

Office of the
Legislative Fiscal Analyst

FY 2002 Supplemental

Joint Appropriations Subcommittee for
Commerce and Revenue
Utah College of Applied Technology

Supplemental Funding Items

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1.0 Commerce and Revenue – Utah College of Applied Technology

Summary

Supplemental funding is for any items in the current fiscal year, which have funding issues that were not anticipated during the previous Legislative session. In most cases, the funding is for additional one-time appropriations for unexpected costs. However, based on the current economic situation in the State, the supplemental appropriation is a budget reduction to balance the FY 2002 State budget based on the projected revenue shortfall of \$202.5 million.

The Governor estimated a shortfall early in the fiscal year and requested a 2.5 percent “holdback” in expenditures. When it became apparent that the initial revenue shortfalls were correct, the Governor implemented the “holdbacks” for all levels of State government. The first “holdback” for the Utah College of Applied Technology totaled \$992,500 in State funds. After the reductions were made, the deficit increased from \$77 million to \$202.5 million. The Governor requested additional reductions and suggested using the State’s Rainy Day Fund to supplement the difference. However, the current supplemental recommendations do not include the use of the Rainy Day Funds.

Virtually all of State government is impacted to some degree by the proposed reductions in operating budgets. The Analyst identified a specific process that could be changed in addition to the Governor’s initial 2.5 percent across-the-board cut.

For FY 2002, the Analyst recommends a base budget reduction that includes the original “holdback” of \$126,400 in General Funds, \$272,500 in Income Tax, \$593,600 in Uniform School Funds and \$94,100 in Dedicated Credits for a total of \$1,086,600. The Analyst further recommends an additional decrease in the base budget of \$85,000 in General Funds, \$212,500 in Income Tax and \$765,000 in Uniform School Funds for a total cut of \$1,062,500. The Supplemental negative appropriation for FY 2002 totals \$2,055,000 in State funds which represents a decrease of 4.72 percent in the base budget.

	Analyst FY 2002 Estimated	Analyst FY 2002 Supplemental	Analyst FY 2002 Revised
Financing			
General Fund	1,324,500		1,324,500
General Fund, One-time		(211,400)	(211,400)
Uniform School Fund	26,291,000		26,291,000
Uniform School Fund, One-time		(1,358,600)	(1,358,600)
Income Tax	12,790,600		12,790,600
Income Tax, One-time	3,100,000	(485,000)	2,615,000
Dedicated Credits Revenue	3,452,100		3,452,100
Dedicated Credits - Investments	309,600		309,600
Beginning Nonlapsing	764,200		764,200
Closing Nonlapsing	(632,400)		(632,400)
Total	\$47,399,600	(\$2,055,000)	\$45,344,600
Programs			
Administration	7,160,500	(272,500)	6,888,000
Bridgerland ATC	8,646,100	(324,400)	8,321,700
Central ATC	1,464,300	(111,700)	1,352,600
Davis ATC	8,602,700	(364,500)	8,238,200
Dixie ATC	784,200	(30,900)	753,300
Mountainlands ATC	2,192,600	(170,400)	2,022,200
Ogden/Weber ATC	9,317,800	(338,000)	8,979,800
Salt Lake/Tooele ATC	2,604,100	(124,000)	2,480,100
Southeast ATC	895,500	(59,000)	836,500
Southwest ATC	1,274,100	(51,900)	1,222,200
Uintah Basin ATC	4,457,700	(207,700)	4,250,000
Total	\$47,399,600	(\$2,055,000)	\$45,344,600
FTE/Other			
Total FTE	517		517

2.0 Issues: Utah College of Applied Technology

The following summarizes the recommended reductions for FY 2002 for the Utah College of Applied Technology.

2.1 Original Governor’s “Holdbacks”

In the first series of “holdbacks”, the Governor recommended a 2.5 percent across-the-board cut for the Utah College of Applied Technology (UCAT). **The Analyst recommends the 2.5 percent across-the-board cut for a total reduction of \$1,086,600 which includes \$126,400 of General Funds, \$272,500 of Income Tax, \$593,600 of Uniform School Funds and \$94,100 of Dedicated Credits.** The following table indicates the budget reductions for UCAT:

Institution	2.5% Base Reduction
Bridgerland Applied Technology College	(\$179,700)
Davis Applied Technology College	(185,800)
Ogden-Weber Applied Technology College	(201,400)
Uintah Basin Applied Technology College	(81,800)
Salt Lake-Tooele Applied Technology College	(39,000)
Mountainlands Applied Technology College	(42,900)
Southeast Applied Technology College	(16,500)
Southwest Applied Technology College	(25,500)
Dixie Applied Technology College	(14,800)
Central Applied Technology College	(26,700)
UCAT - Administration	(12,400)
UCAT - Custom Fit	(152,100)
UCAT - Development	(68,000)
UCAT - Equipment	(40,000)
Total	(\$1,086,600)
Plan of Financing	
General Fund	(\$126,400)
Income Tax	(272,500)
Uniform School Fund	(593,600)
Dedicated Credits	(94,100)
Total	(\$1,086,600)

2.2 Reallocation of Public Education Funding for Secondary Students Enrolled at Applied Technology Colleges

Currently, Public Education receives a weighted pupil unit (WPU) for all secondary students of \$2,116 whether they attend a public high school or an Applied Technology College (formerly Applied Technology Centers). When a secondary student attends an Applied Technology College (ATC), the local school district is allowed to keep the WPU funds. The ATC’s also receive state support for secondary students.

The current economic situation has forced all sectors of government to evaluate fiscal policies. Therefore, the Analyst recommends a reduction in the ATC budgets by \$500 per full-time secondary student. This funding will be replaced by the school districts paying the ATC’s \$500 (approximately 24 percent of the WPU) for each full time student attending the ATC’s. The Analyst recommends that the transfer of funds from Public Education’s school districts to the Applied Technology Colleges for secondary students be a statutory change in Section 53A-17a-114, to address the transfer. The new statute could be similar to the process used for concurrent enrollment in Section 53A-17a-120. This will partially address the issue of double funding for applied technology education and save the State about \$1,062,500 in FY 2002.

The Analyst recommends a reduction in the base budget for the Applied Technology Colleges of \$1,062,500 for FY 2002 and the appropriate statutory change to allow these funds to be replaced by current school district funding. The following table indicates the impact on the applied technology colleges based on FY 2001 membership hours:

Reduction of Applied Technology Funding for Secondary Students	
Bridgerland Applied Technology College	(\$170,000)
Central Applied Technology College	(85,000)
Davis Applied Technology College	(212,500)
Dixie Applied Technology College	(10,600)
Mountainlands Applied Technology College	(127,500)
Ogden-Weber Applied Technology College	(170,000)
Southeast Applied Technology College	(42,500)
Southwest Applied Technology College	(31,900)
Salt Lake-Tooele Applied Technology College	(85,000)
Uintah Basin Applied Technology College	(127,500)
Total	(\$1,062,500)

4.0 Additional Information: Utah College of Applied Technology

4.1 Funding History

The table below indicates a difference from FY 2001 to 2002 of \$11.6 million. This increase in funding represents new money appropriated in FY 2002 of \$5.6 million and a transfer from Public and Higher Education for the UCAT Administration of \$6 million.

Utah College of Applied Technology					
	1999	2000	2001	2002	Difference
Financing	Actual	Actual	Actual	Revised	2001 to 2002
General Fund	1,645,000	1,177,100	1,034,700	1,324,500	289,800
General Fund, One-time				(211,400)	(211,400)
Uniform School Fund	30,953,000	30,230,647	26,605,200	26,291,000	(314,200)
Uniform School Fund, One-time		(1,000)		(1,358,600)	(1,358,600)
Income Tax			1,286,200	12,790,600	11,504,400
Income Tax, One-time				2,615,000	2,615,000
Dedicated Credits Revenue	2,971,800	3,207,984	3,980,800	3,452,100	(528,700)
Dedicated Credits - Investments	731,000	272,200		309,600	309,600
Transfers			161,000		(161,000)
Transfers - Interagency	(146,000)		326,200		(326,200)
Transfers - Within Agency		(500,000)	127,300		(127,300)
Beginning Nonlapsing	1,641,300	2,054,540	1,067,600	764,200	(303,400)
Closing Nonlapsing	(2,054,500)	(1,111,208)	(906,200)	(632,400)	273,800
Total	\$35,741,600	\$35,330,263	\$33,682,800	\$45,344,600	\$11,661,800
Programs					
Administration				6,888,000	6,888,000
Bridgerland ATC	6,836,900	7,269,763	8,158,900	8,321,700	162,800
Central ATC			270,100	1,352,600	1,082,500
Davis ATC	7,075,100	7,447,700	8,122,800	8,238,200	115,400
Dixie ATC				753,300	753,300
Mountainlands ATC			1,141,300	2,022,200	880,900
Ogden/Weber ATC	8,017,000	8,185,800	8,871,800	8,979,800	108,000
Salt Lake/Tooele ATC	1,096,600	1,199,300	1,585,500	2,480,100	894,600
Southeast ATC			648,700	836,500	187,800
Southwest ATC			568,000	1,222,200	654,200
Uintah Basin ATC	3,826,400	4,297,000	4,315,700	4,250,000	(65,700)
Higher Ed ATC Service Regions	1,395,900	1,177,100			
Public Ed ATC Service Regions	4,678,700	1,318,300			
ATC/ATCSR Development		1,700,000			
Custom Fit	2,815,000	2,735,300			
Total	\$35,741,600	\$35,330,263	\$33,682,800	\$45,344,600	\$11,661,800
Expenditures					
Personal Services	19,549,400	20,717,009	25,072,100	25,012,700	(59,400)
In-State Travel	184,300	135,936	259,900	260,900	1,000
Out of State Travel	59,100	62,900			
Current Expense	11,630,200	7,518,369	6,794,000	9,983,800	3,189,800
DP Current Expense	28,300	23,263			
DP Capital Outlay		2,900			
Capital Outlay	1,485,300	976,386	1,252,500	1,098,600	(153,900)
Other Charges/Pass Thru	2,805,000	5,893,500	304,300	8,988,600	8,684,300
Total	\$35,741,600	\$35,330,263	\$33,682,800	\$45,344,600	\$11,661,800
FTE/Other					
Total FTE	313	397	517	517	

