

1                                   **PUBLIC EDUCATION BASE BUDGET**

2                                                           2011 GENERAL SESSION

3                                                           STATE OF UTAH

4                                   **Chief Sponsor: D. Chris Buttars**

5                                   House Sponsor: Merlynn T. Newbold

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7 **LONG TITLE**

8 **Committee Note:**

9           The Executive Appropriations Committee recommended this bill.

10 **General Description:**

11           This bill appropriates funds for the support and operation of public education for the  
12 fiscal year beginning July 1, 2011, and ending June 30, 2012.

13 **Highlighted Provisions:**

14           This bill:

- 15           ▶ provides appropriations for the use and support of state education agencies;
- 16           ▶ provides appropriations for the use and support of school districts and charter  
17 schools;
- 18           ▶ sets the value of the weighted pupil unit at \$2,520 for fiscal year 2011-12;
- 19           ▶ sets the estimated minimum basic tax rate at .001628 for fiscal year 2011-12; and
- 20           ▶ modifies the guarantee for the voted and board leeway programs.

21 **Money Appropriated in this Bill:**

22           This bill appropriates for fiscal year 2011-12:

- 23           ▶ \$2,987,000 from the General Fund;
- 24           ▶ \$19,000,000 from the Uniform School Fund;
- 25           ▶ \$2,184,081,586 from the Education Fund; and
- 26           ▶ \$935,823,973 from various sources as detailed in this bill.

27 **Other Special Clauses:**



28 This bill takes effect on July 1, 2011.

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **53A-17a-133**, as last amended by Laws of Utah 2010, Chapter 399

32 **53A-17a-134**, as last amended by Laws of Utah 2010, Chapter 399

33 **53A-17a-135**, as last amended by Laws of Utah 2010, Chapter 3

34 **Uncodified Material Affected:**

35 ENACTS UNCODIFIED MATERIAL



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

38 Section 1. Section **53A-17a-133** is amended to read:

39 **53A-17a-133. State-supported voted leeway program authorized -- Election**  
40 **requirements -- State guarantee -- Reconsideration of the program.**

41 (1) An election to consider adoption or modification of a voted leeway program is  
42 required if initiative petitions signed by 10% of the number of electors who voted at the last  
43 preceding general election are presented to the local school board or by action of the board.

44 (2) (a) (i) To establish a voted leeway program, a majority of the electors of a district  
45 voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a  
46 special tax.

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

48 (b) The district may maintain a school program which exceeds the cost of the program  
49 referred to in Section 53A-17a-145 with this voted leeway.

50 (c) In order to receive state support the first year, a district must receive voter approval  
51 no later than December 1 of the year prior to implementation.

52 (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient  
53 to guarantee [~~\$25.25~~] \$24.92 per weighted pupil unit for each .0001 of the first .0016 per dollar  
54 of taxable value.

55 (b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar  
56 of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized  
57 in Section 53A-17a-134, so that the guarantee shall apply up to a total of .002 per dollar of  
58 taxable value if a school district levies a tax rate under both programs.

59 (c) Beginning July 1, [2011] 2012, the [~~\$25.25~~] \$24.92 guarantee under Subsections  
60 (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the  
61 value of the guarantee equal to.010544 times the value of the prior year's weighted pupil unit.

62 (d) (i) The amount of state guarantee money to which a school district would otherwise  
63 be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's  
64 levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924  
65 pursuant to changes in property valuation.

66 (ii) Subsection (3)(d)(i) applies for a period of five years following any such change in  
67 the certified tax rate.

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

72 (4) (a) An election to modify an existing voted leeway program is not a reconsideration  
73 of the existing program unless the proposition submitted to the electors expressly so states.

74 (b) A majority vote opposing a modification does not deprive the district of authority to  
75 continue an existing program.

76 (c) If adoption of a leeway program is contingent upon an offset reducing other local  
77 school board levies, the board must allow the electors, in an election, to consider modifying or  
78 discontinuing the program prior to a subsequent increase in other levies that would increase the  
79 total local school board levy.

80 (d) Nothing contained in this section terminates, without an election, the authority of a  
81 school district to continue an existing voted leeway program previously authorized by the  
82 voters.

83 (5) Notwithstanding Section 59-2-919, a school district may budget an increased  
84 amount of ad valorem property tax revenue derived from a voted leeway imposed under this  
85 section in addition to revenue from new growth as defined in Subsection 59-2-924(4), without  
86 having to comply with the notice requirements of Section 59-2-919, if:

87 (a) the voted leeway is approved:

88 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

89 (ii) within the four-year period immediately preceding the year in which the school

90 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
91 the voted leeway; and

92 (b) for a voted leeway approved or modified in accordance with this section on or after  
93 January 1, 2009, the school district complies with the requirements of Subsection (7).

94 (6) Notwithstanding Section 59-2-919, a school district may levy a tax rate under this  
95 section that exceeds the certified tax rate without having to comply with the notice  
96 requirements of Section 59-2-919 if:

97 (a) the levy exceeds the certified tax rate as the result of a school district budgeting an  
98 increased amount of ad valorem property tax revenue derived from a voted leeway imposed  
99 under this section;

100 (b) the voted leeway was approved:

101 (i) in accordance with Section 53A-16-110 on or after January 1, 2003; and

102 (ii) within the four-year period immediately preceding the year in which the school  
103 district seeks to budget an increased amount of ad valorem property tax revenue derived from  
104 the voted leeway; and

105 (c) for a voted leeway approved or modified in accordance with this section on or after  
106 January 1, 2009, the school district complies with requirements of Subsection (7).

107 (7) For purposes of Subsection (5)(b) or (6)(c), the proposition submitted to the  
108 electors regarding the adoption or modification of a voted leeway program shall contain the  
109 following statement:

110 "A vote in favor of this tax means that (name of the school district) may increase  
111 revenue from this property tax without advertising the increase for the next five years."

112 Section 2. Section **53A-17a-134** is amended to read:

113 **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

114 (1) Each local school board may levy a tax rate of up to .0004 per dollar of taxable  
115 value to maintain a school program above the cost of the basic school program as follows:

116 (a) a local school board shall use the monies generated by the tax for class size  
117 reduction within the school district;

118 (b) if a local school board determines that the average class size in the school district is  
119 not excessive, it may use the monies for other school purposes but only if the board has  
120 declared the use for other school purposes in a public meeting prior to levying the tax rate; and

121 (c) a district may not use the monies for other school purposes under Subsection (1)(b)  
122 until it has certified in writing that its class size needs are already being met and has identified  
123 the other school purposes for which the monies will be used to the State Board of Education  
124 and the state board has approved their use for other school purposes.

125 (2) (a) The state shall contribute an amount sufficient to guarantee [~~\$25.25~~] \$24.92 per  
126 weighted pupil unit for each .0001 per dollar of taxable value.

127 (b) The guarantee shall increase in the same manner as provided for the voted leeway  
128 guarantee in Subsection 53A-17a-133(3)(c).

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

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

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

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

138 (ii) the portion of a board-authorized leeway rate that is in excess of the  
139 board-authorized leeway rate that was in effect for the previous fiscal year.

140 (3) The levy authorized under this section is not in addition to the maximum rate of  
141 .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax  
142 rate under that section.

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

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

150 (6) (a) A local school board shall establish its board-approved levy by April 1 to have  
151 the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an

152 election is required under this section, the levy applies to the fiscal year beginning July 1 of the  
153 next calendar year.

154 (b) The approval and disapproval votes authorized in Subsections (4) and (5) shall  
155 occur at a general election in even-numbered years, except that a vote required under this  
156 section in odd-numbered years shall occur at a special election held on a day in odd-numbered  
157 years that corresponds to the general election date. The school district shall pay for the cost of  
158 a special election.

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

161 (b) A board-authorized leeway rate may be modified or terminated by a majority vote  
162 of the board subject to disapproval procedures specified in this section.

163 (8) A board levy election does not require publication of a voter information pamphlet.

164 Section 3. Section **53A-17a-135** is amended to read:

165 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

166 (1) (a) In order to qualify for receipt of the state contribution toward the basic program  
167 and as its contribution toward its costs of the basic program, each school district shall impose a  
168 minimum basic tax rate per dollar of taxable value that generates [~~\$273,950,764~~] \$284,221,713  
169 in revenues statewide.

170 (b) The preliminary estimate for the [~~2010-11~~] 2011-12 minimum basic tax rate is  
171 [~~.001513~~] .001628.

172 (c) The State Tax Commission shall certify on or before June 22 the rate that generates  
173 [~~\$273,950,764~~] \$284,221,713 in revenues statewide.

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

176 (2) (a) The state shall contribute to each district toward the cost of the basic program in  
177 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
178 (1).

179 (b) In accord with the state strategic plan for public education and to fulfill its  
180 responsibility for the development and implementation of that plan, the Legislature instructs  
181 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
182 of the coming five years to develop budgets that will fully fund student enrollment growth.

183 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
 184 cost of the basic program in a school district, no state contribution shall be made to the basic  
 185 program.

186 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
 187 the basic program shall be paid into the Uniform School Fund as provided by law.

188 Section 4. **Appropriations for state education agencies, school districts, and**  
 189 **charter schools -- Value of weighted pupil unit.**

190 (1) Under the terms and conditions of Title 63J, Budgeting, as applicable, the  
 191 following sums of money are appropriated from resources not otherwise appropriated out of the  
 192 funds or fund accounts indicated for distribution to state education agencies, school districts,  
 193 and charter schools for the fiscal year beginning July 1, 2011, and ending June 30, 2012.

194 (2) The value of the weighted pupil unit (WPU) for fiscal year 2011-12 is established  
 195 at \$2,520.

196 BASIC SCHOOL PROGRAM

197 ITEM 1 To Basic School Program

198	From Uniform School Fund	\$19,000,000
199	From Education Fund	\$1,626,480,887
200	From Local Revenue	\$284,221,713
201	From Beginning Nonlapsing Appropriation Balances	\$15,682,810
202	From Closing Nonlapsing Appropriation Balances	(\$15,682,810)

203 Schedule of Programs:

204	Kindergarten (27,018 WPUs)	\$68,085,360
205	Grades 1 - 12 (525,243 WPUs)	\$1,323,612,360
206	Necessarily Existent Small Schools (7,649 WPUs)	\$19,275,480
207	Professional Staff (48,886 WPUs)	\$123,192,720
208	Administrative Costs (1,535 WPUs)	\$3,868,200
209	Special Education - Add-on (65,190 WPUs)	\$164,278,800
210	Special Education - Pre-school (9,188 WPUs)	\$23,153,760
211	Special Education - Self-contained (14,146 WPUs)	\$35,647,920
212	Special Education - Extended Year (403 WPUs)	\$1,015,560
213	Special Education - State Programs (1,822 WPUs)	\$4,591,440

214	Career & Technical Ed District Add-on (27,907 WPUs)	\$70,325,640
215	Class Size Reduction (36,768 WPUs)	\$92,655,360
216	The Legislature intends that the State Board of Education allocate \$914,200 from the	
217	appropriation to the Career & Technical Education District Add-on program to support summer	
218	Career & Technical Education Agriculture programs.	
219	RELATED TO BASIC PROGRAMS	
220	ITEM 2 To Related to Basic Programs	
221	From Education Fund	\$431,027,851
222	From Uniform School Fund Restricted - Interest and Dividends Account	\$20,000,000
223	From Beginning Nonlapsing Appropriation Balances	\$10,825,698
224	From Closing Nonlapsing Appropriation Balances	(\$10,825,698)
225	Schedule of Programs:	
226	To and From School - Pupil Transportation	\$59,346,865
227	Guarantee Transportation Levy	\$500,000
228	Flexible Allocation - WPU Distribution	\$57,601,279
229	Interventions for Student Success Block Grant	\$15,000,000
230	Highly Impacted Schools	\$4,518,707
231	Youth At-Risk	\$27,704,741
232	Adult Education	\$9,266,146
233	Accelerated Learning	\$3,494,781
234	Concurrent Enrollment	8,531,186
235	High-Ability Student Initiative	\$485,100
236	English Language Learner Family Literacy Centers	\$1,764,000
237	School LAND Trust Program	\$20,000,000
238	Charter School Local Replacement	\$58,947,546
239	Charter School Administration	\$4,221,100
240	K-3 Reading Improvement	\$14,700,000
241	Educator Salary Adjustments	\$150,376,200
242	USFR Teacher Salary Supplement Restricted Account	\$3,626,000
243	Library Books & Electronic Resources	\$25,000
244	Matching Funds for School Nurses	\$882,000



245	Critical Languages & Dual Immersion	\$975,400
246	Extended Year for Special Educators	\$2,557,800
247	USTAR Centers (Year-Round Math & Science)	\$6,210,000
248	Performance Based Compensation	\$294,000
249	The Legislature intends that the State Board of Education allocate \$2,584,400 from the	
250	appropriation for To and From School - Pupil Transportation to support transportation costs at	
251	the Utah Schools for the Deaf and the Blind.	
252	The Legislature intends that monies for the Flexible Allocation - WPU Distribution	
253	program be distributed to school districts and charter schools on the basis of the number of	
254	weighted pupil units in a school district or charter school compared to the total number of	
255	weighted pupil units and that the State Board of Education provide for the reporting of school	
256	districts' and charter schools' expenditures of the program monies.	
257	VOTED AND BOARD LEEWAY PROGRAMS	
258	ITEM 3 To Voted and Board Leeway Programs	
259	From Education Fund	\$57,928,148
260	From Local Revenue	\$306,112,460
261	From Beginning Nonlapsing Appropriation Balances	\$4,793,770
262	From Closing Nonlapsing Appropriation Balances	(\$4,793,770)
263	Schedule of Programs:	
264	Voted Leeway	\$277,452,543
265	Board Leeway	\$71,588,065
266	Board Leeway - Reading Improvement	\$15,000,000
267	SCHOOL BUILDING PROGRAMS	
268	ITEM 4 To School Building Programs	
269	From Education Fund	\$13,484,700
270	Schedule of Programs:	
271	Capital Outlay Foundation Program	\$11,728,100
272	Capital Outlay Enrollment Growth Program	\$1,756,600
273	STATE BOARD OF EDUCATION	
274	ITEM 5 To State Board of Education - State Office of Education	
275	From Education Fund	\$19,626,100

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276	From Federal Funds	\$162,161,000
277	From Dedicated Credits Revenue	\$5,896,200
278	From General Fund Restricted - Mineral Lease	\$2,884,000
279	From General Fund Restricted - Land Exchange Distribution Account	\$302,400
280	From General Fund Restricted - Substance Abuse Prevention	\$497,200
281	From Uniform School Fund Restricted - Interest and Dividends Account	\$410,400
282	From Revenue Transfers	\$678,900
283	From Beginning Nonlapsing Appropriation Balances	\$12,360,800
284	From Closing Nonlapsing Appropriation Balances	(\$12,360,800)
285	From Lapsing Balance	(\$3,900)
286	Schedule of Programs:	
287	Board of Education - Administration	\$1,541,300
288	Student Achievement	\$187,454,000
289	Data and Business Services	\$1,452,300
290	Law, Legislation and Educational Services	\$2,004,700
291	ITEM 6 To State Board of Education - Utah State Office of Education - Initiative Programs	
292	From General Fund	\$2,987,000
293	From Education Fund	\$6,621,000
294	From Beginning Nonlapsing Appropriation Balances	\$911,300
295	From Closing Nonlapsing Appropriation Balances	(\$911,300)
296	Schedule of Programs:	
297	Contracts and Grants	\$9,608,000
298	ITEM 7 To State Board of Education - State Charter School Board	
299	From Education Fund	\$535,500
300	From Federal Funds	\$5,106,100
301	Schedule of Programs:	
302	State Charter School Board	\$5,641,600
303	ITEM 8 To State Board of Education - Educator Licensing Professional Practices	
304	From Uniform School Fund Restricted - Professional Practices	\$1,469,900
305	From Lapsing Balance	(\$203,800)
306	Schedule of Programs:	

307	Educator Licensing	\$1,266,100	
308	ITEM 9 To State Board of Education - State Office of Education - Child Nutrition		
309	From Education Fund		\$129,700
310	From Federal Funds		\$114,327,500
311	From Dedicated Credits Revenue		\$21,613,100
312	From Beginning Nonlapsing Appropriation Balances		\$9,900
313	From Closing Nonlapsing Appropriation Balances		(\$9,900)
314	Schedule of Programs:		
315	Child Nutrition	\$136,070,300	
316	ITEM 10 To State Board of Education - Fine Arts Outreach		
317	From Education Fund		\$2,591,700
318	Schedule of Programs:		
319	Professional Outreach Programs	\$2,546,400	
320	Subsidy Program	\$45,300	
321	ITEM 11 To State Board of Education - State Office of Education - Educational Contracts		
322	From Education Fund		\$2,918,200
323	Schedule of Programs:		
324	Youth Center	\$1,072,500	
325	Corrections Institutions	\$1,845,700	
326	ITEM 12 To State Board of Education - Science Outreach		
327	From Education Fund		\$1,576,800
328	From Beginning Nonlapsing Appropriation Balances		\$46,400
329	From Closing Nonlapsing Appropriation Balances		(\$46,400)
330	Schedule of Programs:		
331	Informal Science Education Enhancement	\$1,188,900	
332	Science Enhancement	\$387,900	
333	ITEM 13 To State Board of Education - Utah Schools for the Deaf and the Blind		
334	From Education Fund		\$21,161,000
335	From Federal Funds		\$92,000
336	From Dedicated Credits Revenue		\$1,551,700
337	From Revenue Transfers		\$4,510,800

338	Schedule of Programs:		
339	Instructional Services	\$13,932,800	
340	Support Services	\$13,382,700	
341	STATE BOARD OF EDUCATION INTERNAL SERVICE FUNDS		
342	ITEM 14 To State Board of Education - Indirect Cost Pool		
343	From Dedicated Credits - Intragovernmental Revenue		\$4,196,300
344	Schedule of Programs:		
345	ISF - Superintendent Indirect Cost Pool	\$4,196,300	
346	Budgeted FTE		41.0
347	Section 5. <b>Effective date.</b>		
348	<u>This bill takes effect on July 1, 2011.</u>		

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**Legislative Review Note**  
as of 1-19-11 4:35 PM

**Office of Legislative Research and General Counsel**

# FISCAL NOTE

## S.B. 1, 2011 General Session

SHORT TITLE: Public Education Base Budget

SPONSOR: **Buttars, D. C.**

STATE OF UTAH

### STATE GOVERNMENT (UCA 36-12-13(2)(b))

This bill appropriates for FY 2012 \$3,141,892,559 to support the Minimum School Program, School Building Program, and state education agencies. This total includes, \$2,206,068,586 in ongoing state revenues from the General Fund, Uniform School Fund and Education Fund, as well as \$281,686,600 from federal funds and \$590,334,173 in local school district property tax revenues.

Enactment of this bill sets the estimated minimum basic tax rate for FY 2012 at 0.001628 to generate an estimated \$284,221,713 in local property tax revenue to support the Minimum School Program. This bill authorizes a total of 765,755 Weighted Pupil Units, an increase of 20,655 over FY 2011 as determined by the projected increase in student enrollment. This bill does not increase funding for those additional WPU, instead this bill sets the value for each Weighted Pupil Unit at \$2,520, down from \$2,577.

Enactment of this bill sets the state guarantee rate for the Voted & Board Leeway programs at \$24.92.

### STATE BUDGET DETAIL TABLE

	FY 2011	FY 2012	FY 2013
<b>Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditure:</b>			
General Fund	\$0	\$2,987,000	\$2,987,000
General Fund Restricted	\$0	\$799,600	\$799,600
Uniform School Fund	\$0	\$19,000,000	\$19,000,000
Uniform School Fund Restricted	\$0	\$21,880,300	\$21,880,300
Education Fund	\$0	\$2,184,081,586	\$2,184,081,586
Federal Funds	\$0	\$281,686,600	\$281,686,600
Federal Mineral Lease	\$0	\$2,884,000	\$2,884,000
Dedicated Credits	\$0	\$33,257,300	\$33,257,300
Local Revenue	\$0	\$590,334,173	\$590,334,173
Transfers	\$0	\$5,189,700	\$5,189,700
Other	\$0	(\$207,700)	\$0
<b>Total Expenditure</b>	<b>\$0</b>	<b>\$3,141,892,559</b>	<b>\$3,142,100,259</b>
<b>Net Impact, All Funds (Rev.-Exp.)</b>	<b>\$0</b>	<b>(\$3,141,892,559)</b>	<b>(\$3,142,100,259)</b>
<b>Net Impact, General/Education Funds</b>	<b>\$0</b>	<b>(\$2,206,068,586)</b>	<b>(\$2,206,068,586)</b>

# FISCAL NOTE

S.B. 1, 2011 General Session

SHORT TITLE: Public Education Base Budget

SPONSOR: **Buttars, D. C.**

STATE OF UTAH

## LOCAL GOVERNMENTS (UCA 36-12-13(2)(c))

School districts, charter schools, and state education agencies may see an increase or decrease in state funding levels depending on their participation in programs contained in this bill.

## DIRECT EXPENDITURES BY UTAH RESIDENTS AND BUSINESSES (UCA 36-12-13(2)(d))

The estimated minimum basic tax rate adjusts each year to generate the local property tax contribution amount to the Minimum School Program as outlined in statute. Estimates indicate that the minimum basic tax rate will increase from 0.001495 in FY 2011 to 0.001628. This represents an increase of approximately \$13.30 on each \$100,000 of assessed value. Due to the primary residential property tax reduction, home owners may see an increase of approximately \$7.32 for each \$100,000 of assessed value.