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## Issue Brief – Land Exchange Distribution Account

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UTAH STATE OFFICE OF EDUCATION

NUMBER: USOE 01

### SUMMARY

House Bill 134 School and Institutional Trust Lands Amendments (2007 G.S.) created the Land Exchange Distribution Account. The account was created to collect the state's portion of Mineral Lease funds on former federal lands now school trust lands and distribute them to the various entities in amounts determined by statutory formula. The State Board of Education receives 1.68 percent of all deposits made to the General Fund restricted account "Land Exchange Distribution Account."

### ISSUES AND RECOMMENDATIONS

According to statute, funds received by the Board of Education are to be used for "education research and experimentation in the use of staff and facilities designed to improve the quality of education in Utah".

By statute all money collected from mineral interests is deposited into the Land Exchange Distribution Account. However, in order for the Division of Finance to transfer money to the Board of Education, the Legislature must appropriate funds from the Account.

Total collections to the restricted account in FY 2008 are estimated at \$23,450,000. Current revenue estimates, however, show a significant increase in mineral lease collections. In addition, fiscal year 2008 revenues targeted for the State Board of Education were not appropriated during the 2007 General Session.

- **Recommendation:** The Analyst recommends appropriating a supplemental \$394,000 in FY 2008 and a FY 2009 building block of \$302,400 provide the estimated restricted fund revenue designated for the State Board of Education.