) are made, the board may~~
303 ~~use up to \$15,000,000 of excess money appropriated to a program, remaining at the end of~~
304 ~~fiscal year 2015, to mitigate a budgetary impact to an LEA due to the LEA's loss of flexibility~~
305 ~~related to implementing the requirements of Title I of the ESEA, as amended by the No Child~~
306 ~~Left Behind Act of 2001.~~]

307 [e] In addition to the reporting requirement described in Subsection (9), the board
308 shall report actions taken by the board under this Subsection (7) to the Executive
309 Appropriations Committee.]

310 [8] (7) Money appropriated to the board is nonlapsing.

311 [9] (8) The board shall report actions taken by the board under this section to the
312 Office of the Legislative Fiscal Analyst and the Governor's Office of Management and Budget.

313 Section 5. Section **53A-17a-105.5** is amended to read:

314 **53A-17a-105.5. Flexibility in the use of program funds.**

315 (1) As used in this section, "qualifying program" means:

316 (a) the Enhancement for At-Risk Students Program created in Section **53A-17a-166**;

317 (b) the Enhancement for Accelerated Students Program created in Section

318 **53A-17a-165**; and

319 (c) the concurrent enrollment program established in Section **53A-15-1703**.

320 (2) If a school district or charter school receives an allocation of state funds for a
321 qualifying program that is less than \$10,000, the [school district or charter school] local
322 education board of the receiving school district or charter school may:

323 (a) (i) combine the funds with one or more qualifying program fund allocations each of
324 which is less than \$10,000; and

325 (ii) use the combined funds in accordance with the program requirements for any of the
326 qualifying programs that are combined; or

327 (b) (i) transfer the funds to a qualifying program for which the school district or charter
328 school received an allocation of funds that is greater than or equal to \$10,000; and

329 (ii) use the combined funds in accordance with the program requirements for the
330 qualifying program to which the funds are transferred.

331 Section 6. Section **53A-17a-106** is amended to read:

332 **53A-17a-106. Determination of weighted pupil units.**

333 The number of weighted pupil units in the minimum school program for each year is
334 the total of the units for each school district determined as follows:

335 (1) The number of units is computed by adding the average daily membership of all
336 pupils of the district attending schools, other than kindergarten and self-contained classes for
337 children with a disability.

338 (2) The number of units is computed by adding the average daily membership of all
339 pupils of the school district enrolled in kindergarten and multiplying the total by .55.

340 (a) In those school districts that do not elect to hold kindergarten for a full
341 nine-month term, the local school board or charter school governing board may approve a
342 shorter term of nine weeks' duration.

348 (3) (a) The State Board of Education shall use prior year plus growth to determine
349 average daily membership in distributing money under the minimum school program where the
350 distribution is based on kindergarten through grade 12 ADMs or weighted pupil units.

351 (b) Under prior year plus growth, kindergarten through grade 12 average daily
352 membership for the current year is based on the actual kindergarten through grade 12 average
353 daily membership for the previous year plus an estimated percentage growth factor.

354 (c) The growth factor is the percentage increase in total average daily membership on
355 the first school day of October in the current year as compared to the total average daily
356 membership on the first school day of October of the previous year.

357 Section 7. Section **53A-17a-107** is amended to read:

53A-17a-107. Professional staff weighted pupil units.

359 (1) Professional staff weighted pupil units are computed and distributed in accordance
360 with the following schedule:

361 (a) Professional Staff Cost Formula

				Master's		
		Years of Experience	Bachelor's Degree	Bachelor's +30 Qt. Hr.	Master's Degree	Degree +45 Qt. Hr.
362						
363	1		1.00	1.05	1.10	1.15
364	2		1.05	1.10	1.15	1.20
365	3		1.10	1.15	1.20	1.25

366	4	1.15	1.20	1.25	1.30	1.35
367	5	1.20	1.25	1.30	1.35	1.40
368	6	1.25	1.30	1.35	1.40	1.45
369	7	1.30	1.35	1.40	1.45	1.50
370	8	1.35	1.40	1.45	1.50	1.55
371	9			1.50	1.55	1.60
372	10				1.60	1.65
373	11					1.70

(b) Multiply the number of full-time or equivalent professional personnel in each applicable experience category in Subsection (1)(a) by the applicable weighting factor.

(c) Divide the total of Subsection (1)(b) by the number of professional personnel included in Subsection (1)(b) and reduce the quotient by 1.00.

(d) Multiply the result of Subsection (1)(c) by 1/4 of the weighted pupil units computed in accordance with Sections 53A-17a-106 and 53A-17a-109.

388 Section 8. Section **53A-17a-108** is amended to read:

53A-17a-108. Weighted pupil units for small school district administrative costs

-- Appropriation for charter school administrative costs.

391 (1) Administrative costs weighted pupil units are computed [and distributed to small
392 ~~school districts~~] for a small school district and distributed to the small school district in
393 accordance with the following schedule:

Administrative Costs Schedule

395 School District Enrollment as of October 1

Weighted Pupil Units

396	1 - 500 students	95
397	501 - 1,000 students	80
398	1,001 - 2,000 students	70
399	2,001 - 5,000 students	60
400	(2) (a) Except as provided in Subsection (2)(b), money appropriated to the State Board	
401	of Education for charter school administrative costs shall be distributed to charter schools in	
402	the amount of \$100 for each charter school student in enrollment.	
403	(b) (i) If money appropriated for charter school administrative costs is insufficient to	
404	provide the amount per student prescribed in Subsection (2)(a), the appropriation shall be	
405	allocated among charter schools in proportion to each charter school's enrollment as a	
406	percentage of the total enrollment in charter schools.	
407	(ii) If the State Board of Education makes adjustments to Minimum School Program	
408	allocations under Section 53A-17a-105 , the allocation provided in Subsection (2)(b)(i) shall be	
409	determined after adjustments are made under Section 53A-17a-105 .	
410	(c) Charter schools <u>school governing boards</u> are encouraged to identify and use	
411	cost-effective methods of performing administrative functions, including contracting for	
412	administrative services with the State Charter School Board as provided in Section	
413	53A-1a-501.6 .	
414	(3) Charter schools are not eligible for funds for administrative costs under Subsection	
415	(1).	
416	Section 9. Section 53A-17a-109 is amended to read:	
417	53A-17a-109. Necessarily existent small schools -- Computing additional	
418	weighted pupil units -- Consolidation of small schools.	
419	(1) As used in this section:	
420	(a) "Board" means the State Board of Education.	
421	(b) "Necessarily existent small schools funding balance" means the difference between:	
422	(i) the amount appropriated for the necessarily existent small schools program in a	
423	fiscal year; and	
424	(ii) the amount distributed to school districts for the necessarily existent small schools	
425	program in the same fiscal year.	

430 (b) An application must be submitted to the board before April 2, and the board must
431 report a decision to a [school district] local school board before June 2.

432 (3) The board shall adopt standards and make rules, in accordance with Title 63G,
433 Chapter 3, Utah Administrative Rulemaking Act, to:

434 (a) govern the approval of necessarily existent small schools consistent with principles
435 of efficiency and economy [~~and which shall~~] that serve the purpose of eliminating schools
436 where consolidation is feasible by participation in special school units; and

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

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

443 (5) The board shall prepare and publish objective standards and guidelines for
444 determining which small schools are necessarily existent after consultation with local school
445 boards.

446 (6) (a) Additional weighted pupil units for schools classified as necessarily existent
447 small schools shall be computed using regression formulas adopted by the board.

448 (b) The regression formulas establish the following maximum sizes for funding under
449 the necessarily existent small school program:

450 (i) an elementary school 160
451 (ii) a one or two-year secondary school 300
452 (iii) a three-year secondary school 450
453 (iv) a four-year secondary school 500
454 (v) a six-year secondary school 600
455 (c) Schools with fewer than 10 students shall receive the same add-on weighted pupil
456 units as schools with 10 students.

457 (d) The board shall prepare and distribute an allocation table based on the regression
458 formula to each school district.

459 (7) (a) To avoid penalizing a school district financially for consolidating [its] the
460 school district's small schools, additional weighted pupil units may be allowed a school district
461 each year, not to exceed two years.

462 (b) The additional weighted pupil units may not exceed the difference between what
463 the school district receives for a consolidated school and what [it] the school district would
464 have received for the small schools had they the small schools not been consolidated.

465 (8) (a) Subject to Subsection (8)(b), the board may distribute a portion of necessarily
466 existent small schools funding in accordance with a formula adopted by the board that
467 considers the tax effort of a local school board.

468 (b) The amount distributed in accordance with Subsection (8)(a) may not exceed the
469 necessarily existent small schools fund in balance of the prior fiscal year.

470 (9) A [district] local school board may use the money allocated under this section for
471 maintenance and operation of school programs or for other school purposes as approved by the
472 board.

473 Section 10. Section **53A-17a-111** is amended to read:

474 53A-17a-111. Weighted pupil units for programs for students with disabilities --
475 Local school board allocation.

476 (1) The number of weighted pupil units for students with disabilities shall reflect the
477 direct cost of programs for those students conducted in accordance with rules established by the
478 State Board of Education in accordance with Title 63G, Chapter 3, Utah Administrative
479 Rulemaking Act.

484 (3) The State Board of Education shall establish and strictly interpret definitions and
485 provide standards for determining which students have disabilities and shall assist districts in
486 determining the services that should be provided to students with disabilities.

487 (4) Each year the [board] State Board of Education shall evaluate the standards and

488 guidelines that establish the identifying criteria for disability classifications to assure strict
489 compliance with those standards by the school districts.

490 (5) (a) Money appropriated to the State Board of Education for add-on WPUs for
491 students with disabilities enrolled in regular programs shall be allocated to school districts as
492 provided in this Subsection (5).

493 (b) ~~[Beginning on July 1, 2003, the]~~ The State Board of Education shall~~[(i)]~~ use a
494 school district's average number of special education add-on weighted pupil units determined
495 by the previous five year's average daily membership data as a foundation for the special
496 education add-on appropriation~~[, and]~~.

497 ~~[(i)] implement a hold harmless provision for up to three years as needed to accomplish
498 a phase-in period for school districts to accommodate the change in the special education
499 add-on WPUs foundation formula.]~~

500 (c) A school district's special education add-on WPUs for the current year may not be
501 less than the foundation special education add-on WPUs.

502 (d) Growth WPUs shall be added to the prior year special education add-on WPUs, and
503 growth WPUs shall be determined as follows:

504 (i) The special education student growth factor is calculated by comparing S-3 total
505 special education ADM of two years previous to the current year to the S-3 total special
506 education ADM three years previous to the current year, not to exceed the official October total
507 school district growth factor from the prior year.

508 (ii) When calculating and applying the growth factor, a school district's S-3 total
509 special education ADM for a given year is limited to 12.18% of the school district's S-3 total
510 student ADM for the same year.

511 (iii) Growth ADMs are calculated by applying the growth factor to the S-3 total special
512 education ADM of two years previous to the current year.

513 (iv) Growth ADMs for each school district are multiplied by 1.53 weighted pupil units
514 and added to the prior year special education add-on WPU to determine each school district's
515 total allocation.

516 (6) If money appropriated under this chapter for programs for students with disabilities
517 does not meet the costs of school districts for those programs, each school district shall first
518 receive the amount generated for each student with a disability under the basic program.

519 Section 11. Section **53A-17a-111.5** is amended to read:

520 **53A-17a-111.5. School districts to provide class space for deaf and blind**
521 **programs.**

522 (1) ~~School districts~~ A school district with students who reside within ~~their~~ the
523 school district's boundaries and are served by the Schools for the Deaf and the Blind shall:
524 (a) furnish the schools with space required for their programs; or
525 (b) help pay for the cost of leasing classroom space in other school districts.

526 (2) A ~~district's~~ school district's participation in the program under Subsection (1) is
527 based upon the number of students who are served by the Schools for the Deaf and the Blind
528 and who reside within the school district as compared to the state total of students who are
529 served by the schools.

530 Section 12. Section **53A-17a-112** is amended to read:

531 **53A-17a-112. Preschool special education appropriation -- Extended year**
532 **program appropriation -- Appropriation for special education programs in state**
533 **institutions -- Appropriations for stipends for special educators.**

534 (1) (a) Money appropriated to the State Board of Education for the preschool special
535 education program shall be allocated to school districts to provide a free, appropriate public
536 education to preschool students with a disability, ages three through five.

537 (b) The money shall be distributed on the basis of the school district's count of
538 preschool children with a disability for December 1 of the previous year, as mandated by
539 federal law.

540 (2) Money appropriated for the extended school year program for children with a
541 severe disability shall be limited to students with severe disabilities with education program
542 goals identifying significant regression and recoupment disability as approved by the State
543 Board of Education.

544 (3) (a) Money appropriated for self-contained regular special education programs may
545 not be used to supplement other school programs.

546 (b) Money in any of the other restricted line item appropriations may not be reduced
547 more than 2% to be used for purposes other than those specified by the appropriation, unless
548 otherwise provided by law.

549 (4) (a) The State Board of Education shall compute preschool funding by a factor of

550 1.47 times the current December 1 child count of eligible preschool aged three, four, and
551 five-year-olds times the WPU value, limited to 8% growth over the prior year December 1
552 count.

553 (b) The ~~board~~ State Board of Education shall develop guidelines to implement the
554 funding formula for preschool special education, and establish prevalence limits for
555 distribution of the money.

556 (5) Of the money appropriated for Special Education - State Programming, the State
557 Board of Education shall distribute the revenue generated from 909 WPUs to school districts,
558 charter schools, and the Utah Schools for the Deaf and the Blind for stipends to special
559 educators for additional days of work pursuant to the requirements of Section 53A-17a-158.

560 Section 13. Section **53A-17a-113** is amended to read:

53A-17a-113. Weighted pupil units for career and technical education programs
-- Funding of approved programs -- Performance measures -- Qualifying criteria.

563 (1) (a) Money appropriated to the State Board of Education for approved career and
564 technical education programs and the comprehensive guidance program:

565 (i) shall be allocated to eligible recipients as provided in Subsections (2), (3), (4), and
566 (5); and

567 (ii) may not be used to fund programs below ~~the ninth grade level~~ grade 9.

568 (b) Subsection (1)(a)(ii) does not apply to the following programs:

- 569 (i) comprehensive guidance;
- 570 (ii) Technology-Life-Careers; and
- 571 (iii) work-based learning programs.

572 (2) (a) Weighted pupil units are computed for pupils in approved programs.

573 (b) (i) The ~~board~~ State Board of Education shall fund approved programs based upon
574 hours of membership of ~~9th~~ grades 9 through ~~12th grade~~ 12 students.

575 (ii) Subsection (2)(b)(i) does not apply to the following programs:

- 576 (A) comprehensive guidance;
- 577 (B) Technology-Life-Careers; and
- 578 (C) work-based learning programs.

579 (c) The ~~board~~ State Board of Education shall use an amount not to exceed 20% of the
580 total appropriation under this section to fund approved programs based on performance

581 measures such as placement and competency attainment defined in standards set by the [board]
582 State Board of Education.

583 (d) Leadership organization funds shall constitute an amount not to exceed 1% of the
584 total appropriation under this section, and shall be distributed to each [local educational
585 agency] school district sponsoring career and technical education student leadership
586 organizations based on the agency's share of the state's total membership in those
587 organizations.

588 (e) The [board] State Board of Education shall make the necessary calculations for
589 distribution of the appropriation to a school [districts] district and may revise and recommend
590 changes necessary for achieving equity and ease of administration.

591 (3) (a) Twenty weighted pupil units shall be computed for career and technical
592 education administrative costs for each school district, except 25 weighted pupil units may be
593 computed for each school district that consolidates career and technical education
594 administrative services with one or more other school districts.

595 (b) Between 10 and 25 weighted pupil units shall be computed for each high school
596 conducting approved career and technical education programs in a school district according to
597 standards established by the [board] State Board of Education.

598 (c) Forty weighted pupil units shall be computed for each school district that operates
599 an approved career and technical education center.

600 (d) Between five and seven weighted pupil units shall be computed for each summer
601 career and technical education agriculture program according to standards established by the
602 [board] State Board of Education.

603 (e) The [board] State Board of Education shall, by rule, establish qualifying criteria for
604 [districts] a school district to receive weighted pupil units under this Subsection (3).

605 (4) (a) Money remaining after the allocations made under Subsections (2) and (3) shall
606 be allocated using average daily membership in approved programs for the previous year.

607 (b) A school district that has experienced student growth in grades 9 through 12 for the
608 previous year shall have the growth factor applied to the previous year's weighted pupil units
609 when calculating the allocation of money under this Subsection (4).

610 (5) Of the money allocated to comprehensive guidance programs pursuant to [board
611 rules] State Board of Education rule, \$1,000,000 in grants shall be awarded to school districts

612 or charter schools that:

613 (a) provide an equal amount of matching funds; and

614 (b) do not supplant other funds used for comprehensive guidance programs.

615 (6) (a) The [board] State Board of Education shall establish rules for [the] upgrading

616 [of] high school career and technical education programs.

617 (b) The rules shall reflect career and technical training and actual marketable job skills

618 in society.

619 (c) The rules shall include procedures to assist school districts to convert existing

620 programs [which] that are not preparing students for the job market into programs that will

621 accomplish that purpose.

622 (7) Programs that do not meet [board] State Board of Education standards may not be

623 funded under this section.

624 Section 14. Section **53A-17a-116** is amended to read:

625 **53A-17a-116. Weighted pupil units for career and technical education set-aside**

626 **programs.**

627 (1) Each school district shall receive a guaranteed minimum allocation from the money

628 appropriated to the State Board of Education for a career and technical education set-aside

629 program.

630 (2) The set-aside funds remaining after the initial minimum payment allocation are

631 distributed by [an RFP] a request for proposals process to help pay for equipment costs

632 necessary to initiate new programs and for high priority programs as determined by labor

633 market information.

634 Section 15. Section **53A-17a-119** is amended to read:

635 **53A-17a-119. Appropriation for adult education programs.**

636 (1) Money appropriated to the State Board of Education for adult education shall be

637 allocated to [local school boards] school districts for adult high school completion and adult

638 basic skills programs.

639 (2) Each school district shall receive [its] a pro rata share of the appropriation for adult

640 high school completion programs based on the number of people in the school district listed in

641 the latest official census who are over 18 years of age and who do not have a high school

642 diploma and prior year participation or as approved by [board] State Board of Education rule.

647 (4) To the extent of money available, school districts shall provide [programs] program
648 services to adults who do not have a diploma and who intend to graduate from high school,
649 with particular emphasis on homeless individuals who are seeking literacy and life skills.

650 (5) Overruns in adult education in any school district may not reduce the value of the
651 weighted pupil unit for this program in another school district.

652 (6) School districts shall spend money on adult basic skills programs according to
653 standards established by the [board] State Board of Education.

654 Section 16. Section **53A-17a-124** is amended to read:

53A-17a-124. Quality Teaching Block Grant Program -- State contributions.

661 (2) [School districts and charter schools] Local education boards shall use Quality
662 Teaching Block Grant money to implement professional learning that meets the standards
663 specified in Section 53A-3-701.

664 Section 17. Section **53A-17a-124.5** is amended to read:

53A-17a-124.5. Appropriation for class size reduction.

669 (2) Each school district or charter school shall receive [its] an allocation based upon
670 the school district or charter school's prior year average daily membership in kindergarten
671 through grade 8 plus growth as determined under Subsection 53A-17a-106(3) as compared to
672 the total prior year average daily membership in kindergarten through grade 8 plus growth of
673 school districts and charter schools that qualify for an allocation pursuant to Subsection (8).

674 (3) (a) A [district] local school board may use [its] an allocation to reduce class size in
675 any one or all of the grades referred to under this section, except as otherwise provided in
676 Subsection (3)(b).

677 (b) (i) Each [district or charter school] local education board shall use 50% of [its] an
678 allocation to reduce class size in any one or all of grades kindergarten through grade 2, with an
679 emphasis on improving student reading skills.

684 (4) Schools may use nontraditional innovative and creative methods to reduce class
685 sizes with this appropriation and may use part of [their] an allocation to focus on class size
686 reduction for specific groups, such as at risk students, or for specific blocks of time during the
687 school day.

688 (5) (a) A [school district or charter school] local education board may use up to 20% of
689 [its] an allocation under Subsection (1) for capital facilities projects if such projects would help
690 to reduce class size.

691 (b) If a school district's or charter school's student population increases by 5% or 700
692 students from the previous school year, the [school district or charter school] local education
693 board may use up to 50% of any allocation [it receives] received by the respective school
694 district or charter school under this section for classroom construction.

695 (6) This appropriation is to supplement any other appropriation made for class size
696 reduction.

697 (7) The Legislature shall provide for an annual adjustment in the appropriation
698 authorized under this section in proportion to the increase in the number of students in the state
699 in kindergarten through grade eight.

700 (8) (a) [For a school district or charter school] For a school district or charter school to qualify for class size reduction
701 money, a [school district or charter school] local education board shall submit:

702 (i) a plan for the use of the [school district's or charter school's] allocation of class size
703 reduction money to the State Board of Education; and

704 (ii) beginning with the 2014-15 school year, a report on the [school district's or charter

705 ~~school's~~ local education board's use of class size reduction money in the prior school year.

706 (b) The plan and report required pursuant to Subsection (8)(a) shall include the
707 following information:

708 (i) (A) the number of teachers employed using class size reduction money;
709 (B) the amount of class size reduction money expended for teachers; and
710 (C) if supplemental school district or charter school funds are expended to pay for

711 teachers employed using class size reduction money, the amount of the supplemental money;
712 (ii) (A) the number of paraprofessionals employed using class size reduction money;
713 (B) the amount of class size reduction money expended for paraprofessionals; and
714 (C) if supplemental school district or charter school funds are expended to pay for
715 paraprofessionals employed using class size reduction money, the amount of the supplemental
716 money; and

717 (iii) the amount of class size reduction money expended for capital facilities.

718 (c) In addition to submitting a plan and report on the use of class size reduction money,
719 a ~~school district or charter school~~ local education board shall annually submit a report to the
720 State Board of Education that includes the following information:

721 (i) the number of teachers employed using K-3 Reading Improvement Program money
722 received pursuant to Sections [53A-17a-150](#) and [53A-17a-151](#);

723 (ii) the amount of K-3 Reading Improvement Program money expended for teachers;

724 (iii) the number of teachers employed in kindergarten through grade 8 using Title I
725 money;

726 (iv) the amount of Title I money expended for teachers in kindergarten through grade
727 8; and

728 (v) a comparison of actual average class size by grade in grades kindergarten through 8
729 in the school district or charter school with what the average class size would be without the
730 expenditure of class size reduction, K-3 Reading Improvement Program, and Title I money.

731 (d) The information required to be reported in Subsections (8)(b)(i)(A) through (C),
732 (8)(b)(ii)(A) through (C), and (8)(c) shall be categorized by a teacher's or paraprofessional's
733 teaching assignment, such as the grade level, course, or subject taught.

734 (e) The State Board of Education may make rules specifying procedures and standards
735 for the submission of:

736 (i) a plan and a report on the use of class size reduction money as required by this
737 section; and

738 (ii) a report required under Subsection (8)(c).

739 (f) Based on the data contained in the class size reduction plans and reports submitted
740 by [school districts and charter schools] local education boards, and data on average class size,
741 the State Board of Education shall annually report to the Public Education Appropriations
742 Subcommittee on the impact of class size reduction, K-3 Reading Improvement Program, and
743 Title I money on class size.

744 Section 18. Section **53A-17a-125** is amended to read:

53A-17a-125. Appropriation for retirement and social security.

746 (1) The employee's retirement contribution shall be 1% for employees who are under
747 the state's contributory retirement program.

748 (2) The employer's contribution under the state's contributory retirement program is
749 determined under Section 49-12-301, subject to the 1% contribution under Subsection (1).

750 (3) (a) The employer-employee contribution rate for employees who are under the
751 state's noncontributory retirement program is determined under Section 49-13-301.

752 (b) The same contribution rate used under Subsection (3)(a) shall be used to calculate
753 the appropriation for charter schools described under Subsection (5).

754 (4) (a) Money appropriated to the State Board of Education for retirement and social
755 security money shall be allocated to school districts and charter schools based on a [district's]
756 school district or charter school's total weighted pupil units compared to the total weighted
757 pupil units for all school districts in the state.

758 (b) Subject to budget constraints, money needed to support retirement and social
759 security shall be determined by taking [the] a school district's prior year allocation and
760 adjusting it for:

761 (i) student growth;

762 (ii) the percentage increase in the value of the weighted pupil unit; and

763 (iii) the effect of any change in the rates for retirement, social security, or both.

764 (5) A charter school governing board that [has made] makes an election of
765 nonparticipation in the Utah State Retirement Systems in accordance with Section 53A-1a-512
766 and Title 49, Utah State Retirement and Insurance Benefit Act, shall use the funds described

767 under this section for retirement to provide [its] the charter school's own compensation, benefit,
768 and retirement programs.

769 Section 19. Section **53A-17a-126** is amended to read:

770 **53A-17a-126. State support of pupil transportation.**

771 (1) Money appropriated to the State Board of Education for state-supported
772 transportation of public school students shall be apportioned and distributed in accordance with
773 Section **53A-17a-127**, except as otherwise provided in this section or Section **53A-17a-126.5**.

774 (2) (a) The Utah Schools for the Deaf and the Blind shall use [its] an allocation of
775 pupil transportation money to pay for transportation of [their] students based on current valid
776 contractual arrangements and best transportation options and methods as determined by the
777 schools.

778 (b) All student transportation costs of the schools shall be paid from the allocation of
779 pupil transportation money specified in statute.

780 (3) (a) A [~~school district~~] local school board may only claim eligible transportation
781 costs as legally reported on the prior year's annual financial report submitted under Section
782 **53A-3-404**.

783 (b) The state shall contribute 85% of approved transportation costs, subject to budget
784 constraints.

785 (c) If in a fiscal year the total transportation allowance for all school districts exceeds
786 the amount appropriated for that purpose, all allowances shall be reduced pro rata to equal not
787 more than the amount appropriated.

788 Section 20. Section **53A-17a-127** is amended to read:

789 **53A-17a-127. Eligibility for state-supported transportation -- Approved bus
790 routes -- Additional local tax.**

791 (1) A student eligible for state-supported transportation means:

792 (a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles
793 from school;

794 (b) a student enrolled in grades seven through 12 who lives at least two miles from
795 school; and

796 (c) a student enrolled in a special program offered by a school district and approved by
797 the State Board of Education for trainable, motor, multiple-disability, or other students with

798 severe disabilities who are incapable of walking to school or where it is unsafe for students to
799 walk because of their disabling condition, without reference to distance from school.

800 (2) If a school district implements double sessions as an alternative to new building
801 construction, with the approval of the State Board of Education, those affected elementary
802 school students residing less than 1-1/2 miles from school may be transported one way to or
803 from school because of safety factors relating to darkness or other hazardous conditions as
804 determined by the local school board.

805 (3) (a) The State Board of Education shall distribute transportation money to school
806 districts based on:

- 807 (i) an allowance per mile for approved bus routes;
- 808 (ii) an allowance per hour for approved bus routes; and
- 809 (iii) a minimum allocation for each school district eligible for transportation funding.

810 (b) The State Board of Education shall distribute appropriated transportation funds
811 based on the prior year's eligible transportation costs as legally reported under Subsection
812 **53A-17a-126(3)**.

813 (c) The State Board of Education shall annually review the allowance per mile and the
814 allowance per hour and adjust the allowances to reflect current economic conditions.

815 (4) (a) Approved bus routes for funding purposes shall be determined on fall data
816 collected by October 1.

817 (b) Approved route funding shall be determined on the basis of the most efficient and
818 economic routes.

819 (5) A Transportation Advisory Committee with representation from ~~[local]~~ school
820 district superintendents, business officials, school district transportation supervisors, and ~~[the~~
821 ~~state superintendent's staff]~~ State Board of Education employees shall serve as a review
822 committee for addressing school transportation needs, including recommended approved bus
823 routes.

824 (6) (a) Except as provided in Subsection (6)(e), a local school board may provide for
825 the transportation of students regardless of the distance from school, from:

- 826 (i) general funds of the school district; and
- 827 (ii) a tax rate not to exceed .0003 per dollar of taxable value ~~[imposed on the district.]~~
828 levied by the local school board.

(b) A local school board may use revenue from the tax described in Subsection (6)(a)(ii) to pay for transporting students and for the replacement of school buses.

(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002, the state may contribute an amount not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The [state superintendent's staff] State Board of Education's employees shall distribute the state contribution according to rules enacted by the State Board of Education.

(d) (i) The amount of state guarantee money [which] that a school district would otherwise be entitled to receive under Subsection (6)(c) may not be reduced for the sole reason that the school district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(ii) Subsection (6)(d)(i) applies for a period of two years following the change in the certified tax rate.

(e) Beginning January 1, 2012, a local school board may not impose a tax in accordance with this Subsection (6).

(7) (a) (i) If a local school board expends an amount of revenue equal to at least .0002 per dollar of taxable value of the school district's board local levy imposed under Section 53A-17a-164 for the uses described in Subsection (6)(b), the state may contribute an amount not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The [state superintendent's staff] State Board of Education's employees shall distribute the state contribution according to rules enacted by the State Board of Education.

(b) (i) The amount of state guarantee money that a school district would otherwise be entitled to receive under Subsection (7)(a) may not be reduced for the sole reason that the school district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation.

(ii) Subsection (7)(b)(i) applies for a period of two years following the change in the certified tax rate.

Section 21. Section **53A-17a-133** is amended to read:

53A-17a-133. State-supported voted local levy authorized -- Election requirements -- State guarantee -- Reconsideration of the program.

860 (1) As used in this section, "voted and board local levy funding balance" means the
861 difference between:

862 (a) the amount appropriated for the voted and board local levy program in a fiscal year;
863 and

864 (b) the amount necessary to provide the state guarantee per weighted pupil unit as
865 determined under this section and Section [53A-17a-164](#) in the same fiscal year.

866 (2) An election to consider adoption or modification of a voted local levy is required if
867 initiative petitions signed by 10% of the number of electors who voted at the last preceding
868 general election are presented to the local school board or by action of the local school board.

869 (3) (a) (i) To impose a voted local levy, a majority of the electors of a school district
870 voting at an election in the manner set forth in Subsections (9) and (10) must vote in favor of a
871 special tax.

872 (ii) The tax rate may not exceed .002 per dollar of taxable value.

876 (c) Beginning on or after January 1, 2012, a school district may receive state support in
877 accordance with Subsection (4) without complying with the requirements of Subsection (3)(b)
878 if the local school board imposed a tax in accordance with this section during the taxable year
879 beginning on January 1, 2011 and ending on December 31, 2011.

880 (4) (a) In addition to the revenue [a school district collects] collected from the
881 imposition of a levy pursuant to this section, the state shall contribute an amount sufficient to
882 guarantee \$35.55 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable
883 value.

884 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar
885 of taxable value under Subsection (4)(a) shall apply to the portion of the board local levy
886 authorized in Section 53A-17a-164, so that the guarantee shall apply up to a total of .002 per
887 dollar of taxable value if a [school district] local school board levies a tax rate under both
888 programs.

889 (c) (i) Beginning July 1, 2015, the \$35.55 guarantee under Subsections (4)(a) and (b)
890 shall be indexed each year to the value of the weighted pupil unit for the grades 1 through 12

891 program by making the value of the guarantee equal to .011962 times the value of the prior
892 year's weighted pupil unit for the grades 1 through 12 program.

893 (ii) The guarantee shall increase by .0005 times the value of the prior year's weighted
894 pupil unit for the grades 1 through 12 program for each succeeding year subject to the
895 Legislature appropriating funds for an increase in the guarantee.

896 (d) (i) The amount of state guarantee money to which a school district would otherwise
897 be entitled to receive under this Subsection (4) may not be reduced for the sole reason that the
898 school district's levy is reduced as a consequence of changes in the certified tax rate under
899 Section 59-2-924 pursuant to changes in property valuation.

900 (ii) Subsection (4)(d)(i) applies for a period of five years following any such change in
901 the certified tax rate.

902 (e) The guarantee provided under this section does not apply to the portion of a voted
903 local levy rate that exceeds the voted local levy rate that was in effect for the previous fiscal
904 year, unless an increase in the voted local levy rate was authorized in an election conducted on
905 or after July 1 of the previous fiscal year and before December 2 of the previous fiscal year.

906 (f) (i) If a voted and board local levy funding balance exists for the prior fiscal year, the
907 State Board of Education shall:

908 (A) use the voted and board local levy funding balance to increase the value of the state
909 guarantee per weighted pupil unit described in Subsection (4)(c) in the current fiscal year; and

910 (B) distribute the state contribution to the voted and board local levy programs to
911 school districts based on the increased value of the state guarantee per weighted pupil unit
912 described in Subsection (4)(f)(i)(A).

913 (ii) The State Board of Education shall report action taken under this Subsection (4)(f)
914 to the Office of the Legislative Fiscal Analyst and the Governor's Office of Management and
915 Budget.

916 (5) (a) An election to modify an existing voted local levy is not a reconsideration of the
917 existing authority unless the proposition submitted to the electors expressly so states.

918 (b) A majority vote opposing a modification does not deprive the [district] local school
919 board of authority to continue the levy.

920 (c) If adoption of a voted local levy is contingent upon an offset reducing other local
921 school board levies, the local school board [must] shall allow the electors, in an election, to

922 consider modifying or discontinuing the imposition of the levy prior to a subsequent increase in
923 other levies that would increase the total local school board levy.

924 (d) Nothing contained in this section terminates, without an election, the authority of a
925 [school district] local school board to continue imposing an existing voted local levy
926 previously authorized by the voters as a voted leeway program.

927 (6) Notwithstanding Section 59-2-919, a [school district] local school board may
928 budget an increased amount of ad valorem property tax revenue derived from a voted local levy
929 imposed under this section in addition to revenue from eligible new growth as defined in
930 Section 59-2-924, without having to comply with the notice requirements of Section 59-2-919,
931 if:

932 (a) the voted local levy is approved:
933 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and
934 (ii) within the four-year period immediately preceding the year in which the [school
935 district] local school board seeks to budget an increased amount of ad valorem property tax
936 revenue derived from the voted local levy; and

937 (b) for a voted local levy approved or modified in accordance with this section on or
938 after January 1, 2009, the [school district] local school board complies with the requirements of
939 Subsection (8).

940 (7) Notwithstanding Section 59-2-919, a [school district] local school board may levy a
941 tax rate under this section that exceeds the certified tax rate without having to comply with the
942 notice requirements of Section 59-2-919 if:

943 (a) the levy exceeds the certified tax rate as the result of a [school district] local school
944 board budgeting an increased amount of ad valorem property tax revenue derived from a voted
945 local levy imposed under this section;

946 (b) the voted local levy was approved:
947 (i) in accordance with Subsections (9) and (10) on or after January 1, 2003; and
948 (ii) within the four-year period immediately preceding the year in which the [school
949 district] local school board seeks to budget an increased amount of ad valorem property tax
950 revenue derived from the voted local levy; and

951 (c) for a voted local levy approved or modified in accordance with this section on or
952 after January 1, 2009, the [school district] local school board complies with requirements of

953 Subsection (8).

954 (8) For purposes of Subsection (6)(b) or (7)(c), the proposition submitted to the
955 electors regarding the adoption or modification of a voted local levy shall contain the following
956 statement:

957 "A vote in favor of this tax means that [~~(name of the school district)~~] the local school
958 board of [name of the school district] may increase revenue from this property tax without
959 advertising the increase for the next five years."

960 (9) (a) Before ~~[imposing]~~ a local school board may impose a property tax levy pursuant
961 to this section, a ~~[school district]~~ local school board shall submit an opinion question to the
962 school district's registered voters voting on the imposition of the tax rate so that each registered
963 voter has the opportunity to express the registered voter's opinion on whether the tax rate
964 should be imposed.

965 (b) The election required by this Subsection (9) shall be held:

966 (i) at a regular general election conducted in accordance with the procedures and
967 requirements of Title 20A, Election Code, governing regular elections;

968 (ii) at a municipal general election conducted in accordance with the procedures and
969 requirements of Section ~~20A-1-202~~; or

970 (iii) at a local special election conducted in accordance with the procedures and
971 requirements of Section ~~20A-1-203~~.

972 (c) Notwithstanding the requirements of Subsections (9)(a) and (b), beginning on or
973 after January 1, 2012, a ~~[school district]~~ local school board may levy a tax rate in accordance
974 with this section without complying with the requirements of Subsections (9)(a) and (b) if the
975 ~~[school district]~~ local school board imposed a tax in accordance with this section at any time
976 during the taxable year beginning on January 1, 2011, and ending on December 31, 2011.

977 (10) If a ~~[school district]~~ local school board determines that a majority of the school
978 district's registered voters voting on the imposition of the tax rate have voted in favor of the
979 imposition of the tax rate in accordance with Subsection (9), the ~~[school district]~~ local school
980 board may impose the tax rate.

981 Section 22. Section **53A-17a-134** is amended to read:

982 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

983 (1) Except as provided in Subsection (9), a local school board may levy a tax rate of up

984 to .0004 per dollar of taxable value to maintain a school program above the cost of the basic
985 school program as follows:

986 (a) a local school board shall use the money generated by the tax for class size
987 reduction within the school district;

988 (b) if a local school board determines that the average class size in the school district is
989 not excessive, [it] the local school board may use the money for other school purposes but only
990 if the local school board has declared the use for other school purposes in a public meeting
991 prior to levying the tax rate; and

992 (c) a [district] local school board may not use the money for other school purposes
993 under Subsection (1)(b) until [it] the local school board has certified in writing that [its] the
994 local school board's class size needs are already being met and the local school board has
995 identified the other school purposes for which the money will be used to the State Board of
996 Education and the [state board] State Board of Education has approved [their] the local school
997 board's use for other school purposes.

998 (2) (a) The state shall contribute an amount sufficient to guarantee \$27.36 per weighted
999 pupil unit for each .0001 per dollar of taxable value.

1000 (b) The guarantee shall increase in the same manner as provided for the voted local
1001 levy guarantee in Subsection 53A-17a-133(4)(c).

1002 (c) (i) The amount of state guarantee money to which a school district would otherwise
1003 be entitled to under this Subsection (2) may not be reduced for the sole reason that the school
1004 district's levy is reduced as a consequence of changes in the certified tax rate under Section
1005 59-2-924 pursuant to changes in property valuation.

1006 (ii) Subsection (2)(c)(i) applies for a period of five years following any such change in
1007 the certified tax rate.

1008 (d) The guarantee provided under this section does not apply to:

1009 (i) a board-authorized leeway in the first fiscal year the [leeway] levy is in effect,
1010 unless the [leeway] levy was approved by voters pursuant to Subsections (4) through (6); or

1011 (ii) the portion of a board-authorized [leeway] levy rate that is in excess of the
1012 board-authorized leeway rate that was in effect for the previous fiscal year.

1013 (3) The levy authorized under this section is not in addition to the maximum rate of
1014 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax

1015 rate under that section.

1016 (4) As an exception to Section 53A-17a-133, the board-authorized levy does not
1017 require voter approval, but the local school board may require voter approval if requested by a
1018 majority of the local school board.

1019 (5) An election to consider disapproval of the board-authorized levy is required, if
1020 within 60 days after the levy is established by the local school board, referendum petitions
1021 signed by the number of legal voters required in Section 20A-7-301, who reside within the
1022 school district, are filed with the [school district] local school board.

1023 (6) (a) A local school board shall establish its board-approved levy by April 1 to have
1024 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an
1025 election is required under this section, the levy applies to the fiscal year beginning July 1 of the
1026 next calendar year.

1027 (b) (i) The approval and disapproval votes authorized in Subsections (4) and (5) shall
1028 occur at a general election in even-numbered years, except that a vote required under this
1029 section in odd-numbered years shall occur at a special election held on a day in odd-numbered
1030 years that corresponds to the general election date.

1031 (ii) The school district shall pay for the cost of a special election.

1032 (7) (a) Modification or termination of a voter-approved leeway rate authorized under
1033 this section is governed by Section 53A-17a-133.

1034 (b) A board-authorized [leeway] levy rate may be modified or terminated by a majority
1035 vote of the local school board subject to disapproval procedures specified in this section.

1036 (8) A board-authorized levy election does not require publication of a voter
1037 information pamphlet.

1038 (9) Beginning January 1, 2012, a local school board may not levy a tax in accordance
1039 with this section.

1040 Section 23. Section 53A-17a-135 is amended to read:

1041 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

1042 (1) As used in this section, "basic levy increment rate" means a tax rate that will
1043 generate an amount of revenue equal to \$75,000,000.

1044 (2) (a) [In order to] To qualify for receipt of the state contribution toward the basic
1045 program and as [its] a school district's contribution toward [its] the school district's costs of the

1046 basic program, each [school district] local school board shall impose a minimum basic tax rate
1047 per dollar of taxable value that generates \$392,266,800 in revenues statewide.

1048 (b) The preliminary estimate for the 2016-17 minimum basic tax rate is .001695.

1049 (c) The State Tax Commission shall certify on or before June 22 the rate that generates
1050 \$392,266,800 in revenues statewide.

1051 (d) If the minimum basic tax rate exceeds the certified revenue levy as defined in
1052 Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.

1053 (3) [a] The state shall contribute to each school district toward the cost of the basic
1054 program in the school district that portion [which] that exceeds the proceeds of the difference
1055 between:

1056 [i] (a) the minimum basic tax rate to be imposed under Subsection (2); and
1057 [ii] (b) the basic levy increment rate.

1058 [b] In accordance with the state strategic plan for public education and to fulfill its
1059 responsibility for the development and implementation of that plan, the Legislature instructs
1060 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each
1061 of the coming five years to develop budgets that will fully fund student enrollment growth.]

1062 (4) (a) If the difference described in Subsection (3)[a] equals or exceeds the cost of
1063 the basic program in a school district, no state contribution shall be made to the basic program.

1064 (b) The proceeds of the difference described in Subsection (3)[a] that exceed the cost
1065 of the basic program shall be paid into the Uniform School Fund as provided by law.

1066 (5) The State Board of Education shall:

1067 (a) deduct from state funds that a school district is authorized to receive under this
1068 chapter an amount equal to the proceeds generated within the school district by the basic levy
1069 increment rate; and

1070 (b) deposit the money described in Subsection (5)(a) into the Minimum Basic Growth
1071 Account created in Section 53A-17a-135.1.

1072 Section 24. Section 53A-17a-139 is amended to read:

1073 **53A-17a-139. Loss in student enrollment -- Board action.**

1074 To avoid penalizing a school district financially for an excessive loss in student
1075 enrollment due to factors beyond its control, the State Board of Education may allow a
1076 percentage increase in units otherwise allowable during any year when a school district's

1077 average daily membership drops more than 4% below the average for the highest two of the
1078 preceding three years in the school district.

1079 Section 25. Section **53A-17a-140** is amended to read:

1080 **53A-17a-140. Contracts with teachers.**

1081 A school district may not enter into contracts with teachers that would prevent the
1082 school district from paying differential salaries or putting limitations on an individual salary
1083 paid in order to fill a shortage in specific teaching areas.

1084 Section 26. Section **53A-17a-141** is amended to read:

1085 **53A-17a-141. Alternative programs.**

1086 (1) Since the State Board of Education has adopted a policy that requires school
1087 districts to grant credit for proficiency through alternative programs, school districts are
1088 encouraged to continue and expand [their] school district cooperation with accredited
1089 institutions through performance contracts for educational services, particularly where it is
1090 beneficial to students whose progress could be better served through alternative programs.

1091 (2) School districts are encouraged to participate in programs that focus on increasing
1092 the number of ethnic minority and female students in the secondary schools who will go on to
1093 study mathematics, engineering, or related sciences at an institution of higher education.

1094 Section 27. Section **53A-17a-143** is amended to read:

1095 **53A-17a-143. Federal Impact Aid Program -- Offset for underestimated
1096 allocations from the Federal Impact Aid Program.**

1097 (1) In addition to the revenues received from the levy imposed by [each school district]
1098 a local school board and authorized by the Legislature under Section **53A-17a-135**, the
1099 Legislature shall provide an amount equal to the difference between the school district's
1100 anticipated receipts under the entitlement for the fiscal year from the Federal Impact Aid
1101 Program and the amount the school district actually received from this source for the next
1102 preceding fiscal year.

1103 (2) If at the end of a fiscal year the sum of the receipts of a school district from a
1104 distribution from the Legislature pursuant to Subsection (1) plus the school district's allocations
1105 from the Federal Impact Aid Program for that fiscal year exceeds the amount allocated to the
1106 school district from the Federal Impact Aid Program for the next preceding fiscal year, the
1107 excess funds are carried into the next succeeding fiscal year and become in that year a part of

1108 the school district's contribution to [its] the school district's basic program for operation and
1109 maintenance under the state minimum school finance law.

1110 (3) During [that year] the next succeeding fiscal year described in Subsection (2), the
1111 school district's required tax rate for the basic program shall be reduced so that the yield from
1112 the reduced tax rate plus the carryover funds equal the school district's required contribution to
1113 [its] the school district's basic program.

1114 (4) A school district that reduces [its] the school district's basic tax rate under this
1115 section shall receive state minimum school program funds as though the reduction in the tax
1116 rate had not been made.

1117 Section 28. Section **53A-17a-144** is amended to read:

1118 **53A-17a-144. Contribution of state to cost of minimum school program --**

1119 **Determination of amounts -- Levy on taxable property -- Disbursal -- Deficiency.**

1120 The state's contribution to the total cost of the minimum school program is determined
1121 and distributed as follows:

1122 (1) The State Tax Commission shall levy an amount determined by the Legislature on
1123 all taxable property of the state.

1124 (a) This amount, together with other funds provided by law, is the state's contribution
1125 to the minimum school program.

1126 (b) The statewide levy is set at zero until changed by the Legislature.

1127 (2) During the first week in November, the State Tax Commission shall certify to the
1128 State Board of Education the amounts designated as state aid for each school district under
1129 Section **59-2-902**.

1130 (3) (a) The actual amounts computed under Section **59-2-902** are the state's
1131 contribution to the minimum school program of each school district.

1132 (b) The [state board] State Board of Education shall provide each [district] local school
1133 board with a statement of the amount of state aid.

1134 (4) [Prior to] Before the first day of each month, the state treasurer and the Division of
1135 Finance, with the approval of the State Board of Education, shall disburse 1/12 of the state's
1136 contribution to the cost of the minimum school program to each school district.

1137 (a) [A disbursement may not be made to a district] The State Board of Education may
1138 not make a disbursement to a school district whose payments have been interrupted under

1139 Subsection (4)(d).

1140 (b) Discrepancies between the monthly disbursements and the actual cost of the
1141 program shall be adjusted in the final settlement under Subsection (5).

1142 (c) If the monthly distributions overdraw the money in the Uniform School Fund, the
1143 Division of Finance is authorized to run this fund in a deficit position.

1144 (d) The ~~state board~~ State Board of Education may interrupt disbursements to a school
1145 district if, in the judgment of the ~~board~~ State Board of Education, the district is failing to
1146 comply with the minimum school program, is operating programs that are not approved by the
1147 ~~state board~~ State Board of Education, or has not submitted reports required by law or the
1148 ~~state board~~ State Board of Education.

1149 (i) Disbursements shall be resumed upon request of the ~~state board~~ State Board of
1150 Education.

1151 (ii) Back disbursements shall be included in the next regular disbursement, and the
1152 amount disbursed certified to the State Division of Finance and state treasurer by the ~~state~~
1153 ~~board~~ State Board of Education.

1154 (e) The State Board of Education may authorize exceptions to the 1/12 per month
1155 disbursement formula for grant funds if the ~~board~~ State Board of Education determines that a
1156 different disbursement formula would better serve the purposes of the grant.

1157 (5) (a) If money in the Uniform School Fund is insufficient to meet the state's
1158 contribution to the minimum school program as appropriated, the amount of the deficiency thus
1159 created shall be carried as a deficiency in the Uniform School Fund until the next session of the
1160 Legislature, at which time the Legislature shall appropriate funds to cover the deficiency.

1161 (b) If there is an operating deficit in public education Uniform School Fund
1162 appropriations, the Legislature shall eliminate the deficit by:

1163 (i) budget transfers or other legal means;
1164 (ii) appropriating money from the Education Budget Reserve Account;
1165 (iii) appropriating up to 25% of the balance in the General Fund Budget Reserve
1166 Account; or

1167 (iv) some combination of Subsections (5)(b)(i), (ii), and (iii).

1168 (c) Nothing in Subsection (5)(b) precludes the Legislature from appropriating more
1169 than 25% of the balance in the General Fund Budget Reserve Account to fund operating

1170 deficits in public education appropriations.

1171 Section 29. Section **53A-17a-145** is amended to read:

1172 **53A-17a-145. Additional levy by local school board for debt service, school sites,
1173 buildings, buses, textbooks, and supplies.**

1174 (1) Except as provided in Subsection (5), a ~~school district~~ local school board may
1175 elect to increase ~~[its]~~ the school district's tax rate by up to 10% of the cost of the basic program.

1176 (2) The proceeds from the increase may only be used for debt service, the construction
1177 or remodeling of school buildings, or the purchase of school sites, buses, equipment, textbooks,
1178 and supplies.

1179 (3) This section does not prohibit a school district or local school board from
1180 exercising the authority granted by other laws relating to tax rates.

1181 (4) This increase in the tax rate is not included in determining the apportionment of the
1182 State School Fund, and is in addition to other tax rates authorized by law.

1183 (5) Beginning January 1, 2012, a local school ~~[district]~~ board may not:

1184 (a) levy a tax rate in accordance with this section; or
1185 (b) increase its tax rate as described in Subsection (1).

1186 Section 30. Section **53A-17a-146** is amended to read:

1187 **53A-17a-146. Reduction of local school board allocation based on insufficient
1188 revenues.**

1189 (1) As used in this section, "Minimum School Program funds" means the total of state
1190 and local funds appropriated for the minimum school program, excluding:

1191 (a) the state-supported voted local levy program pursuant to Section **53A-17a-133**;
1192 (b) the state-supported board local levy program pursuant to Section **53A-17a-164**; and
1193 (c) the appropriation to charter schools to replace local property tax revenues pursuant
1194 to Section **53A-1a-513**.

1195 (2) If the Legislature reduces appropriations made to support public schools under this
1196 chapter because an Education Fund budget deficit, as defined in Section **63J-1-312**, exists, the
1197 State Board of Education, after consultation with each ~~[school district and charter school]~~ local
1198 education board, shall allocate the reduction among school districts and charter schools in
1199 proportion to each school district's or charter school's percentage share of Minimum School
1200 Program funds.

1201 (3) Except as provided in Subsection (5) and subject to the requirements of Subsection
1202 (7), a [school district or charter school] local education board shall determine which programs
1203 are affected by a reduction pursuant to Subsection (2) and the amount each program is reduced.

1204 (4) Except as provided in Subsections (5) and (6), the requirement to spend a specified
1205 amount in any particular program is waived if reductions are made pursuant to Subsection (2).

1206 (5) A [school district or charter school] local education board may not reduce or
1207 reallocate spending of funds distributed to the school district or charter school for the following
1208 programs:

- 1209 (a) educator salary adjustments provided in Section 53A-17a-153;
- 1210 (b) the Teacher Salary Supplement Program provided in Section 53A-17a-156;
- 1211 (c) the extended year for special educators provided in Section 53A-17a-158;
- 1212 (d) USTAR centers provided in Section 53A-17a-159;
- 1213 (e) the School LAND Trust Program created in Section 53A-16-101.5; or
- 1214 (f) a special education program within the Basic School Program.

1215 (6) A [school district or charter school] local education board may not reallocate
1216 spending of funds distributed to the school district or charter school to a reserve account.

1217 (7) A [school district or charter school] local education board that reduces or
1218 reallocates funds in accordance with this section shall report all transfers into, or out of,
1219 Minimum School Program programs to the State Board of Education as part of the school
1220 district or charter school's Annual Financial and Program report.

1221 Section 31. Section **53A-17a-150** is amended to read:

1222 **53A-17a-150. K-3 Reading Improvement Program.**

1223 (1) As used in this section:

1224 (a) "Board" means the State Board of Education.

1225 (b) "Five domains of reading" include phonological awareness, phonics, fluency,
1226 comprehension, and vocabulary.

1227 (c) "Program" means the K-3 Reading Improvement Program.

1228 (d) "Program money" means:

1229 (i) school district revenue allocated to the program from other money available to the
1230 school district, except money provided by the state, for the purpose of receiving state funds
1231 under this section; and

1232 (ii) money appropriated by the Legislature to the program.

1233 (2) The K-3 Reading Improvement Program consists of program money and is created
1234 to supplement other school resources to achieve the state's goal of having third graders reading
1235 at or above grade level.

1236 (3) Subject to future budget constraints, the Legislature may annually appropriate
1237 money to the K-3 Reading Improvement Program.

1238 (4) (a) ~~[To]~~ For a school district or charter school to receive program money, a ~~[school~~
1239 ~~district or charter school must]~~ local education board shall submit a plan to the board for
1240 reading proficiency improvement that incorporates the following components:

1241 (i) assessment;

1242 (ii) intervention strategies;

1243 (iii) professional development for classroom teachers in kindergarten through grade
1244 three;

1245 (iv) reading performance standards; and

1246 (v) specific measurable goals that include the following:

1247 (A) a growth goal for each school within a school district and each charter school
1248 based upon student learning gains as measured by benchmark assessments administered
1249 pursuant to Section 53A-1-606.6; and

1250 (B) a growth goal for each school district and charter school to increase the percentage
1251 of third grade students who read on grade level from year to year as measured by the third
1252 grade reading test administered pursuant to Section 53A-1-603.

1253 (b) The board shall provide model plans ~~[which a school district or charter school]~~ that
1254 a local education board may use, or the ~~[school district or charter school]~~ local education board
1255 may develop ~~[its]~~ the local education board's own plan.

1256 (c) Plans developed by a ~~[school district or charter school]~~ local education board shall
1257 be approved by the board.

1258 (d) The board shall develop uniform standards for acceptable growth goals that a
1259 ~~[school district or charter school]~~ local education board adopts ~~for a school district or charter~~
1260 school as described in this Subsection (4).

1261 (5) (a) There is created within the K-3 Reading Achievement Program three funding
1262 programs:

- (i) the Base Level Program;
- (ii) the Guarantee Program; and
- (iii) the Low Income Students Program.

1266 (b) The board may use no more than \$7,500,000 from an appropriation described in
1267 Subsection (3) for computer-assisted instructional learning and assessment programs.

1268 (6) Money appropriated to the board for the K-3 Reading Improvement Program and
1269 not used by the board for computer-assisted instructional learning and assessments as described
1270 in Subsection (5)(b), shall be allocated to the three funding programs as follows:

- (a) 8% to the Base Level Program;
- (b) 46% to the Guarantee Program; and
- (c) 46% to the Low Income Students Program.

1274 (7) (a) For a school district or charter school to participate in the Base Level
1275 Program, [a school district or charter school] the local education board shall submit a reading
1276 proficiency improvement plan to the board as provided in Subsection (4) and must receive
1277 approval of the plan from the board.

1278 (b) (i) [Each] The local school board of a school district qualifying for Base Level
1279 Program funds and the governing boards of qualifying elementary charter schools combined
1280 shall receive a base amount.

1281 (ii) The base amount for the qualifying elementary charter schools combined shall be
1282 allocated among each charter school in an amount proportionate to:

(A) each existing charter school's prior year fall enrollment in grades kindergarten through grade three; and

1285 (B) each new charter school's estimated fall enrollment in grades kindergarten through
1286 grade three.

1287 (8) (a) A [school district] local school board that applies for program money in excess
1288 of the Base Level Program funds shall choose to first participate in either the Guarantee
1289 Program or the Low Income Students Program.

1290 (b) A school district must fully participate in either the Guarantee Program or the Low
1291 Income Students Program before [it] the local school board may elect for the school district to
1292 either fully or partially participate in the other program.

1293 (c) [For] For a school district to fully participate in the Guarantee Program, [a school]

1294 ~~district]~~ the local school board shall allocate to the program money available to the school
1295 district, except money provided by the state, equal to the amount of revenue that would be
1296 generated by a tax rate of .000056.

1297 (d) ~~[For a school district to~~ the local school board shall allocate to the program money available to the
1298 ~~a school district]~~ the local school board shall allocate to the program money available to the
1299 school district, except money provided by the state, equal to the amount of revenue that would
1300 be generated by a tax rate of .000065.

1301 (e) (i) The board shall verify that a ~~school district~~ local school board allocates the
1302 money required in accordance with Subsections (8)(c) and (d) before ~~[it]~~ the local school board
1303 distributes funds in accordance with this section.

1304 (ii) The State Tax Commission shall provide the board the information the board needs
1305 in order to comply with Subsection (8)(e)(i).

1306 (9) (a) Except as provided in Subsection (9)(c), the local school board of a school
1307 district that fully participates in the Guarantee Program shall receive state funds in an amount
1308 that is:

1309 (i) equal to the difference between \$21 ~~[times the]~~ multiplied by the school district's
1310 total WPUs and the revenue the ~~school district~~ local school board is required to allocate under
1311 Subsection (8)(c) for the school district to fully participate in the Guarantee Program; and
1312 (ii) not less than \$0.

1313 (b) Except as provided in Subsection (9)(c), an elementary charter school shall receive
1314 under the Guarantee Program an amount equal to \$21 times the elementary charter school's
1315 total WPUs.

1316 (c) The board may adjust the \$21 guarantee amount described in Subsections (9)(a) and
1317 (b) to account for actual appropriations and money used by the board for computer-assisted
1318 instructional learning and assessments.

1319 (10) The board shall distribute Low Income Students Program funds in an amount
1320 proportionate to the number of students in each school district or charter school who qualify for
1321 free or reduced price school lunch multiplied by two.

1322 (11) A school district that partially participates in the Guarantee Program or Low
1323 Income Students Program shall receive program funds based on the amount of school district
1324 revenue allocated to the program as a percentage of the amount of revenue that could have been

1325 allocated if the school district had fully participated in the program.

1326 (12) (a) A ~~school district or charter school~~ local education board shall use program
1327 money for reading proficiency improvement interventions in grades kindergarten through grade
1328 3 that have proven to significantly increase the percentage of students reading at grade level,
1329 including:

1330 (i) reading assessments; and

1331 (ii) focused reading remediations that may include:

1332 (A) the use of reading specialists;

1333 (B) tutoring;

1334 (C) before or after school programs;

1335 (D) summer school programs; or

1336 (E) the use of reading software; or

1337 (F) the use of interactive computer software programs for literacy instruction and
1338 assessments for students.

1339 (b) A ~~school district or charter school~~ local education board may use program money
1340 for portable technology devices used to administer reading assessments.

1341 (c) Program money may not be used to supplant funds for existing programs, but may
1342 be used to augment existing programs.

1343 (13) (a) Each ~~school district and charter school~~ local education board shall annually
1344 submit a report to the board accounting for the expenditure of program money in accordance
1345 with its plan for reading proficiency improvement.

1346 (b) If a ~~school district or charter school~~ local education board uses program money in
1347 a manner that is inconsistent with Subsection (12), the school district or charter school is liable
1348 for reimbursing the board for the amount of program money improperly used, up to the amount
1349 of program money received from the board.

1350 (14) (a) The board shall make rules to implement the program.

1351 (b) (i) The rules under Subsection (14)(a) shall require each ~~school district or charter~~
1352 ~~school~~ local education board to annually report progress in meeting ~~school and school~~
1353 ~~district~~ goals stated in the school district's or charter school's plan for student reading
1354 proficiency.

1355 (ii) If a school does not meet or exceed the school's goals, the ~~school district or charter~~

1356 ~~school~~ local education board shall prepare a new plan which corrects deficiencies.

1357 (iii) The new plan ~~must~~ described in Subsection (14)(b)(ii) shall be approved by the
1358 board before the ~~school district or charter school~~ local education board receives an allocation
1359 for the next year.

1360 (15) (a) If for two consecutive school years, a school district fails to meet ~~its~~ the
1361 school district's goal to increase the percentage of third grade students who read on grade level
1362 as measured by the third grade reading test administered pursuant to Section 53A-1-603, the
1363 school district shall terminate any levy imposed under Section 53A-17a-151 and may not
1364 receive money appropriated by the Legislature for the K-3 Reading Improvement Program.

1365 (b) If for two consecutive school years, a charter school fails to meet ~~its~~ the charter
1366 school's goal to increase the percentage of third grade students who read on grade level as
1367 measured by the third grade reading test administered pursuant to Section 53A-1-603, the
1368 charter school may not receive money appropriated by the Legislature for the K-3 Reading
1369 Improvement Program.

1370 (16) The board shall make an annual report to the Public Education Appropriations
1371 Subcommittee that:

1372 (a) includes information on:

1373 (i) student learning gains in reading for the past school year and the five-year trend;
1374 (ii) the percentage of third grade students reading on grade level in the past school year
1375 and the five-year trend;

1376 (iii) the progress of schools and school districts in meeting goals stated in a school
1377 district's or charter school's plan for student reading proficiency; and

1378 (iv) the correlation between third grade students reading on grade level and results of
1379 third grade language arts scores on a criterion-referenced test or computer adaptive test; and

1380 (b) may include recommendations on how to increase the percentage of third grade
1381 students who read on grade level.

1382 Section 32. Section **53A-17a-151** is amended to read:

1383 **53A-17a-151. Board leeway for reading improvement.**

1384 (1) Except as provided in Subsection (4), a local school board may levy a tax rate of up
1385 to .000121 per dollar of taxable value for funding the school district's K-3 Reading
1386 Improvement Program created under Section 53A-17a-150.

1387 (2) The levy authorized under this section:
1388 (a) is in addition to any other levy or maximum rate;
1389 (b) does not require voter approval; and
1390 (c) may be modified or terminated by a majority vote of the local school board.

1391 (3) A local school board shall establish [its] a local school board-approved levy under
1392 this section by June 1 to have the levy apply to the fiscal year beginning July 1 in that same
1393 calendar year.

1394 (4) Beginning January 1, 2012, a local school board may not levy a tax in accordance
1395 with this section.

1396 Section 33. Section **53A-17a-153** is amended to read:

1397 **53A-17a-153. Educator salary adjustments.**

1398 (1) As used in this section, "educator" means a person employed by a school district,
1399 charter school, or the Utah Schools for the Deaf and the Blind who holds:
1400 (a) a license issued under Title 53A, Chapter 6, Educator Licensing and Professional
1401 Practices Act; and
1402 (b) a position as a:
1403 (i) classroom teacher;
1404 (ii) speech pathologist;
1405 (iii) librarian or media specialist;
1406 (iv) preschool teacher;
1407 (v) mentor teacher;
1408 (vi) teacher specialist or teacher leader;
1409 (vii) guidance counselor;
1410 (viii) audiologist;
1411 (ix) psychologist; or
1412 (x) social worker.

1413 (2) In recognition of the need to attract and retain highly skilled and dedicated
1414 educators, the Legislature shall annually appropriate money for educator salary adjustments,
1415 subject to future budget constraints.

1416 (3) Money appropriated to the State Board of Education for educator salary
1417 adjustments shall be distributed to school districts, charter schools, and the Utah Schools for

1418 the Deaf and the Blind in proportion to the number of full-time-equivalent educator positions
1419 in a school district, a charter school, or the Utah Schools for the Deaf and the Blind as
1420 compared to the total number of full-time-equivalent educator positions in school districts,
1421 charter schools, and the Utah Schools for the Deaf and the Blind.

1422 (4) School districts, charter schools, and the Utah Schools for the Deaf and the Blind
1423 shall award bonuses to educators as follows:

1424 (a) the amount of the salary adjustment shall be the same for each full-time-equivalent
1425 educator position in the school district, charter school, or the Utah Schools for the Deaf and the
1426 Blind;

1427 (b) a person who is not a full-time educator shall receive a partial salary adjustment
1428 based on the number of hours the person works as an educator; and

1429 (c) salary adjustments may be awarded only to educators who have received a
1430 satisfactory rating or above on their most recent evaluation.

1431 (5) (a) Each ~~school district and charter school~~ local education board and the Utah
1432 Schools for the Deaf and the Blind shall submit a report to the State Board of Education on
1433 how the money for salary adjustments was spent, including the amount of the salary adjustment
1434 and the number of full and partial salary adjustments awarded.

1435 (b) The State Board of Education shall compile the information reported under
1436 Subsection (5) and submit it to the Public Education Appropriations Subcommittee by
1437 November 30 each year.

1438 (6) The State Board of Education may make rules as necessary to administer this
1439 section, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

1440 (7) (a) Subject to future budget constraints, the Legislature shall appropriate sufficient
1441 money each year to:

1442 (i) maintain educator salary adjustments provided in prior years; and
1443 (ii) provide educator salary adjustments to new employees.

1444 (b) Money appropriated for educator salary adjustments shall include money for the
1445 following employer-paid benefits:

1446 (i) retirement;
1447 (ii) worker's compensation;
1448 (iii) Social Security; and

1449 (iv) Medicare.

1450 (8) (a) Subject to future budget constraints, the Legislature shall:

1451 (i) maintain the salary adjustments provided to school administrators in the 2007-08

1452 school year; and

1453 (ii) provide salary adjustments for new school administrators in the same amount as

1454 provided for existing school administrators.

1455 (b) The appropriation provided for educator salary adjustments shall include salary

1456 adjustments for school administrators as specified in Subsection (8)(a).

1457 (c) In distributing and awarding salary adjustments for school administrators, the State

1458 Board of Education, school districts, charter schools, and the Utah Schools for the Deaf and the

1459 Blind shall comply with the requirements for the distribution and award of educator salary

1460 adjustments as provided in Subsections (3) and (4).

1461 Section 34. Section **53A-17a-159** is amended to read:

1462 **53A-17a-159. Utah Science Technology and Research Initiative Centers**

1463 **Program.**

1464 (1) (a) The Utah Science Technology and Research Initiative (USTAR) Centers

1465 Program is created to provide a financial incentive for [charter schools and school districts]

1466 local education boards to adopt programs in respective charter schools and school districts that

1467 result in a more efficient use of human resources and capital facilities.

1468 (b) The potential benefits of the program include:

1469 (i) increased compensation for math and science teachers by providing opportunities

1470 for an expanded contract year which will enhance school districts' and charter schools' ability to

1471 attract and retain talented and highly qualified math and science teachers;

1472 (ii) increased capacity of school buildings by using buildings more hours of the day or

1473 more days of the year, resulting in reduced capital facilities costs;

1474 (iii) decreased class sizes created by expanding the number of instructional

1475 opportunities in a year;

1476 (iv) opportunities for earlier high school graduation;

1477 (v) improved student college preparation;

1478 (vi) increased opportunities to offer additional remedial and advanced courses in math

1479 and science;

1480 (vii) opportunities to coordinate high school and post-secondary math and science
1481 education; and

1482 (viii) the creation or improvement of science, technology, engineering, and math
1483 centers (STEM Centers).

1484 (2) From money appropriated for the USTAR Centers Program, the State Board of
1485 Education shall award grants to charter schools and school districts to pay for costs related to
1486 the adoption and implementation of the program.

1487 (3) The State Board of Education shall:

1488 (a) solicit proposals from the State Charter School Board and [school districts] local
1489 school boards for the use of grant money to facilitate the adoption and implementation of the
1490 program; and

1491 (b) award grants on a competitive basis.

1492 (4) The State Charter School Board shall:

1493 (a) solicit proposals from charter [schools] school governing boards that may be
1494 interested in participating in the USTAR Centers Program;

1495 (b) prioritize [the charter school proposals and consolidate them] and consolidate the
1496 proposals into the equivalent of a single school district request; and

1497 (c) submit the consolidated request to the State Board of Education.

1498 (5) In selecting a grant recipient, the State Board of Education shall consider:

1499 (a) the degree to which a charter school or school district's proposed adoption and
1500 implementation of an extended year for math and science teachers achieves the benefits
1501 described in Subsection (1);

1502 (b) the unique circumstances of different urban, rural, large, small, growing, and
1503 declining charter schools and school districts; and

1504 (c) providing pilot programs in as many different school districts and charter schools as
1505 possible.

(6) (a) Except as provided in Subsection (6)(b), a school district or charter school may only use grant money to provide full year teacher contracts, part-time teacher contract extensions, or combinations of both, for math and science teachers.

1509 (b) Up to 5% of the grant money may be used to fund math and science field trips,
1510 textbooks, and supplies.

1511 (7) Participation in the USTAR Centers Program shall be:

1512 (a) voluntary for an individual teacher; and

1513 (b) voluntary for a charter school or school district.

1514 [(8) The State Board of Education shall make an annual report during the 2009, 2010,
1515 and 2011 interims to the Public Education Appropriations Subcommittee describing the
1516 program's impact on students and its effectiveness at achieving the benefits described in
1517 Subsection (1).]

1518 Section 35. Section **53A-17a-165** is amended to read:

53A-17a-165. Enhancement for Accelerated Students Program.

1520 (1) As used in this section, "eligible low-income student" means a student who:

1521 (a) takes an Advanced Placement test;

1522 (b) has applied for an Advanced Placement test fee reduction; and

1523 (c) qualifies for a free lunch or a lunch provided at reduced cost.

1524 (2) The State Board of Education shall distribute money appropriated for the

1525 Enhancement for Accelerated Students Program to school districts and charter schools

1526 according to a formula adopted by the State Board of Education, after consultation with [school

1527 districts and charter schools] local education boards.

1528 (3) A distribution formula adopted under Subsection (2) may include an allocation of
1529 money for:

- 1530 (a) Advanced Placement courses;
- 1531 (b) Advanced Placement test fees of eligible low-income students;
- 1532 (c) gifted and talented programs, including professional development for teachers of
- 1533 high ability students; and
- 1534 (d) International Baccalaureate programs.

1535 (4) The greater of 1.5% or \$100,000 of the appropriation for the Enhancement for
1536 Accelerated Students Program may be allowed for International Baccalaureate programs.

1537 (5) A school district or charter school shall use money distributed under this section to
1538 enhance the academic growth of students whose academic achievement is accelerated.

1539 (6) (a) The State Board of Education shall develop performance criteria to measure the
1540 effectiveness of the Enhancement for Accelerated Students Program and make an annual report
1541 to the Public Education Appropriations Subcommittee on the effectiveness of the program.

1542 (b) In the report required by Subsection (6)(a), the State Board of Education shall
1543 include data showing the use and impact of money allocated for Advanced Placement test fees
1544 of eligible low-income students.

1545 Section 36. Section **53A-17a-166** is amended to read:

53A-17a-166. Enhancement for At-Risk Students Program.

1547 (1) (a) Subject to the requirements of Subsection (1)(b), the State Board of Education
1548 shall distribute money appropriated for the Enhancement for At-Risk Students Program to
1549 school districts and charter schools according to a formula adopted by the State Board of
1550 Education, after consultation with [school districts and charter schools] local education boards.

1551 (b) (i) The State Board of Education shall appropriate \$1,200,000 from the
1552 appropriation for Enhancement for At-Risk Students for a gang prevention and intervention
1553 program designed to help students at-risk for gang involvement stay in school.

1554 (ii) Money for the gang prevention and intervention program shall be distributed to
1555 school districts and charter schools through a request for proposals process.

1556 (2) In establishing a distribution formula under Subsection (1)(a), the State Board of
1557 Education shall use the following criteria:

1558 (a) low performance on U-PASS tests;

1559 (b) poverty;

1560 (c) mobility; and

1561 (d) limited English proficiency.

1562 (3) A [school district or charter school] local education board shall use money
1563 distributed under this section to improve the academic achievement of students who are at risk
1564 of academic failure.

1565 (4) The State Board of Education shall develop performance criteria to measure the
1566 effectiveness of the Enhancement for At-Risk Students Program and make an annual report to
1567 the Public Education Appropriations Subcommittee on the effectiveness of the program.

1568 Section 37. Section 53A-17a-167 is amended to read:

53A-17a-167. Early intervention program -- Enhanced kindergarten program -- Educational technology.

1571 (1) The State Board of Education shall, as described in Subsection (4), distribute funds
1572 appropriated under this section for an enhanced kindergarten program described in Subsection

1573 (2), to school districts and charter schools that apply for the funds.

1574 (2) A ~~school district or charter school~~ local education board shall use funds
1575 appropriated in this section for a school district or charter school to offer an early intervention
1576 program, delivered through an enhanced kindergarten program that:

1577 (a) is an academic program focused on building age-appropriate literacy and numeracy
1578 skills;

1579 (b) uses an evidence-based early intervention model;

1580 (c) is targeted to at-risk students; and

1581 (d) is delivered through additional hours or other means.

1582 (3) A ~~school district or charter school~~ local education board may not require a student
1583 to participate in an enhanced kindergarten program described in Subsection (2).

1584 (4) The State Board of Education shall distribute funds appropriated under this section
1585 for an enhanced kindergarten program described in Subsection (2) as follows:

1586 (a) (i) the total allocation for charter schools shall be calculated by:

1587 (A) dividing the number of charter school students by the total number of students in
1588 the public education system in the prior school year; and

1589 (B) multiplying the resulting percentage by the total amount of available funds; and

1590 (ii) the amount calculated under Subsection (4)(a) shall be distributed to charter
1591 schools with the greatest need for an enhanced kindergarten program, as determined by the
1592 State Board of Education in consultation with the State Charter School Board;

1593 (b) each school district shall receive the amount calculated by:

1594 (i) multiplying the value of the weighted pupil unit by 0.45; and

1595 (ii) multiplying the result by 20; and

1596 (c) the remaining funds, after the allocations described in Subsections (4)(a) and (4)(b)
1597 are made, shall be distributed to applicant school districts by:

1598 (i) determining the number of students eligible to receive free lunch in the prior school
1599 year for each school district; and

1600 (ii) prorating the remaining funds based on the number of students eligible to receive
1601 free lunch in each school district.

1602 (5) In addition to an enhanced kindergarten program described in Subsection (2), the
1603 early intervention program includes a component to address early reading through the use of

1604 early interactive reading software.

1605 (6) (a) Subject to legislative appropriations, the State Board of Education shall select
1606 and contract with one or more technology providers, through a request for proposals process, to
1607 provide early interactive reading software for literacy instruction and assessments for students
1608 in kindergarten through grade 3.

1609 (b) By August 1 of each year, the State Board of Education shall distribute licenses for
1610 early interactive reading software described in Subsection (6)(a) to the school districts and
1611 charter schools of local education boards that apply for the licenses.

1612 (c) Except as provided in Subsection (7)(c), a school district or charter school that
1613 received a license described in Subsection (6)(b) during the prior year shall be given first
1614 priority to receive an equivalent license during the current year.

1615 (d) Licenses distributed to school districts and charter schools in addition to the
1616 licenses described in Subsection (6)(c) shall be distributed through a competitive process.

1617 (7) (a) As used in this Subsection (7), "dosage" means amount of instructional time.

1618 (b) A public school that receives a license described in Subsection (6)(b) shall use the
1619 license:

1620 (i) for a student in kindergarten or grade 1:

1621 (A) for intervention for the student if the student is reading below grade level; or

1622 (B) for advancement beyond grade level for the student if the student is reading at or
1623 above grade level;

1624 (ii) for a student in grade 2 or 3, for intervention for the student if the student is reading
1625 below grade level; and

1626 (iii) in accordance with the technology provider's dosage recommendations.

1627 (c) A public school that does not use the early interactive reading software in
1628 accordance with the technology provider's dosage recommendations for two consecutive years
1629 may not continue to receive a license.

1630 (8) (a) On or before August 1 of each year, the State Board of Education shall select
1631 and contract with an independent evaluator, through a request for proposals process, to act as
1632 an independent contractor to evaluate early interactive reading software provided under this
1633 section.

1634 (b) The State Board of Education shall ensure that a contract with an independent

1635 evaluator requires the independent evaluator to:

1636 (i) evaluate a student's learning gains as a result of using early interactive reading

1637 software provided under Subsection (6);

1638 (ii) for the evaluation under Subsection (8)(b)(i), use an assessment that is not

1639 developed by a provider of early interactive reading software; and

1640 (iii) determine the extent to which a public school uses the early interactive reading

1641 software in accordance with a technology provider's dosage recommendations under

1642 Subsection (7).

1643 (c) The State Board of Education and the independent evaluator selected under

1644 Subsection (8)(a) shall report annually on the results of the evaluation to the Education Interim

1645 Committee and the governor.

1646 (d) The State Board of Education may use up to 4% of the appropriation provided

1647 under Subsection (6)(a) to contract with an independent evaluator selected under Subsection

1648 (8)(a).

1649 Section 38. Section **53A-17a-171** is amended to read:

53A-17a-171. Intergenerational Poverty Interventions Grant Program --

Definitions -- Grant requirements -- Reporting requirements.

1652 (1) As used in this section:

1653 (a) "Board" means the State Board of Education.

1654 (b) "Eligible student" means a student who is classified as a child affected by

1655 intergenerational poverty.

1656 (c) "Intergenerational poverty" has the same meaning as in Section **35A-9-102**.

1657 (d) "Local Education Agency" or "LEA" means a school district or charter school.

1658 (e) "Program" means the Intergenerational Poverty Interventions Grant Program

1659 created in Subsection (2).

1660 (2) The Intergenerational Poverty Interventions Grant Program is created to provide

1661 grants to eligible LEAs to fund additional educational opportunities at eligible LEAs, for

1662 eligible students, outside of the regular school day offerings.

1663 (3) Subject to future budget constraints, the board shall distribute to LEAs money

1664 appropriated for the program in accordance with this section.

1665 (4) The board shall:

1666 (a) solicit proposals from [LEAs] local education boards to receive money under the
1667 program; and

1668 (b) award grants to ~~LEAs~~ a local education board on behalf of an LEA based on
1669 criteria described in Subsection (5).

1670 (5) In awarding a grant under Subsection (4), the board shall consider:

1671 (a) the percentage of an LEA's students that are classified as children affected by
1672 intergenerational poverty;

1673 (b) the level of administrative support and leadership at an eligible LEA to effectively
1674 implement, monitor, and evaluate the program; and

(c) an LEA's commitment and ability to work with the Department of Workforce Services, the Department of Health, the Department of Human Services, and the juvenile courts to provide services to the LEA's eligible students.

1678 (6) To receive a grant under the program[~~, an LEA~~] on behalf of an LEA, a local
1679 education board shall submit a proposal to the board detailing:

1680 (a) the LEA's strategy to implement the program, including the LEA's strategy to
1681 improve the academic achievement of children affected by intergenerational poverty;

1682 (b) the LEA's strategy for coordinating with and engaging the Department of
1683 Workforce Services to provide services for the LEA's eligible students;

1684 (c) the number of students the LEA plans to serve, categorized by age and
1685 intergenerational poverty status;

1686 (d) the number of students, eligible students, and schools the LEA plans to fund with
1687 the grant money; and

1688 (e) the estimated cost per student.

1689 (7) (a) The board shall annually report to the Utah Intergenerational Welfare Reform
1690 Commission, created in Section [35A-9-301](#), by November 30 of each year, on:

1691 (i) the progress of LEA programs using grant money;

1692 (ii) the progress of LEA programs in improving the academic achievement of children
1693 affected by intergenerational poverty; and

1694 (iii) the LEA's coordination efforts with the Department of Workforce Services, the
1695 Department of Health, the Department of Human Services, and the juvenile courts.

1696 (b) The board shall provide the report described in Subsection (7)(a) to the Education

1697 Interim Committee upon request.

1698 (c) ~~[LEAs that receive]~~ An LEA that receives grant money pursuant to this section
1699 shall provide to the board information that is necessary for the board's report described in
1700 Subsection (7)(a).

1701 Section 39. Section **63J-1-220** is amended to read:

1702 **63J-1-220. Reporting related to pass through money distributed by state
1703 agencies.**

1704 (1) As used in this section:

1705 (a) "Local government entity" means a county, municipality, school district, local
1706 district under Title 17B, Limited Purpose Local Government Entities - Local Districts, special
1707 service district under Title 17D, Chapter 1, Special Service District Act, or any other political
1708 subdivision of the state.

1709 (b) (i) "Pass through funding" means money appropriated by the Legislature to a state
1710 agency that is intended to be passed through the state agency to one or more:

1711 (A) local government entities;

1712 (B) private organizations, including not-for-profit organizations; or

1713 (C) persons in the form of a loan or grant.

1714 (ii) "Pass through funding" may be:

1715 (A) general funds, dedicated credits, or any combination of state funding sources; and
1716 (B) ongoing or one-time.

1717 (c) "Recipient entity" means a local government entity or private entity, including a
1718 nonprofit entity, that receives money by way of pass through funding from a state agency.

1719 (d) "State agency" means a department, commission, board, council, agency,
1720 institution, officer, corporation, fund, division, office, committee, authority, laboratory, library,
1721 unit, bureau, panel, or other administrative unit of the executive branch of the state.

1722 (e) (i) "State money" means money that is owned, held, or administered by a state
1723 agency and derived from state fees or tax revenues.

1724 (ii) "State money" does not include contributions or donations received by a state
1725 agency.

1726 (2) A state agency may not provide a recipient entity state money through pass through
1727 funding unless:

1728 (a) the state agency enters into a written agreement with the recipient entity; and
1729 (b) the written agreement described in Subsection (2)(a) requires the recipient entity to
1730 provide the state agency:

1731 (i) a written description and an itemized report at least annually detailing the
1732 expenditure of the state money, or the intended expenditure of any state money that has not
1733 been spent; and

1734 (ii) a final written itemized report when all the state money is spent.

1735 (3) A state agency shall provide to the Governor's Office of Management and Budget a
1736 copy of a written description or itemized report received by the state agency under Subsection
1737 (2).

1738 (4) Notwithstanding Subsection (2), a state agency is not required to comply with this
1739 section to the extent that the pass through funding is issued:

1740 (a) under a competitive award process;

1741 (b) in accordance with a formula enacted in statute;

1742 (c) in accordance with a state program under parameters in statute or rule that guides
1743 the distribution of the pass through funding; or

1744 (d) under the authority of the minimum school program, as defined in Subsection

1745 53A-17a-103[~~(4)~~](7)(e).

Legislative Review Note

Office of Legislative Research and General Counsel