

STATE OF UTAH

Fund Information

FINET Name: (FIN) Education Fund Budget Reserve Account

FINET Fund: 2460

Legal Name: Education Fund Budget Reserve Account

Legal Authorization: UCA 63J-1-313

Earns Interest: Yes No **Earns Interest Authority:** Per SB 2004 2008 Spec Sess, but is deposited Ed Fund

Revenue Source(s):

1) Up to 50% of the revenue surplus of the Education Fund. 2) appropriations

Description:

HB 27 (2003 GS) Creates a new Education Budget Reserve Account modeled after the current General Fund Budget Reserve Account (Fund 120). It sets the cap on the combined total of the General Fund Budget Reserve Account and the Education Budget Reserve Account to 6% of total General Fund/Uniform School Fund Appropriations.

HB 323 (2007 GS) Clarifies that the Education Budget Reserve Account is within the Education Fund. Also provides that if there is a surplus in the Education Fund and the Uniform School Fund, or both, 25% of the cumulative surplus will be transferred to the Education Budget Reserve Account. In addition, if a surplus exists and if, within the last 10 years the Legislature has appropriated any money from the account that has not been replaced by appropriation, up to an additional 25% more of this surplus shall be transferred to replace the appropriated amounts, before any contingent appropriations or other transfer required by law are made. The 6% limit is based on the combined appropriations from the Education Fund and the General Fund for the year in which the surplus occurred.

HB49 (2008 GS) Adds "Fund" to the fund name to read: Education Fund Budget Reserve Account. Also changes the calculation of the Education Fund surplus by defining revenue surplus, operating deficit, and the base used to calculate limits on the transfer. Defines a "revenue surplus" to be when actual revenue exceeds the estimated revenues collected in the fiscal year. Finance shall transfer up to 50% of the revenue surplus to the Education Fund Bud Res Acct, but not to exceed 7% of the Education Fund appropriations (was previously 6% of Ed and General Fund appropriations for the fiscal year). Finance shall calculate the amount to be transferred before transferring from the Education Fund revenue surplus any other year-end contingency appropriations, year-end set-asides, or other transfers required by law, excluding investment earnings for the fiscal year and any direct legislative appropriations made to the Ed Fund Bud Res Acct. If the transfer would cause the balance to exceed 7% of Ed Fund appropriations, Finance shall transfer only funds necessary to ensure the balance in the account equals 7%. The bill also provides that appropriations made by the Legislature to the Ed Fund Bud Res Acct shall be treated as replacement funds if funds were appropriated within the past 10 years and have not been replaced. The bill provides that the Legislature may appropriate monies from the Ed Fund Bud Res Acct only to resolve an Ed Fund budget deficit.

SB 2004 (2008 2ND SPECIAL SESSION) Provides that interest generated from funds in the General Fund Budget Reserve Account (the "Rainy Day Fund") be deposited into the General Fund rather than the General Fund Budget Reserve Account; provides that interest generated from funds in the Education Fund Budget Reserve Account be deposited into the Education Fund rather than the Education Fund Budget Reserve Account.

HB 297 (2009 GS) Recodified the Budgetary Procedures Act, which is cited in the section of code relating to this fund.

HB 330 (2011 GS) As to fund 2460, removed language in code that referred to investment earnings in the account and replaced "unreserved and undesignated" with "unassigned" fund balance. The account no longer earns interest per SB 2004 (2008 2nd SS). The bill repeals provisions related to nonlapsing funds, accounts, and account balances to clarify the list of nonlapsing authority in Section 63J-1-602, and Sections 63J-1-602 through 602.5. Clarifies the funding sources for certain funds and accounts. Renames certain funds. Adds certain funds to the list of nonlapsing funds, accounts, and account balances where nonlapsing authority exists. Clarifies the amounts the Division of Finance shall deposit into certain funds and accounts. Repeals obsolete language, funds, and accounts.

SB 280 (2012 GS) For the purpose of calculating the transfer of any revenue surplus in the General Fund or Education Fund at yearend, this bill increases the limits on the balance in the General Fund Budget Reserve Account and the Education Fund Budget Reserve Account as follows: 1) Modifies the account balance limit on the General Fund Budget Reserve Account from 6% to 8% of General Fund appropriations for the fiscal year in which the General Fund revenue surplus occurred. 2) Modifies the account balance limit on the Education Budget Reserve Account from 7% to 9% of

This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>

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the Education Fund appropriations for the fiscal year in which the Education Fund revenue surplus occurred. Also corrects the references to the Medicaid Growth Reduction and Budget Stabilization Account.

HB 195 (2013 GS) Modifies a provision of the Budgetary Procedures Act relating to revenue volatility reporting. Requires the revenue volatility report prepared by the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to consider federal funding changes and to recommend changes to amounts or limits of reserve funds (GF Budget Reserve and Ed Fund Budget Reserve), if considered appropriate.

Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
2460	2003	\$0	\$0	\$0	\$600,562	\$600,562
2460	2004	\$600,562	\$5,254	\$0	\$12,666,826	\$13,272,642
2460	2005	\$13,272,642	\$253,481	\$0	\$27,015,400	\$40,541,523
2460	2006	\$40,541,523	\$2,259,751	\$0	\$80,564,648	\$123,365,922
2460	2007	\$123,365,922	\$6,008,802	\$0	\$13,433,600	\$142,808,324
2460	2008	\$142,808,324	\$7,630,540	\$0	\$84,236,800	\$234,675,664
2460	2009	\$234,675,665	\$2,913,821	\$0	(\$7,630,000)	\$229,959,486
2460	2010	\$229,959,486	\$84,008	\$0	(\$125,290,800)	\$104,752,694
2460	2011	\$104,752,694	\$227,558	\$0	\$5,005,852	\$109,986,104
2460	2012	\$109,986,104	(\$629,780)	\$0	\$35,013,021	\$144,369,345
2460	2013	\$144,369,345	\$0	\$0	\$124,992,441	\$269,361,786