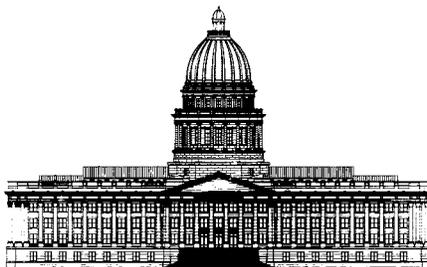

COMPENDIUM OF BUDGET INFORMATION
FOR THE
2005 GENERAL SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE FOR
PUBLIC EDUCATION

OFFICE OF THE LEGISLATIVE FISCAL ANALYST
R. MICHAEL KJAR
R. BENJAMIN LEISHMAN

DECEMBER 15, 2004

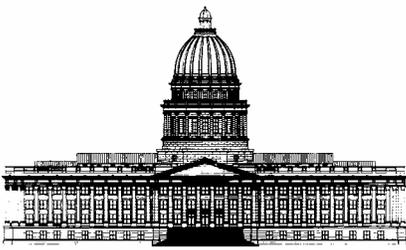
UTAH STATE LEGISLATURE
COMPENDIUM OF BUDGET INFORMATION
FOR THE
2005 GENERAL SESSION



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December 1, 2004

Appropriations Subcommittee for
Public Education
Utah State Capitol
Salt Lake City, UT 84114

Dear Subcommittee Members:

I am pleased to present to you the first edition of the Utah Legislature's Compendium of Budget Information (COBI). I hope that it provides useful and thorough information upon which you can base your policy and budget decisions.

COBI is one part of a new three-pronged approach to staff budget analysis authorized by the Executive Appropriations Committee last spring. It is designed as a reference document from which you may garner details on Utah state government activities within your subcommittee's jurisdiction. It includes program descriptions, references to statutory authority, accountability information, and, of course, budget data. COBI sets a baseline against which you can evaluate budgets proposed during the 2005 General Session.

Parts two and three of the new budget format – Budget Briefs and Issue Briefs – will be available throughout the 2005 General Session beginning in January. Both are succinct, decision oriented papers that build on COBI, presenting future budgets rather than COBI's *status quo*. Budget Briefs will follow the structure of state government documenting proposals for current year supplemental and future year budget action. Issue Briefs will cut across "silos" to discuss subjects that impact the state independent of program structure.

If I or my staff can assist you further regarding COBI specifically, the new budget format generally, or any other matter, please do not hesitate to contact me at (801) 538-1034.

Sincerely,

John E. Massey
Legislative Fiscal Analyst

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INTRODUCTION

Format

During the 2004 Interim the Office of the Legislative Fiscal Analyst proposed a new budget analysis format to the Executive Appropriations Committee, which the committee unanimously approved. Budget analyses will now consist of three parts:

- **Compendium of Budget Information (COBI).** The document you are currently reading, the COBI will provide detailed information at a program level. It will be a resource for decision-makers desiring further detail or background information beyond the summary provided in the Budget Analysis. It will not contain recommendations.
- **Issue Briefs.** These relatively short documents (no more than a few pages) will discuss issues that transcend line items or perhaps even departments. For example, if the Analyst wished to present a concern with law enforcement, an Issue Brief may be the best format. The Analyst will prepare Issue Briefs just prior to the 2005 General Session.
- **Budget Briefs.** Another relatively short document, the budget brief will be used to highlight issues, recommendations, performance measures, and line item-level budget tables. The purpose of this document is to bring issues to the forefront and discuss the Analyst's recommendations. The Analyst will prepare Budget Briefs just prior to the 2005 General Session.

Process

The Office of the Legislative Fiscal Analyst (LFA) – a non-partisan office – serves both chambers of the Legislature by making independent budgetary recommendations, determining the fiscal impact of proposed legislation, and preparing appropriations bills. Appropriations subcommittees review LFA's recommendations, vote upon, and report to the Executive Appropriations Committee proposed budgets for programs within their respective jurisdictions. The Executive Appropriations Committee, and ultimately the Legislature as a whole, considers multiple appropriation acts that, in turn, determine the final annual budget for each program of state government.

Timing

Utah does not budget on the calendar year, but on what is termed a Fiscal Year, which is the twelve-month period from July 1 to June 30 of the following year. A Fiscal Year is usually abbreviated FY, with the number which follows designating the year which includes the second six months. The current fiscal year is FY 2005, which will end June 30, 2005. The next fiscal year for which the Legislature is determining the budget is FY 2006, which will include the period of time from July 1, 2005 to June 30, 2006. However, the Legislature can also make supplemental changes to the already established budget for FY 2005.

Sources

In allocating funds for governmental purposes, appropriations subcommittee may use funding from several sources to complete the full appropriation to each. The following funding sources have been most prevalently used by the subcommittee:

- General Fund
- School Funds
- Transportation Funds
- Federal Funds
- Dedicated Credits
- Restricted Funds
- Other Funds

A glossary of terms – included at the end of this document – defines these funding sources as well as other terms commonly used in Utah state budgeting.

CHAPTER 1 UTAH STATE BOARD OF EDUCATION**Function**

Article 10, Section 3 of the Utah Constitution states “The general control and supervision of the public education system shall be vested in a State Board of Education.” Further, the constitution reads “The State Board of Education shall appoint a State Superintendent of Public Instruction who shall be the executive officer of the board.” The Board and its appointed State Superintendent administer the Minimum School Program (MSP); School Building Program; Utah State Office of Education (USOE); Utah State Office of Rehabilitation (USOR); Utah Schools for the Deaf and the Blind (USDB); Child Nutrition Programs; Fine Arts and Sciences; and Education Contracts.

The State Board adopted the following mission and vision statements to guide its role in overseeing Utah’s education system. "The Utah State Board of Education will fulfill its constitutional and statutory responsibilities by establishing policies that promote excellence in learning for all students. The Board will provide leadership, vision, advocacy, and support for school districts, other policymakers, and citizens to enable all students to be successful lifelong learners and contributing citizens." Further, the Board’s Vision Statement reads, “We see Utah as a place where all children are of infinite value and the education of each child is our most pressing responsibility.”¹

The Board consists of 15 members, representing 15 voting districts. The State Board of Regents which governs the State’s higher education system appoints 2 Regents to participate as non-voting members of the State Board of Education. Accordingly, two members of the State Board of Education participate as non-voting members of the State Board of Regents. The budget for the State Board of Education may be found in the State Office of Education line item, discussed in Chapter 5.

Statutory Authority

The following statutory and constitutional references govern Utah’s education system. Each subsequent chapter details the statutory reference as they relate to education programs, agencies and line items.

- Utah State Constitution Article 10 - Education – The constitution provides for the establishment of free non-sectarian schools, defines what constitutes the public education system, and places the responsibility of general control and supervision of the system in a State Board of Education.
- UCA Title 53A - State System of Public Education – All statutory references for Utah’s public education system may be found in Section 53A.
- UCA 53A-1a-103 – Provides the mission of Utah’s public education system as recognized and defined by the Legislature.

¹ Utah State Board of Education. *Vision Statement, Mission Statement, and Goals*. Found at: <http://www.usoe.k12.ut.us/board>

- UCA 53A-1a-104 – Details the characteristics of what constitutes Utah’s public education and that the Legislature shall assist in maintaining a system that meets these characteristics.

Accountability Detail

Complete accountability detail for agencies and programs under the direction of the State Board of Education will be submitted to the Public Education Appropriations Subcommittee during the agency budget hearings to be held during the 2005 General Session of the Utah Legislature. Unlike many state agencies, the public education agencies and programs have not submitted standardized accountability measures in their budget requests to the Governor. The agencies and programs detailed throughout this compendium continue to refine and standardize internal accountability detail to fit the standard used in COBI and by other state agencies.

Funding Detail

The Utah State Constitution created the Uniform School Fund (USF) to support the State’s education system. Personal income tax provides the majority of USF revenue. Historically, over 85 percent of USF revenue comes from the Personal Income Tax. The remaining USF revenue sources include; the Corporate Franchise Tax and Corporate Income Tax.

Appropriations from the Uniform School Fund are restricted to state public (K-12) education agencies, school districts, or other state programs providing education related services. For the past decade, the USF has contributed approximately 73 percent of the total revenue that supports public education. The other major revenue sources include the Local Property Tax which contributes approximately 15 percent of the total revenue, Federal Funds which contribute about 10 percent. Other minor revenue sources contribute the remaining 2 percent to the budget.

Three main expenditure categories comprise Utah’s public education system. The largest expenditure program in the State budget is the Minimum School Program (MSP). The MSP has total expenditures of over \$2 billion and supports the State’s 40 school districts and charter schools. For further detail on the MSP see chapter 2. In addition to the MSP, which supports school district operations, the Legislature provides funding for the School Building Program. The School Building Program helps support school building construction or renovation in the districts. Further information on the School Building Program may be found in chapter 3. Finally, the Public Education Agencies represent programs that support the education and development of students. Agency programs include the State Office of Education, State Office of Rehabilitation, Utah Schools for the Deaf and Blind, Child Nutrition Programs, Fine Arts and Science Professional Education Program, and Education Contracts. Detail on the education agency programs may be found in chapter 5 through 11.

Table 1-1 below details the total public education budget in Utah. Revenues appropriated by the Legislature may be found in the first section of the table. The middle of the table shows the total appropriation distributed among the three main education programs mentioned above. Finally, the last table

section details the appropriation by major expenditure category. Further detail on all table sections may be found in the chapters that follow.

Note: The FY 2004 Actual figure for the Minimum School Program includes Beginning and Closing Balances. The Minimum School Program table on page 2-7, does not include these balances.

Public Education					
Sources of Finance	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Appropriated
General Fund	254,900	254,900	254,900	254,900	254,900
General Fund, One-time	0	0	0	0	1,400,000
Uniform School Fund	1,619,025,400	1,703,393,760	1,657,320,394	1,700,235,874	1,780,561,311
Uniform School Fund, One-time	34,840,000	29,585,000	10,435,600	5,891,000	32,489,000
Federal Funds	235,910,100	252,991,300	287,708,900	311,336,400	289,363,600
Dedicated Credits Revenue	21,583,900	22,102,600	22,426,500	23,853,600	23,846,550
Federal Mineral Lease	1,152,800	709,700	933,800	1,459,200	971,850
Restricted Revenue	77,700	0	0	0	0
GFR - Substance Abuse Prevention	350,800	400,800	450,700	396,500	490,000
USFR - Professional Practices	0	75,800	78,400	72,000	90,700
Local Property Tax	331,712,666	356,458,360	369,419,015	386,837,837	404,899,577
Transfers	3,342,400	151,100	57,100	3,980,700	0
Transfers - Health	0	0	67,400	0	45,800
Transfers - Interagency	3,623,100	5,102,000	1,762,500	278,200	24,300
Transfers - State Office of Education	0	0	2,995,600	0	3,043,900
Beginning Nonlapsing	29,996,300	27,274,380	23,713,900	32,824,772	10,275,400
Closing Nonlapsing	(27,735,900)	(10,845,700)	(32,824,772)	(28,972,500)	(10,279,400)
Lapsing Balance	(20,437,900)	(15,202,800)	(14,060,776)	(90,800)	0
Total	\$2,233,696,266	\$2,372,451,200	\$2,330,739,161	\$2,438,357,683	\$2,537,477,488
Agencies					
State Board of Education	319,757,900	351,885,600	382,485,000	403,792,100	386,549,100
Minimum School Program	1,885,580,366	1,992,207,600	1,919,896,161	2,005,276,683	2,123,639,488
School Building Program	28,358,000	28,358,000	28,358,000	29,288,900	27,288,900
Total	\$2,233,696,266	\$2,372,451,200	\$2,330,739,161	\$2,438,357,683	\$2,537,477,488
Categories of Expenditure					
Personal Services	47,847,700	49,395,300	48,971,000	51,128,900	54,974,900
In-State Travel	771,400	695,500	677,000	768,000	666,300
Out of State Travel	267,600	229,800	239,000	269,500	238,000
Current Expense	18,117,800	21,278,800	22,034,900	22,618,900	21,525,200
DP Current Expense	1,995,900	3,570,900	2,344,900	2,227,800	2,051,800
DP Capital Outlay	264,000	164,100	262,000	56,000	255,500
Capital Outlay	92,000	223,800	124,700	94,300	124,700
Other Charges/Pass Thru	2,159,389,866	2,296,893,000	2,256,085,661	2,361,194,283	2,457,641,088
Total	\$2,228,746,266	\$2,372,451,200	\$2,330,739,161	\$2,438,357,683	\$2,537,477,488
Other Data					
Total FTE	970.7	1,008.2	975.1	1,000.0	1,001.6
Vehicles	54	70	83	83	83

Table 1-1 – Total Public Education Budget

Funding Chart

The Public Education Funding Chart shown on page 1-4 details how public education revenues progress through Utah’s education system.

CHAPTER 2 MINIMUM SCHOOL PROGRAM

Function	<p>The Minimum School Program is codified in statute in section 53A-17a. It supports public school programs for kindergarten, elementary, and secondary schools. The Basic state-supported school program provides support to public schools in each of forty local school districts to enable education for all children in the State. Distribution of State money is made on a formula basis to equalize wealth between "poorer" districts and "richer" districts. The basis for the distribution of the basic program is the Weighted Pupil Unit (WPU). A weighted pupil unit, in general, is one full time student. Specific programs may have other formulas to define a "Weighted Pupil Unit; i.e., one kindergarten student equals .55 of a weighted pupil unit.</p> <p>The Minimum School Program Act was established to: ". . . provide a minimum school program for the State of Utah in accordance with constitutional mandate." It is the purpose of the Act to describe the manner in which the State and the school districts shall jointly pay for the costs. While the program is designed to be a distribution methodology of funds to school districts, the local boards of education have discretion and responsibility to allocate funding based on the unique circumstances of the district. Compensation issues are determined through local contract negotiations regardless of Legislative funding decisions.</p> <p>The Act specifies the manner by which school districts may qualify for participation in the Minimum School Program and of making tax levies that provide additional school services and programs. The state Legislature sets a basic tax levy required of all school districts in order for them to participate in the Minimum School Program.</p> <p>The Minimum School Program Act is unique in comparison with other budgetary acts in that it is amended and revised each year by the Legislature. The specifics of the bill are adjusted each year bringing relevant laws into review each Legislative Session.</p> <p>Included in the School Finance Act are other provisions that outline Legislative intent and one time funding appropriations. In addition, a final section of the act includes Legislative funding for participation in the School Building Program for construction of school facilities.</p>
Statutory Authority	<u>53A-17a Minimum School Program Act</u>
Common Budget Data	<p>There are two data inputs into the Minimum School Program that have a significant impact on how the budget is presented. The first is projected student enrollment. The second is the value of assessed valuations used to compute the local district property tax revenue contribution to the cost of the Minimum School Program. If the Governor's budget, the budget submitted by the Utah state board of education, or the recommended budget by the Legislative Fiscal Analyst contains different data on these two variables then the budgets are not comparable.</p>

Enrollment projections

The method utilized to project student enrollment has historically provided a relatively accurate basis for Legislative appropriations. Representatives from the Legislative Analyst Office, Governor's Office, and the State Office of Education, develop independent projections. They each use methodologies which may include historical trends, district reporting, birth statistics, mortality rates, and any number of other factors. They then meet to try and agree on a common projection.

The enrollment trends for the next decade are predicted to increase anywhere from 80,000 to 140,000 new students. This will not only require resource allocation for new growth but could dramatically affect facility costs.

Enrollment projections through the year 2015 have been prepared as follows:

Year	USOE Public School Enrollment Count October 1	Annual Change	Percent Change	GOPB School Age Population
1976	314,471			
1977	317,308	2,837	0.90%	
1978	324,468	7,160	2.26%	
1979	332,575	8,107	2.50%	
1980	342,885	10,310	3.10%	
1981	354,540	11,655	3.40%	
1982	369,338	14,798	4.17%	
1983	378,208	8,870	2.40%	
1984	390,141	11,933	3.16%	
1985	403,305	13,164	3.37%	
1986	415,994	12,689	3.15%	
1987	423,386	7,392	1.78%	
1988	429,551	6,165	1.46%	
1989	435,762	6,211	1.45%	
1990	444,732	8,970	2.06%	
1991	454,218	9,486	2.13%	
1992	461,259	7,041	1.55%	
1993	468,675	7,416	1.61%	
1994	471,402	2,727	0.58%	
1995	473,666	2,264	0.48%	
1996	478,028	4,362	0.92%	
1997	479,151	1,123	0.23%	
1998	477,061	-2,090	-0.44%	
1999	475,974	-1,087	-0.23%	
2000	475,269	-705	-0.15%	
2001	477,801	2,532	0.53%	
2002	481,143	3,342	0.70%	507,992
2003	485,944	4,801	1.00%	508,160

2004	493,058	7,114	1.46%	515,599
2005	501,529	8,472	1.72%	524,458
2006	513,196	11,667	2.33%	536,658
2007	526,567	13,371	2.61%	550,640
2008	540,664	14,098	2.68%	565,382
2009	556,876	16,212	3.00%	582,335
2010	574,758	17,882	3.21%	601,034
2011	592,738	17,980	3.13%	619,836
2012	612,348	19,610	3.31%	640,343
2013	630,878	18,530	3.03%	659,720
2014	649,036	18,158	2.88%	678,708
2015	666,126	17,090	2.63%	696,579

Table 2-1, Public School Enrollment Projection

The cost of enrollment growth over an extended period of time becomes problematic since the unknowns have the potential to vary. In the out years it is especially difficult since the live births have not been realized and migration rates are only an educated guess at best. However, with those caveats, the attempt is made to give some kind of an idea of what potential costs may be. The chart on the next page assumes the growth rate based on school age population converted to fall enrollment and then to weighted pupil units (WPU). These units, in turn, have been put into the model to calculate the minimum school program costs which take into consideration all of the factors that are driven by growth and weighted pupil unit value increases. Some of these factors include associated social security and retirement costs, transportation, and some inflation driven programs not WPU driven. A two percent inflation factor applied to the WPU value per year is used as an example of increasing costs.

The costs for growth only are represented as well as the cost of growth plus a two percent inflation rate. As indicated in table 2-2, there is a potential of close to an additional \$1,400,000,000 need by FY 2017 to cover an additional enrollment of 197,151 students plus average yearly inflation of two percent. This does not include funds for any other education needs or initiatives that may be considered and is well below historic increases for public education over comparable time periods.

Public Education						
Enrollment and Cost Projections						
FY 2004 Through FY 2017						
Fiscal Year	Fall Enrollment Increase	Increase in WPU's	Projected Cost - Growth Only	WPU Value Increase	Projected Cost- Growth Plus WPU @ 2%/Yr.	WPU Value Incremental Increase
2,004	5,795	5,630	\$15,726,018	2,150 * \$2,132	\$50,590,229	\$18
2,005	7,162	9,276	24,477,397	2,193	60,206,433	43
2,006	8,471	11,097	29,842,866	2,237	66,894,690	44
2,007	11,667	15,284	41,889,924	2,281	79,728,817	44
2,008	13,371	17,516	49,090,714	2,327	89,439,996	46
2,009	14,097	18,467	53,708,584	2,374	95,877,876	47
2,010	16,212	21,238	63,435,212	2,421	106,772,752	47
2,011	17,882	23,425	71,344,957	2,470	117,727,194	49
2,012	17,980	23,554	73,104,129	2,519	120,837,144	49
2,013	19,610	25,689	81,209,030	2,569	131,350,969	50
2,014	18,158	23,787	76,588,339	2,621	130,049,353	52
2,015	17,090	22,387	73,556,379	2,673	128,379,848	52
2,016	16,061	21,040	70,563,980	2,727	128,696,676	54
2,017	13,595	17,809	60,853,371	2,781	120,111,592	54
Total	197,151	256,199	\$785,390,900	\$34,343	\$1,426,663,569	\$649

Table 2-2

* Actual Cost was only \$38 million due to budget reductions. With no reductions the \$50 million is very close.

NOTES:1. The fall enrollment figure for FY 2005 is the Common Data Committee (CDC) projection to FY 2015. (The CDC consists of representatives of the Legislative Fiscal Analyst, Governor's Office of Planning and Budget [GOPB], and the Utah State Office of Education, [USOE].)

2. The accuracy of the figures for 2005 through 2017 depends on; (a) the accuracy of the school age population projection by the GOPB, and (b) the assumption that change in public school enrollment will correspond perfectly to change in the school age population as a whole.

3. The GOPB school age population (persons age 5 to 17) data as of July 1 serve as the "2002 Baseline Projections" in the state's UPED Model. The data are available at:

<http://www.governor.state.ut.us/projections/R012B30.pdf>

<http://www.governor.state.ut.us/projections/R012B30.pdf>>

[See page 37 in that report for state totals].

4. Each year's public school enrollment projection is derived by applying a recursive "prior year plus growth" model, with the prior year being the prior year enrollment and growth being the projected percentage increase in school age population from the prior year.

5. While change in enrollment and population will certainly not be perfectly correlated, the assumption seems adequate under present circumstances because of the state's traditionally low and stable private school enrollment rate (estimated at 2.8%). The adequacy of the assumption could be affected by any innovation in policy which would make private schooling relatively more attractive and bring about a shift of students from public schools to the private sector. If that scenario is anticipated, these projections may be interpreted as an upper boundary under current policy, and the model would have to be revised to account for a new variable.

UTAH

Economic and Demographic Summary
 School Age Population (Ages 5-17)
 2000 to 2017

Year	Total	AARC
2000	509,320	N/A
2001	510,937	0.3%
2002	507,992	-0.6%
2003	508,160	0.0%
2004	515,599	1.5%
2005	524,458	1.7%
2006	536,658	2.3%
2007	550,640	2.6%
2008	565,382	2.7%
2009	582,335	3.0%
2010	601,034	3.2%
2011	619,836	3.1%
2012	640,343	3.3%
2013	659,720	3.0%
2014	678,708	2.9%
2015	696,579	2.6%
2016	713,375	2.4%
2017	727,592	2.0%

Table 2-3

Source: 2002 Baseline Projections, Governor's Office of Planning and Budget, UPED Model System

Funding Detail

Table 2-4 shows state appropriations to the Minimum School Program for the past five years. Table 2-5 shows program detail for the Minimum School Program.

Minimum School Program					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	1,535,094,400	1,606,162,060	1,563,393,694	0	1,686,939,511
Uniform School Fund, One-time	34,840,000	29,585,000	10,389,100	0	31,800,400
Dedicated Credits Revenue	137,900	0	0	0	0
Local Property Tax	331,712,666	356,458,360	369,419,015	0	404,899,577
Beginning Nonlapsing	23,789,100	19,557,980	17,911,600	0	5,055,800
Closing Nonlapsing	(19,555,800)	(5,055,800)	(27,230,572)	0	(5,055,800)
Lapsing Balance	(20,437,900)	(14,500,000)	(13,986,676)	0	0
Total	\$1,885,580,366	\$1,992,207,600	\$1,919,896,161	\$0	\$2,123,639,488
Categories of Expenditure					
Other Charges/Pass Thru	1,880,630,366	1,992,207,600	1,919,896,161	0	2,123,639,488
Total	\$1,880,630,366	\$1,992,207,600	\$1,919,896,161	\$0	\$2,123,639,488

Table 2-4

	FY 2004 Revised		FY 2005 Legislature		FY 2005	
	WPU's 2003-04	Funding @ \$2,150	2004-05 WPU'S	Funding @ \$2,182	Difference From Rev. 04	% Diff 04 to 2005
1 12/1/04 10:32 AM						
2 Financing						
3 I. Local Revenue						
4 A. Basic Tax Levy	0.001743	\$212,110,681	0.001754	\$217,590,703	\$5,480,022	2.6%
5 B. Voted Leeway		136,088,319		146,631,201	10,542,882	7.7%
6 C. Board Leeway		38,638,837		40,677,673	2,038,836	5.3%
7 Local Contribution (A, B, & C) Subtotal		386,837,837		404,899,577	18,061,740	4.7%
8 II. State Revenue						
9 A. Uniform School Fund		1,604,893,274		1,686,939,511	82,046,237	5.1%
10 B. Uniform School Fund - One Time		5,891,000		31,800,400	25,909,400	439.8%
11 State Revenue Subtotal		1,610,784,274		1,718,739,911	107,955,637	6.7%
12 REVENUE (I & II) TOTAL		1,997,622,111		2,123,639,488	126,017,377	6.3%
13 I. Basic Program						
14 A. Regular Basic School Programs						
15 1. Kindergarten	20,433	43,930,950	22,481	49,053,542	5,122,592	11.7%
16 2. Grades 1-12	432,649	930,195,350	438,303	956,377,146	26,181,796	2.8%
17 3. Necessarily Existent Small Schools	7,532	16,193,800	7,667	16,729,394	535,594	3.3%
18 4. Professional Staff	41,548	89,328,200	42,814	93,420,148	4,091,948	4.6%
19 5. Administrative Costs	1,655	3,558,250	1,662	3,626,484	68,234	1.9%
20 Regular Basic School Programs (1-5) Subtotal	503,817	1,083,206,550	512,927	1,119,206,714	36,000,164	3.3%
21 B. Restricted Basic School Programs						
22 1. Special Education-Regular Program						
23 a. Special Education add-on WPU's	53,489	115,001,350	53,891	117,590,162	2,588,812	2.3%
24 b. Self-Contained Regular WPU's	12,417	26,696,550	12,579	27,447,378	750,828	2.8%
25 2. Special Education - Pre-School	6,269	13,478,350	6,664	14,540,848	1,062,498	7.9%
26 3. Extended Year Program for Severely Disabled	321	690,150	351	765,882	75,732	11.0%
27 4. Special Education-State Programs	1,358	2,919,700	1,378	3,006,796	87,096	3.0%
28 Special Education (1-4) Subtotal	73,854	158,786,100	74,863	163,351,066	4,564,966	2.9%
29 5. Applied Technology Education - District	23,348	50,198,200	23,698	51,709,036	1,510,836	3.0%
30 6. Applied Tech. Education-District Set Aside	995	2,139,250	1,010	2,203,820	64,570	3.0%
31 Applied Technology Ed. (5 - 6) Subtotal	24,561	52,337,450	24,708	53,912,856	1,575,406	3.0%
32 7. Class Size Reduction	29,757	63,977,550	30,203	65,902,946	1,925,396	3.0%
33 Basic School Programs (A - B) TOTAL	631,989	1,358,307,650	642,701	1,402,373,582	44,065,932	3.2%
34 C. Related to Basic Programs						
35 1. Interventions for Student Success Block Grant		15,308,708		15,308,708		
36 2. Quality Teaching Block Grant		57,426,623		57,426,623		
37 3. Local Discretionary Block Grant Program		21,824,448		21,824,448		
38 4. Social Security & Retirement		232,739,964		261,482,231	28,742,267	12.3%
39 5. Pupil Transportation		56,245,567		57,061,128	815,561	1.5%
40 6. Guarantee Transportation Levy		500,000		500,000		
41 7. Math/Science - Beginning Teacher Recruitment		600,000			(600,000)	-100.0%
42 Related to Basic Programs Subtotal		384,645,310		413,603,138	28,957,828	7.5%
43 D. Special Populations						
44 1. Highly Impacted Schools		5,123,207		5,123,207		
45 2. At Risk Programs		24,778,484		24,778,484		
46 3. Adult Education		5,826,865		5,826,865		
47 4. Accelerated Learning Programs		8,695,104		8,695,104		
48 Special Populations Subtotal		44,423,660		44,423,660		
49 E. Other						
50 1. Reading Program SB 230				12,500,000	12,500,000	
51 2. Electronic High School		400,000		700,000	300,000	75.0%
52 3. School Land Trust Program		8,600,000		8,820,000	220,000	2.6%
53 4. Charter School Local Replacement Funding		2,377,172		4,602,450	2,225,278	93.6%
54 5. U of U Reading Clinic		375,000		375,000		
55 Other Subtotal		11,752,172		26,997,450	15,245,278	129.7%
56 Related, Special, & Other (C,D,& E) TOTAL		440,821,142		485,024,248	44,203,106	10.0%
57 II. Board and Voted Leeway Programs:						
58 A. Voted Leeway Program		149,234,487		159,084,242	9,849,755	6.6%
59 B. Board Leeway Program		43,367,832		45,357,016	1,989,184	4.6%
60 Voted and Board Leeway Programs TOTAL		192,602,319		204,441,258	11,838,939	6.1%
61 Minimum School Program - I - II Subtotal		1,991,731,111		2,091,839,088	100,107,977	5.0%
62 III. One Time Appropriations TOTAL		5,891,000		31,800,400	25,909,400	439.8%
63 MINIMUM SCHOOL PROGRAM (I - III) TOTAL		\$1,997,622,111		\$2,123,639,488	\$126,017,377	6.3%
64 School Building Program		\$29,288,900		\$27,288,900	(\$2,000,000)	-6.8%
65 One Time Appropriations Summary						
66 1. Electronic High School		\$175,000			(\$175,000)	-100.0%
67 2. Adult Education				\$1,600,000	1,600,000	
68 3. UPASS Technology - On line Testing (SB 51)				5,000,000	5,000,000	
69 4. Charter School Local Replacement Funding		716,000			(716,000)	-100.0%
70 5. Teacher Supplies & Materials		5,000,000		5,500,000	500,000	10.0%
71 6. One time Funding - 1% Compensation Bonus				17,200,400	17,200,400	
72 7. One time Funding - Reading Program SB 230				2,500,000	2,500,000	
73 III. One Time Appropriations TOTAL		\$5,891,000		\$31,800,400	\$25,909,400	439.8%

Table 2-5

Special FundingBasic Tax Levy/ Minimum Basic Tax Rate

The tax rate that each school district must impose to contribute to the cost of the basic program, authorized under Section 53A-17a-135 of the Utah Code.

New Construction Growth when applied against the Basic School Tax Levy provides new local revenue for the Minimum School Program each year.

Uniform School Fund

The major source of revenue for the Minimum School Program is the Uniform School Fund. State income tax receipts go into the USF. This is in accordance with the state's constitution as referenced in the following articles:

Article X, Section 5(3) of the Utah constitution establishes “a Uniform School Fund which shall consist of revenue from the following sources:

- (a) interest and dividends from the State School Fund;
- (b) revenues appropriated by the Legislature; and
- (c) other revenues received by the fund under any other provision of law or by donation.”

Article XIII, Section 5 (5) “All revenue from taxes on intangible property or from a tax on income shall be used to support the systems of public education and higher education as defined in Article X, Section 2.”

KINDERGARTEN**Function**

“In kindergarten, students learn about themselves and their relationship to the classroom, school, family, and community. Students are expected to develop skills in posing simple questions, measuring, sorting, classifying, and communicating information about the natural world. Students learn about their bodies and the behaviors necessary to protect them and keep them healthy. They learn basic body control while beginning to develop motor skills and moving in a variety of settings. Students become aware of strength, endurance, and flexibility in different parts of their bodies. They express their thoughts and ideas creatively, while challenging their imagination, fostering reflective thinking, and developing disciplined effort and problem-solving skills.”

Statutory Authority53A-3-402.7. Kindergartens -- Establishment -- Funding.

- (1) Kindergartens are an integral part of the state's public education system.
- (2) By July 1, 1994, each local board of education shall provide **kindergarten** classes free of charge for **kindergarten** children residing within the district.
- (3) Kindergartens established under Subsection (2) shall receive state monies under Title 53A, Chapter 17a, The Minimum School Program Act.

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

- (2) The number of units is computed by adding the average daily membership of all pupils of the district enrolled in **kindergarten** and multiplying the total by 0.55.

State Board Rules

R277-419-1. Definitions.

N. "School Year" means a minimum of 990 hours of instruction in a minimum of 180 school days required to qualify for full minimum funding. The 180 school days shall be scheduled during the 12 month period beginning July 1, 1995 with the following exceptions:

- (1) The kindergarten program is a half-day program providing a minimum of 450 hours of instruction in a minimum of 180 school days during a school year to qualify for full minimum school funding.

Accountability

According to the core curriculum established by the Utah State Office of Education the Kindergarteners and up through the end of second grade should be able to:

- 1. Demonstrate a positive learning attitude.
- 2. Develop social skills and ethical responsibility.
- 3. Demonstrate responsible emotional and cognitive behaviors.
- 4. Develop physical skills and personal hygiene.
- 5. Understand and use basic concepts and skills.
- 6. Communicate clearly in oral, artistic, written, and nonverbal form.

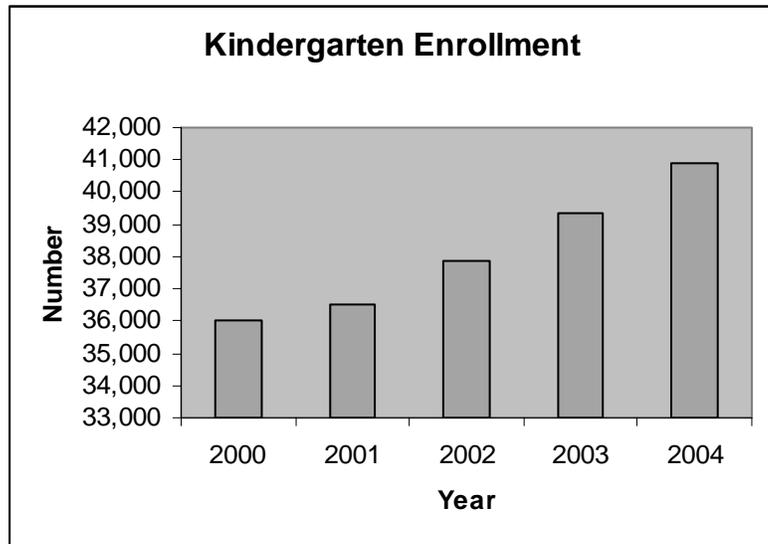


Figure 2-1

GRADES 1 THROUGH 12

Function Grades one through twelve generates 86 percent of the regular basic school programs.

Statutory Authority 53A-1-603. Duties of State Board of Education.
 (c) develop an assessment method to uniformly measure statewide performance, school district performance, and school performance of students in grades 1 through 12 in mastering basic skills courses; and
 (d) provide for the state to participate in the National Assessment of Educational Progress state-by-state comparison testing program.

State Board Rules R277-419-3. Operation.
 A. School districts are required to conduct school for at least 990 instructional hours and 180 school days each school year. The days or hours may be offered at any time during the school year provided that each school day is consistent with R277-419-1(M), July 1 to June 30, except for Sunday. A student who is in membership in a regular school program for one full school year generates the full WPU possible under the law. No student may generate WPU monies for more than 990 hours in any school year.

Accountability Comparative scores for the Utah basic skills, Stanford achievement, National Assessment of Educational Progress, and the Criterion referenced tests are shown in the following tables.

UBSCT State Average Scores 2002 (means, rounded)			
Subtest	Points Possible	Average Points Earned	Average Percent Correct
Reading	63	49	78%
Writing	120	76	63%
Math	70	45	65%

Table 2-6

**Stanford Achievement Test Results
1998 - 2001 and 2002
Median National Percentile Ranks for Major Subtests for the Total State**

SUBTEST	Grade 3 N=34,602		Grade 5 N=35,245					Grade 8 N=34,715					Grade 11 N=32,283				
	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Total Reading	59	60	47	47	49	49	49	53	53	53	53	51	60	60	60	55	55
Total Math	54	59	49	49	49	49	49	58*	58	58	58	56	68	68	68	68	68
Total Language	38	38	44	47	47	47	50	47*	50	50	50	47	53	47	47	47	47
Science	(Environment)		60	60	65	60	60	58	58	58	58	58	62	62	62	62	62
Social Science	52	52	51	51	51	51	51	58	52	58	52	52	52	52	62	52	52
Thinking Skills	NA	NA	53	53	55	55	55	58	58	58	57	57	52	52	52	50	50
Complete Battery	52	54	50	50	51	50	51	54	53	54	53	53	58	57	59	56	56

*1998 data were recalculated prior to reporting the 1999 results. The National Norm is 50 for each subtest.

Table2-7

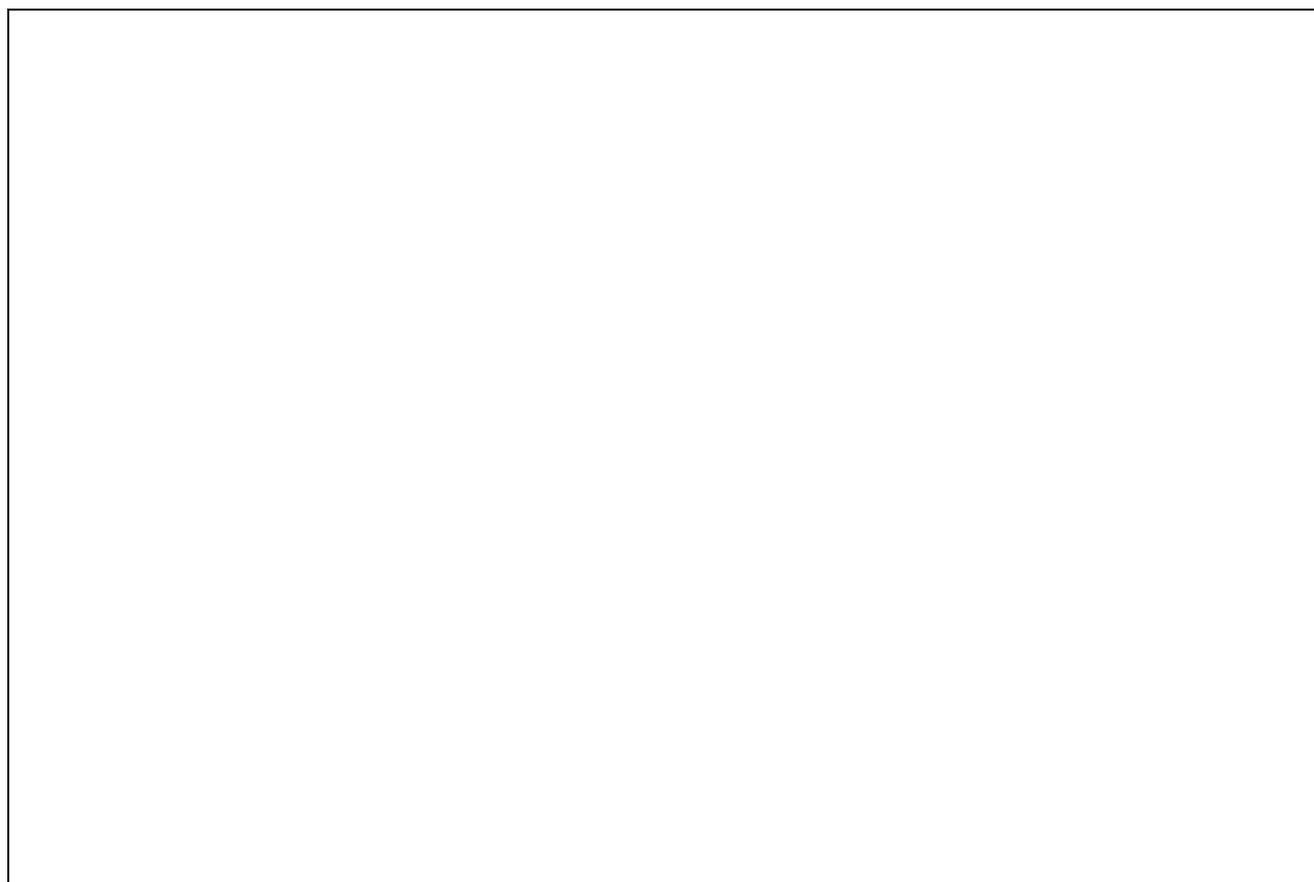


Figure 2-2

National Assessment of Educational Progress – Recent Highlights for Utah

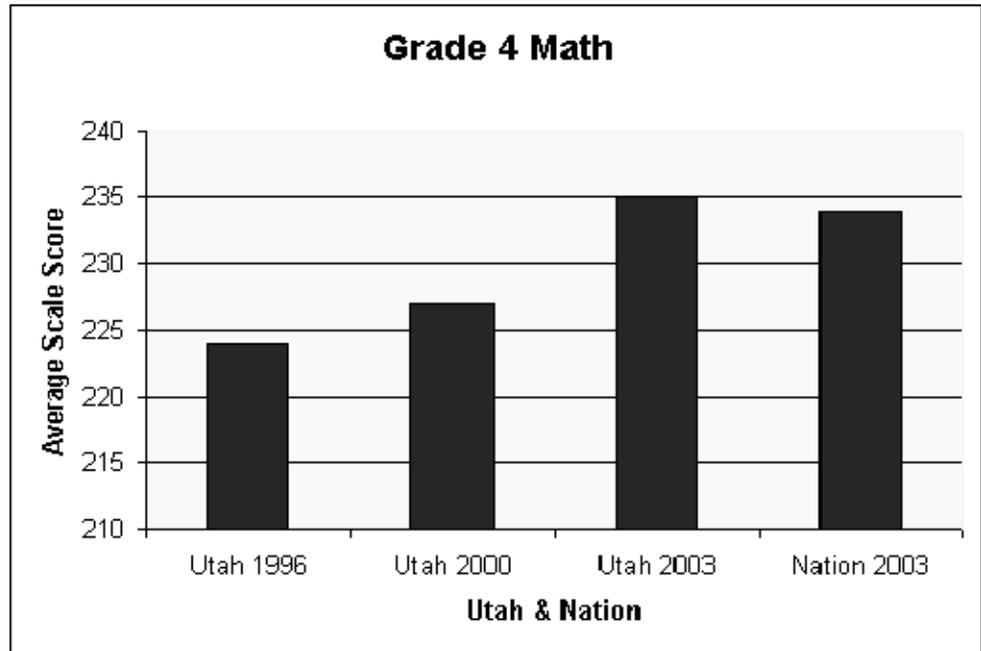
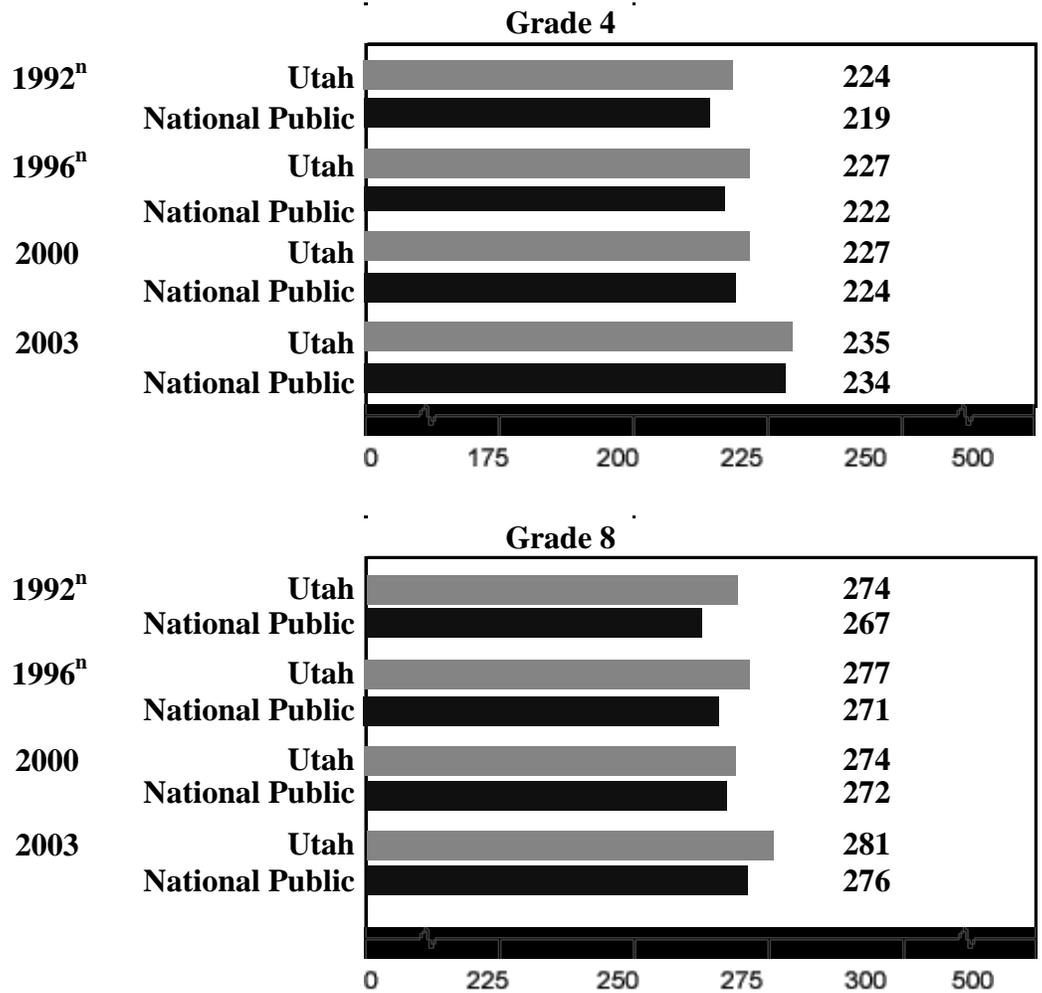


Figure 2-3

In mathematics, NAEP creates a scale ranging from 0–500, based on statistical procedures called item response theory (IRT). IRT is a set of statistical procedures useful in summarizing student performance across a collection of test exercises requiring similar knowledge and skills. All NAEP subject-area scales are produced using these procedures.

SOURCE: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2003 Mathematics Assessment.

**Scale Scores for Mathematics, Utah vs. National Public
National Assessment of Educational Progress (NAPE)**



ⁿ Accommodations were not permitted for this assessment

Last updated 14 May 2003 (DSS)

National Center for Education Statistics

Institute of Education Sciences, U.S. Dept. of Education

1990 K Street, NW, Washington, DC 20006, USA. Phone: (202) 502-7300

Figure 2-4

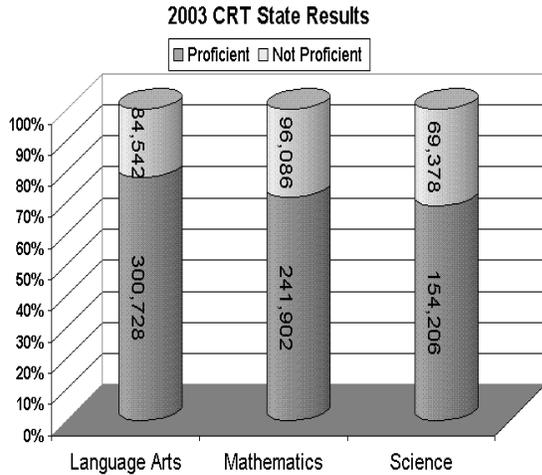


Figure 2-5

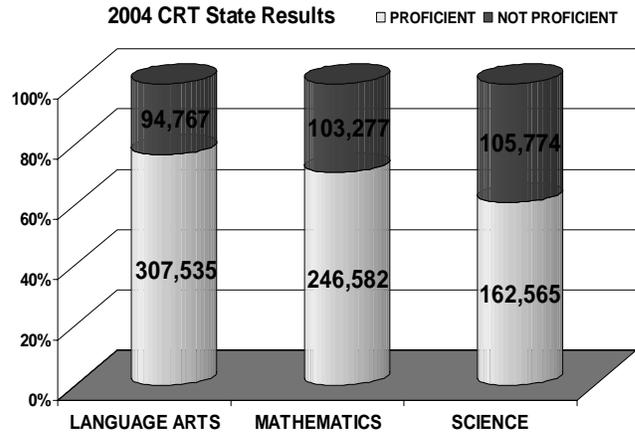


Figure 2-6

NECESSARILY EXISTENT SMALL SCHOOLS

Function

For every child in the school system, the minimum school program provides a certain amount based on funding criteria established by either the Legislature or by Board rule.

In smaller schools there may not be enough children in one class to provide funds for even one teacher. For example, in a second-grade class of 25, the school might receive \$54,550 (based on a WPU value equal to \$2,182). However, in a smaller community where there are fewer students and smaller schools, there might only be eight students of second-grade age. The school would receive only \$17,456 - not enough for a teacher for the class or other expenditures associated with teaching those students. The Necessarily Existent Small Schools program provides extra funds for those schools.

Statutory Authority

The requirements for Necessarily Existent Small Schools classification are outlined in 53A-17a-109 of the Utah Code as follows:

- (1) Upon application by each school district, the State Board of Education shall, in consultation with local school boards, classify particular schools in each district as necessarily existent small schools.
 - (a) Applications must be submitted to the state board before April 2, and the board must report a decision to each school district before June 2.
 - (b) The state board shall adopt standards and make rules to:
 - (i) govern the approval of these schools consistent with principles of efficiency and economy and which shall serve the purpose of eliminating schools where consolidation is feasible by participation in special school units; and

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

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

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

(3) The additional units for schools classified as necessarily existent small schools are computed using regression formulas adopted by the state board.

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

(i) Elementary	160
(ii) One or two-year secondary	300
(iii) Three-year secondary	450
(iv) Four-year secondary school	1500
(v) Six-year secondary school	600

(b) Schools with fewer than ten students shall receive the same add-on weighted pupil units as schools with ten students.

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

(4) (a) To avoid penalizing a district financially for consolidating its small schools, additional units may be allowed a district each year, not to exceed two years.

(b) The units may not exceed the difference between what the district receives for a consolidated school and what it would have received for the small schools had they not been consolidated.

(c) A district may use the monies allocated under this subsection for maintenance and operation of school programs or for other school purposes as approved by the state board.

Amended by Chapter 221, 2003 General Session

State Board Rules

R277-445. B. Additional WPU funds allocated to school districts for necessarily existent small schools shall be utilized for programs at the school for which the units were allocated. The funds must supplement and not supplant other funds allocated to special schools by the local board of education.

PROFESSIONAL STAFF

Function

“The State Supported Minimum School Program Provides Utah School Districts extra weighted pupil units for professional staff experience and training. In school districts with a majority of the staff members highly trained and experienced and at the upper level of the salary schedule, the costs for staffing are greater. This situation tends to exist in districts with declining enrollments.

In the past it was financially difficult for some districts to hire a teacher with many years of experience or with a Master's degree or beyond because of the cost involved. By allowing additional weighted pupil units for staff training and experience, the state now recognizes this cost differential and provides state supported funds to help school districts offset higher costs for staff training and experience.”

Statutory Authority

Professional Staff costs are determined according to the Professional Staff Cost Formula detailed in the Utah Code in Section 53A-17a-107 as follows:

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

(a) Professional Staff Cost Formula

Professional Staff Cost Formula:

Years of Experience	Bachelor's Degree	Bachelor's +30 Q t. Hr.	Master's Degree	Master's +45 Qt. Hr.	Doctorate Degree
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9	1.40		1.50	1.55	1.60
10				1.60	1.65
11					1.70

Table 2-8

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

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

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

(2) The State Board of Education shall enact rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, which require a certain percentage of a district's professional staff to be certified in the area in which they teach in order for the district to receive full funding under the schedule.

(3) If an individual's teaching experience is a factor in negotiating a contract of employment to teach in the state's public schools, then the local school board is encouraged to accept as credited experience all of the years the individual has taught in the state's public schools.

Amended by Chapter 268, 1994 General Session

State Board Rules R277-486

ADMINISTRATIVE COSTS

Function This program provides additional resources to school districts for administrative costs. The weighting provides higher amounts to districts that have smaller enrollments. Districts use other funding sources in addition to the amounts specifically provide from this program through the Minimum School Program. As a percent of total education spending in FY 2002, Utah ranks fifth lowest in the nation at 8.9%. The national average was 10.8%. The highest was 17.2% in Colorado.

Statutory Authority The following section of the School Finance Act (53A-17a-108) governs this appropriation:

“The State Board of Education shall develop a statewide plan to increase the proportion of funds allocated to instruction and decrease the proportion of funds allocated to general district administration and business administration.”

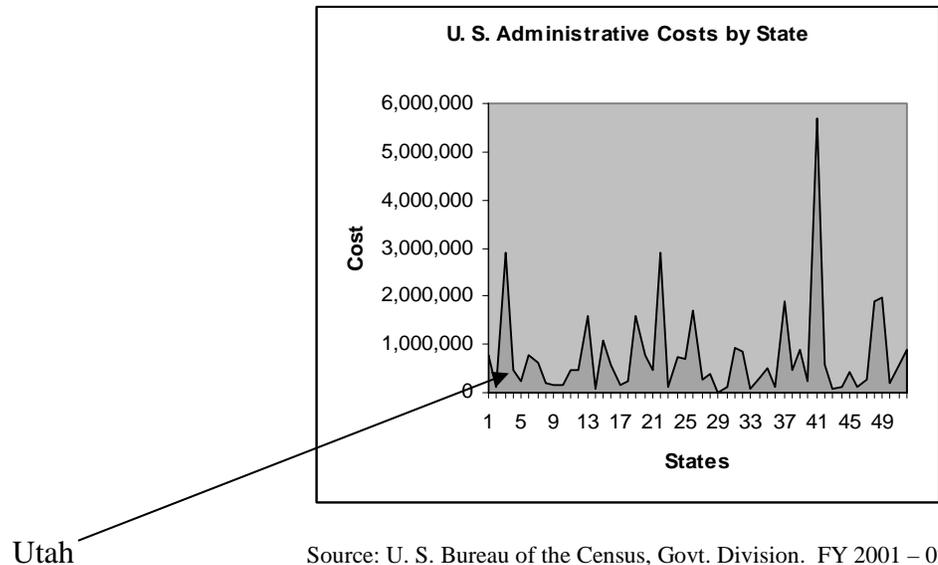
Administrative costs in Utah Schools represent between 8 and 9 percent of the total Maintenance and Operation costs.

Administrative costs weighted pupil units are computed and distributed to districts in accordance with the following schedule:

1 - 2,000 students	53 WPU's
2,001 - 10,000 students	48 WPU's
10,001 - 20,000 students	25 WPU's
20,001 and above	16 WPU's

Accountability

Utah is 5th lowest in administrative costs among the states. Utah spends 8.9% of its budget for administration compared with the highest state, Colorado at 17.2%



Source: U. S. Bureau of the Census, Govt. Division. FY 2001 – 02

Figure 2-7

SPECIAL EDUCATION ADD-ON WEIGHTED PUPIL UNITS

Function

More than 50,000 Students in the State of Utah, ages 5 through 21, are identified as being eligible for special education. These students must receive a free, appropriate education consistent with state and federal mandates.

Services needed are determined based on individual needs by a team comprised of parents, teachers, support personnel, and administrators. These services can range from a 15-minute per-week session to one-on-one instruction for six hours each day. Related services, such as physical therapy and occupational therapy, must be delivered if these services are needed for the student to benefit from special education. It generally costs 1.5 to 6.2 times as much to educate a disabled student as to educate a non-disabled student. Costs can go higher for prescriptive speech therapy, physical and occupational therapy, psychological and behavioral management, and adaptive physical education for the more severely disabled

State and federal statute mandate special education. The State Board of Education is required to provide proper education and training for all students with disabilities in this State. The Individuals with Disabilities Education Act (IDEA), Part B, requires that a free and appropriate public education be provided all eligible students with disabilities and provides federal financial assistance to carry out the mandate. Utah's Special Education Legislation, passed in 1953 and amended in 1959, predated the federal law (IDEA) which was signed in 1975.

The allocation of special education dollars to the individual districts is accomplished by using the prior year's base WPU's for each district and increasing by growth only. The increase is multiplied by 1.53 weighted pupil units for each new student and added to the foundation allocation to determine each district's total allocation.

Statutory Authority

The Utah Code section governing the special education add-on funding is as follows:

53A-17a-111. Weighted pupil units for programs for students with disabilities -- District allocation.

(1) The number of weighted pupil units for students with disabilities shall reflect the direct cost of programs for those students conducted in accordance with rules established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(2) Disability program monies allocated to districts are restricted and shall be spent for the education of students with disabilities but may include expenditures for approved programs of services conducted for certified instructional personnel who have students with disabilities in their classes.

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

(4) Each year the board shall evaluate the standards and guidelines that establish the identifying criteria for disability classifications to assure strict compliance with those standards by the districts.

(5) (a) Monies appropriated to the State Board of Education in Section 53A-17a-104 for add-on WPUs for students with disabilities enrolled in regular programs shall be allocated to school districts as provided in this Subsection

(5) (b) Beginning on July 1, 2003, the State Board of Education shall:

(i) use a district's average number of special education add-on weighted pupil units determined by the previous five year's average daily membership data as a foundation for the special education add-on appropriation; and

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

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

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

(i) The special education student growth factor is calculated by comparing S-3 total special education ADM of two years previous to the current year to the

S-3 total special education ADM three years previous to the current year, not to exceed the official October total district growth factor from the prior year.

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

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

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

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

Amended by Chapter 320, 2003 General Session

See also: 53A-15-301-305

State Board Rules

R277-750: A. As its rules for programs for students with disabilities, the Board adopts and hereby incorporates by reference: Education of the Handicapped Act, 20 U.S.C., Chapter 33, Section 1401 et seq. as amended by Public Law 102-119; and B. The Board shall act in accordance with: (1) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C.A. 794, incorporated by reference in R277-112; (2) The State Board of Education R277-750, "State Board of Education Special Education Rules," June, 2000 including the following appendices: (a) Appendix A, Utah Specialist Education Law (UCA 53A-15-301-305), (b) Appendix B, State Licensor Endorsements: Special Education, School Psychologist, School Social Workers, and Paraeducator qualifications Standards, (c) Appendix C, Elementary and Secondary Program of Studies and High School Graduation Requirements, (d) Appendix D, Coordination Council for Persons with Disabilities, (e) Appendix E, Vocational Rehabilitation Services, (f) Appendix F, Selection of Least Restrictive Behavioral Interventions for Use with Students with Disabilities, June, 2001; and (3) Utah State Federal Application, as amended, for fiscal years 1993-1995, June 1992, under Part B of the Individuals with Disabilities Education Act, (20 U.S.C., Chapter 33, Section 1412) as amended by Public Law 102- 119. C. Students with disabilities shall be entitled to dual enrollment consistent with Section 53A-11- 102.5 and R277-438.

Accountability

A sample of special ed scores in grades 4 and 8 math for 2000 and 2003 is represented in the tables.

Utah/Mathematics Composite/Grade 4/2003 and 2000

Student classified by school as having a disability (SD, IEP) (results from this sample cannot be generalized to the total population of such students) [IEP]

Average Scale Score and Row Percentage (with Standard Errors in Parentheses)

OVERALL

		Yes			No	
		Average Scale	Row	Average Scale		
	Year	N	Score	Percentage	Score	Row Percentage
Total	2003	3733	213(1.8)	10%(0.6)	237(0.8)	90%(0.6)
	2000	2704	199(5.7)	6%(0.6)	229(1.2)	94%(0.6)

NOTE: The NAEP Mathematics scale ranges from 0 to 500. Observed differences are not necessarily statistically significant.

Table 2-9

Utah/Mathematics Composite/Grade 8/2003 and 2000

Student classified by school as having a disability (SD, IEP) (results from this sample cannot be generalized to the total population of such students) [IEP]

Average Scale Score and Row Percentage (with Standard Errors in Parentheses)

OVERALL

		Yes			No	
		Average	Row	Average		
	Year	N	Scale	Percentage	Scale	Row Percentage
Total	2003	2725	243(2.7)	9%(0.6)	284(1.1)	91%(0.6)
	2000	2502	223(5.7)	8%(0.8)	278(0.9)	92%(0.8)

URCE: U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, National Assessment of Educational Progress (NAEP), 2003 and 2000 Mathematics Assessments.

Table 2-10

SPECIAL EDUCATION SELF-CONTAINED PROGRAM

Function

The Special Education Self-Contained Program ...”was enacted to compensate for the higher costs of providing more extensive services than required for the partially matriculated special education student. Self-contained students are in a self-contained setting for 180 minutes or more each day. Self-contained students do not generate a regular WPU.”

The Self-Contained WPU's are the standard full WPU for every student (average daily membership) that qualifies as a Self-Contained Special Education student. The Add-On is the additional service needed to fund programs for them and for other children who do not qualify as a self-contained special education student. Costs are formula driven as they represent charges for actual services provided.

Statutory Authority	<p>53A-17a-111”(5) (a) Monies appropriated to the State Board of Education in Section 53A-17a-104 for add-on WPUs for students with disabilities enrolled in regular programs shall be allocated to school districts as provided in this Subsection (5).</p> <p>(b) Beginning on July 1, 2003, the State Board of Education shall:</p> <p>(i) use a district's average number of special education add-on weighted pupil units determined by the previous five year's average daily membership data as a foundation for the special education add-on appropriation; and</p> <p>(ii) implement a hold harmless provision for up to three years as needed to accomplish a phase-in period for school districts to accommodate the change in the special education add-on WPUs foundation formula.</p> <p>... (d) ...growth WPUs shall be determined as follows:</p> <p>(i) The ... growth factor is calculated by comparing S-3 total special education ADM of two years previous to the current year to the S-3 total special education ADM three years previous to the current year, not to exceed the official October total district growth factor from the prior year.</p> <p>... (iii) Growth ADMs are calculated by applying the growth factor to the S-3 total special education ADM of two years previous to the current year.</p> <p>(iv) Growth ADMs for each district are multiplied by 1.53 weighted pupil units and added to the prior year special education add-on WPU to determine each district's total allocation. ...</p> <p>53A-15-301-305 This code section has reference to disability issues of: Reimbursement of costs, participation of students with a disability in extracurricular activities, services provided by the Department of Health, special education assessments for children in the custody of the Division of Child and Family Services, and resolution of disputes in special education.</p>
State Board Rules	<p>R277-750: See rules as outlined in the previous pages under, “Special Education Add-On Weighted Pupil Units.”</p>

SPECIAL EDUCATION - PRESCHOOL

Function	<p>A weighting factor of 1.47 of the value of the weighted pupil unit is utilized for computing the funding requirements for Preschool Special Education children. This is based on actual per child costs for service and takes into account all federal and state revenue sources and expenditures. Growth is defined as the actual increase in the number of children, age three through preschool aged five, reported on December 1st child counts. This excludes children served by the Utah Schools for the Deaf and the Blind. A statewide cap of 8 percent is to be used in the formula for budget requests and fund distribution. If this growth is not realized, the budget request will be reduced to equate to the actual growth realized.</p> <p>The formula is: "A factor of 1.47 times the current December 1st child count of eligible preschool aged 3,4 and 5 year olds times the WPU value"; (with a limit of 8 percent growth over the prior year December 1st count)</p> <p>The Preschool Special Education Program was implemented to help meet the educational needs of children with disabilities who are three to five years of age. Public Law 99-457 requires that children with disabilities three to five</p>
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years be given an appropriate free public education. A Federal mandate required the state to have this program in full operation by 1992.

Statutory Authority **53A-17a-112:** (1) (a) Money appropriated to the State Board of Education for the preschool special education program in Section **53A-17a-104** shall be allocated to school districts to provide a free, appropriate public education to preschool students with a disability, ages three through five.

(b) The monies shall be distributed on the basis of a school district's previous year December 1 disabled preschool child count as mandated by federal law. ...

(5) (a) The State Board of Education shall compute preschool funding by a factor of 1.47 times the current December 1 child count of eligible preschool aged three, four, and five-year-olds times the WPU value, limited to 8% growth over the prior year December 1 count. ...

53A-15-301-305 This code section has reference to disability issues of: Reimbursement of costs, participation of students with a disability in extracurricular activities, services provided by the Department of Health, special education assessments for children in the custody of the Division of Child and Family Services, and resolution of disputes in special education.

State Board Rules **R277-750:** See rules as outlined in the previous pages under, "Special Education Add-On Weighted Pupil Units."

EXTENDED YEAR PROGRAM FOR SEVERE DISABLED

Function Extended School Year Program for severely disabled is limited to students with disabilities who, because of the severity of their disability will not be able to maintain skills gained in the regular school year unless they receive education during the summer months. For these students a maintenance program will be provided to ensure that these students maintain the skills gained in the regular school year. Without this program many of these students would spend much of the next year regaining the skills they had learned in the previous school year.

Statutory Authority 53A-17a-112:(3) Monies appropriated for the extended school year program for the severely disabled in Section **53A-17a-104** shall be limited to students with severe disabilities with education program goals identifying significant regression and recoument disability as approved by the State Board of Education.

State Board Rules R277-751: ...A. Students eligible for ESY services are: (1) those classified with MD; (2) those classified as students with severe disabilities under Section 53A-17a-112(3); (3) those requiring an extended school year to remain in their current least restrictive environment placement; (4) those for whom attainment of their expected level of self-sufficiency and independence is unlikely, in view of their disabilities, without ESY services. ...The primary goals for all students requiring ESY services are to become as functionally independent as possible within the limits of their disabilities and to be maintained in the least restrictive environment appropriate to their needs. A program of special education and related services designed to maintain, in the

appropriate least restrictive environment, the current level of a student's skills and behavior in areas identified as crucial in reaching self-sufficiency shall be developed by the student's IEP team.

SPECIAL EDUCATION - STATE PROGRAMS

Function	This allocation provides funding for special education programs in state institutions as well as for district impact aid. Impact aid is provided to districts for new students and for students with disabilities whose services cost significantly more to the district. These costs can be more than \$15,000 per student.
Statutory Authority	53A-17a-112 See reference in pervious page for “Extended Year Program for Severe Disabled.” 53A-15-301 – 305 See reference in pervious page for “Special Education – Preschool.”
State Board Rules	R277-750 See rules as outlined in the previous pages under, “Special Education Add-On Weighted Pupil Units.”

APPLIED TECHNOLOGY EDUCATION – ATE DISTRICT

Function	<p>Applied technology education is an essential component of the Utah educational systems. Society has increasingly become a global environment bringing about dramatic changes in the workplace requiring a greater emphasis on technological training. Currently, applied technology education (ATE) is provided by nine of the ten Utah System of Higher Education (USHE) institutions (the University of Utah does not have an ATE mission), the nine campuses of the Utah College of Applied Technology (UCAT) and Public Education’s 40 school districts. The purpose of applied technology education (ATE) is to meet the social and economic needs of the state efficiently and effectively through collaborative partnerships between the educational systems, business, and industry with quality educational programs and innovative delivery systems to ensure a skilled and educated workforce.</p> <p>ATE programs in higher education, including UCAT focus on job preparation and offer short-term, intensive competency-based training programs tailored for business and industry ending in certificates or associate degrees. Public Education programs primarily concentrate on offering exploratory and basic skill applied technology training, although in some instances advanced training is provided.</p> <p>Applied Technology Education is delivered by public education through high schools for adult and secondary students. The governing statutes for this appropriation are included as they show specifications for funding distributions for various aspects of ATE programs.</p>
Statutory Authority	<u>53A-17a-113. Weighted pupil units for applied technology education programs -- Funding of approved programs -- Performance measures -- Qualifying criteria.</u>

- (1) (a) Money appropriated to the State Board of Education in Section 53A-17a-104 for approved applied technology programs and the comprehensive guidance program:
- (i) shall be allocated to eligible recipients as provided in Subsections (2), (3), and (4); and
 - (ii) may not be used to fund programs below the ninth grade level.
- (b) Subsection (1)(a)(ii) does not apply to the following programs:
- (i) comprehensive guidance;
 - (ii) Technology-Life-Careers; and
 - (iii) work-based learning programs.
- (2) (a) Weighted pupil units are computed for pupils in approved programs.
- (b) (i) The board shall fund approved programs based upon hours of membership of 9th through 12th grade students.
- (ii) Subsection (2)(b)(i) does not apply to the following programs:
- (A) comprehensive guidance;
 - (B) Technology-Life-Careers; and
 - (C) work-based learning programs.
- (c) The board shall use an amount not to exceed 20% of the total appropriation under this section to fund approved programs based on performance measures such as placement and competency attainment defined in standards set by the board.
- (d) Leadership organization funds shall constitute an amount not to exceed 1% of the total appropriation under this section, and shall be distributed to each local educational agency sponsoring applied technology student leadership organizations based on the agency's share of the state's total membership in those organizations.
- (e) The board shall make the necessary calculations for distribution of the appropriation to school districts and may revise and recommend changes necessary for achieving equity and ease of administration.
- (3) (a) Twenty weighted pupil units shall be computed for applied technology education administrative costs for each district, except 25 weighted pupil units may be computed for each district that consolidates applied technology administrative services with one or more other districts.
- (b) Between 10 and 25 weighted pupil units shall be computed for each high school conducting approved applied technology education programs in a district according to standards established by the board.
- (c) Forty weighted pupil units shall be computed for each district that operates an approved district applied technology center.

- (d) Between five and seven weighted pupil units shall be computed for each summer applied technology agriculture program according to standards established by the board.
- (e) The board shall, by rule, establish qualifying criteria for districts to receive weighted pupil units under this Subsection (3).
- (4) (a) Monies remaining after the allocations made under Subsections (2) and (3) shall be allocated using average daily membership in approved programs for the previous year.
- (b) A district that has experienced student growth in grades 9 through 12 for the previous year shall have the growth factor applied to the previous year's weighted pupil units when calculating the allocation of monies under this Subsection (4).
- (5) (a) The board shall establish rules for the upgrading of high school applied technology education programs.
- (b) The rules shall reflect technical training and actual marketable job skills in society.
- (c) The rules shall include procedures to assist school districts to convert existing programs which are not preparing students for the job market into programs that will accomplish that purpose.
- (6) Programs that do not meet board standards may not be funded under this section.

Amended by Chapter 320, 2003 General Session

ATE SET ASIDE

Function

Vocational District Set Aside funds guarantee each district a minimum allocation for vocational education. Each district receives a base of \$7,500. They use this to start new programs, to purchase equipment, or for various administrative purposes. The funds that are left after the minimum allocation process are distributed on an RFP (Request for Proposal) basis.

Statutory Authority

53A-17a-116 (1) Each district shall receive a guaranteed minimum allocation from the monies appropriated to the State Board of Education in Section 53A-17a-104 for an applied technology set-aside program. (2) The set-aside funds remaining after the initial minimum payment allocation are distributed by an RFP process to help pay for equipment costs necessary to initiate new programs and for high priority programs as determined by labor market information.

State Board Rules

R277-911 A. Equipment set aside funds are used to pay for applied technology education program equipment needs. B. Each school district is eligible for a minimum amount of equipment set aside funds. C. Applicants for funds may submit proposals as individual school districts or as regional groups. All proposals shall show evidence of coordination within a service

delivery area. A regional group shall include recommended priorities for funding in its proposal.

CLASS SIZE REDUCTION

Function

Large public school class sizes have been a significant concern of Utah citizens and the Legislature. To address that concern, funding initiatives ranging from four to thirty million dollars have been appropriated in prior years.

There have been problems with accurately tracking the expenditure of class size reduction monies and the associated class size data.

Public education in Utah, and in most other states, usually does not actually report class size. They do however collect and report pupil teacher ratios. Although no direct relationship between class size and this ratio has been established, the pupil teacher ratio can help approximate reductions in class size.

Class size information and a historical perspective of funding results are indicated in the following graph.

Public Education: Class Size Reduction Funding

Total Funding with Pupil Teacher Ratios

Fiscal Years 1994-2001

Year	WPU's	Appropriation	Social Security and Retirement	Total	Pupil Teacher Ratio
1993-1994	7,182	11,053,098	1,967,437	13,020,535	24.7
1994-1995	9,609	15,451,272	2,843,033	18,294,305	24.3
1995-1996	11,144	18,632,768	3,421,480	22,054,248	23.8
1996-1997	11,239	49,544,621	3,761,184	53,305,805	24.4
1997-1998	25,858	46,311,678	8,896,420	55,208,098	22.9
1998-1999 (1)	25,804	56,840,616	9,189,836	66,030,452	21.2
1999-2000 (2)	29,577	56,225,877	10,800,929	67,026,806	22.3
2000-2001 (2)	29,577	59,331,462	11,157,923	70,489,385	(3)

Notes:

- (1) There was a Supplemental Appropriation of \$9,000,000 in FY99 for Elementary Reading.
- (2) FY00 (received) and FY01 (anticipated) Federal Grant for \$7,691,587 each year for class size reductions in the early grades.
- (3) Pupil Teacher Ratio not yet available.

Source: Appropriation Reports, Office of the Legislative Fiscal Analyst
USOE, Finance and Statistics Section

Prepared by: The Office of the Legislative Fiscal Analyst, October 2000.

Table 2-11

Statutory Authority

The statutes for Class size are found in the Utah code as follows:

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

- (1) Money appropriated to the State Board of Education in Section 53A-17a-104 for class size reduction shall be used to reduce the average class size in kindergarten through the eighth grade in the state's public schools.
- (2) Each district shall receive its allocation based upon prior year average daily membership in kindergarten through grade eight plus growth as determined under Subsection 53A-17a-106(3) as compared to the state total.
- (3) (a) A district may use its allocation to reduce class size in any one or all of the grades referred to under this section, except as otherwise provided in Subsection (3)(b).
 - (b) (i) Each district shall use 50% of its allocation to reduce class size in any one or all of grades kindergarten through grade two, with an emphasis on improving student reading skills.
 - (ii) If a district's average class size is below 18 in grades kindergarten through two, it may petition the state board for, and the state board may grant, a waiver to use its allocation under Subsection (3)(b)(i) for class size reduction in the other grades.
- (4) Schools may use nontraditional innovative and creative methods to reduce class sizes with this appropriation and may use part of their allocation to focus on class size reduction for specific groups, such as at risk students, or for specific blocks of time during the school day.
- (5) (a) A school district may use up to 20% of its allocation under Subsection (1) for capital facilities projects if such projects would help to reduce class size.
 - (b) If a school district's student population increases by 5% or 700 students from the previous school year, the school district may use up to 50% of any allocation it receives under this section for classroom construction.
- (6) This appropriation is to supplement any other appropriation made for class size reduction.
- (7) The Legislature shall provide for an annual adjustment in the appropriation authorized under this section in proportion to the increase in the number of students in the state in kindergarten through grade eight.

Amended by Chapter 320, 2003 General Session

Amended by Chapter 221, 2003 General Session

RETIREMENT AND SOCIAL SECURITY**Function**

The social security and retirement costs of the minimum school program are determined by formula based on the program (number of weighted pupil units) adopted by the Legislature.

The 1992 Legislature changed the method of funding and distributing social security and retirement costs. The funds are distributed proportionately based on Weighted Pupil Units. Prior to the change the costs were paid on a reimbursement basis to school districts. The statutory provisions provide for changes in the costs of social security and retirement based on prior year costs, inflation, and rate increases.

Statutory Authority

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

- (1) The employee's retirement contribution shall be 1% for employees who are under the state's contributory retirement program.
- (2) The employer's contribution under the state's contributory retirement program is determined under Section 49-12-301, subject to the 1% contribution under Subsection (1).
- (3) The employer-employee contribution rate for employees who are under the state's noncontributory retirement program is determined under Section 49-13-301.
- (4) (a) Money appropriated to the State Board of Education in Section 53A-17a-104 for retirement and Social Security monies shall be allocated to school districts based on a district's total weighted pupil units compared to the total weighted pupil units for all districts in the state.
- (b) The monies needed to support retirement and Social Security shall be determined by taking the district's prior year allocation and adjusting it for:
 - (i) student growth;
 - (ii) the percentage increase in the value of the weighted pupil unit; and
 - (iii) the effect of any change in the rates for retirement, Social Security, or both.

Amended by Chapter 320, 2003 General Session

TRANSPORTATION**Function**

Transportation funding is used to support the transportation of students to and from school, including the training of district transportation personnel. Districts receive funding proportional to the (a) time and (b) mileage of all bus routes for busing to and from school plus the cost of (c) equipment and (d) administration. The funding must be used only for transporting students to and from school who are eligible for busing based on the distance they live from a school (1.5 miles for elementary and 2.0 miles for secondary), and to pay for associated equipment and administrative services. Funding may also be used to pay for "in lieu of" transportation as an alternative to busing, if a district chooses not run its own service.

Statutory Authority

53A-17a-126. State support of pupil transportation -- Incentives to increase economy and productivity in student transportation.

(1) Money appropriated to the State Board of Education in Section 53A-17a-104 for state-supported transportation of public school students shall be apportioned and distributed in accordance with Section 53A-17a-127, except as otherwise provided in this section.

(2) (a) The Utah Schools for the Deaf and the Blind shall use money appropriated in Section 53A-17a-104 to pay for transportation of their students based on current valid contractual arrangements and best transportation options and methods as determined by the schools.

(b) All student transportation costs of the schools shall be paid from the allocation of pupil transportation monies received under Section 53A-17a-104.

(3) Each district shall receive its approved transportation costs, except that if during the fiscal year the total transportation allowance for all districts exceeds the amount appropriated, all allowances shall be reduced pro rata to equal not more than that amount.

(4) Local school boards shall provide salary adjustments to employee groups that work with the transportation of students comparable to those of classified employees authorized under Section 53A-17a-137, when dividing the weighted pupil unit for salary adjustment purposes.

Amended by Chapter 221, 2003 General Session

Amended by Chapter 320, 2003 General Session

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

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

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

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

(c) a student enrolled in a special program offered by a school district and approved by the State Board of Education for trainable, motor, multiple-disabled, or other students with severe disabilities who are incapable of walking to school or where it is unsafe for students to walk because of their disabling condition, without reference to distance from school.

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

(3) (a) The State Office of Education shall distribute transportation monies to school districts based on three factors:

- (i) an allowance per mile for approved bus routes;
 - (ii) an allowance per hour for approved bus routes; and
 - (iii) an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment.
- (b) In order for a bus to be considered for the equipment allowance, it must meet federal and state regulations and standards for school buses.
- (c) The State Office of Education shall annually review the allowance per mile, the allowance per hour, and the annual equipment and overhead allowance and adjust the allowance to reflect current economic conditions.
- (4) (a) Approved bus routes for funding purposes shall be determined on fall data collected by October 1.
- (b) Approved route funding shall be determined on the basis of the most efficient and economic routes.
- (5) A Transportation Advisory Committee with representation from local school superintendents, business officials, school district transportation supervisors, and the State Office of Education shall serve as a review committee for addressing school transportation needs, including recommended approved bus routes.

State Board RulesR277-600-3. General Provisions.

A. State transportation funds are used to reimburse districts for the direct costs of transporting students to and from school. The Board defines the limits of district transportation costs reimbursable by state funds in a manner that encourages safety, economy, and efficiency.

B. Allowable transportation costs are divided into two categories. Expenditures for regular bus routes established by the district, and appropriated by the state, are termed A category costs. Other methods of transporting students to school are termed B category costs. The Board devises and distributes a formula to determine the reimbursement rate for A category costs. The formula factors are density and adjusted/approved costs. B category costs are approved on a line-by-line basis by the Office after comparing the costs submitted by a district with the costs of alternative methods of performing the function.

C. The Office shall develop a uniform accounting procedure for the financial reporting of transportation costs. The procedure shall specify the methods used to calculate allowable transportation costs. The Office shall also develop uniform forms for the administration of the program.

D. All student transportation costs are recorded. Accurate mileage records are kept by program. Records and financial worksheets shall be maintained during the fiscal year for audit purposes.

R277-600-9. Other Reimbursable Expenses.

State transportation funds may be used to reimburse a district for the following costs:

A. Salaries of clerks, secretaries, trainers, drivers, a supervisor, mechanics and other personnel necessary to operate the transportation program.

(1) a full time supervisor may be paid at the same rate as other professional directors in the district. The supervisor's salary must be commensurable with the number of buses, number of eligible students transported, and total responsibility relative to other supervisory functions. A district may claim a percentage of the district superintendent's or clerk's salary for reimbursement if the district's eligibility count is less than 600 and a verifiable record of administrative time spent in the transportation operation is kept;

(2) The wage time for bus drivers includes:

(a) to and from school time: ten minute pre-trip inspection, actual driving time, ten minute post- trip inspection and bus cleanup, and 10 minute bus servicing and fueling;

(b) field trip time: set at a minimum of two hours driving time;

(c) activity trip time: wage time allowed under R277-600-9A(2)(a) plus a reduced amount for layover time.

B. Transportation employee benefits. Only a proportionate amount is allowed for health, accident, and life insurance.

C. Purchased property services;

D. Property, comprehensive, and liability insurance.

E. Communication expenses and travel for supervisors to workshops or the national convention.

F. Supplies and materials for vehicles, the transportation office and the garage.

G. Depreciation: The Office computes a formula annually to calculate depreciation.

H. Training expenses: The following maximum amounts are reimbursable for the driver's training stipend for each type of training a bus driver successfully completes:

(1) basic course, 24 hours: \$135;

(2) in-service, 8 hours: \$50;

(3) defensive driving, 8 hours: \$50;

(4) first aid and emergency care, 8 hours: \$50.

I. Other related costs approved by the Office.

GUARANTEE TRANSPORTATION LEVY**Function**

A district can levy a tax to purchase new buses, provide special busing for hazardous walking areas, and fund transportation costs associated with field and activity trips. A local school board qualifies if it levies at least the minimum special transportation tax rate—0.0002 as of FY 2003—and the levy is not enough to generate at least 85% of the state average cost per mile for the purposes listed above.

There are twelve districts currently receiving funds under this guarantee.

Statutory Authority

53A-17A-127

(6)(a) A local school board may provide for the transportation of students who are not eligible under Subsection (1), regardless of the distance from school, from:

(i) general funds of the district; and

(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.

(b) A local school board may use revenue from the tax to pay for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board 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 Office of Education shall distribute the state contribution according to rules enacted by the State Board of Education.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (6)(c) may not be reduced for the sole reason that the 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.

State Board Rules

R277-600 C(1) The cost of school bus operation for activity trips, field trips, and for the transportation of students to alleviate hazardous walking conditions may be met with state funds appropriated under Section 53A-17a-127(7) only to the extent of funds available to individual school districts for the specific purposes of Section 53A-17a-127(6)(b).

(2) Appropriated funds under Section 53A-17a-127(7) shall be distributed according to each district's proportional share of its qualifying state contribution as defined under Section R277-600-11B(3) for activity, field trip, and hazardous route mileage.

(3) The qualifying state contribution for districts shall be the difference between 85 percent of the average state cost per qualifying mile multiplied by the number of qualifying miles and the current funds raised per district by a transportation levy of .0002.

MATH, SCIENCE – BEGINNING TEACHER RECRUITMENT

Function Funding for this program was first appropriated during the 2001 Legislative session. The statutes pertaining to this program are as follows:

Statutory Authority 53A-1a-601. Job enhancements for technology training.

(1) In conjunction with the Engineering and Computer Science Initiative provided for in Section 53B-6-105, there is established a Public Education Job Enhancement Program to attract, train, and retain highly qualified secondary teachers in mathematics, physics, chemistry, physical science, learning technology, and information technology.

(2) The program shall provide for the following:

(a) application by a school district superintendent or the principal of a secondary school on behalf of a qualified teacher;

(b) an award of up to \$20,000 or a scholarship to cover the tuition costs for a master's degree, an endorsement, or graduate education in the areas identified in Subsection (1) to be given to selected public school teachers on a competitive basis:

(i) whose applications are approved under Subsection 53A-1a-602(4); and

(ii) who teach at the secondary level in the state's public education system for four years in the areas identified in Subsection (1);

(c) (i) as to the cash awards under Subsection (2)(b), payment of the award in two installments, with an initial payment of up to \$10,000 at the beginning of the term and up to \$10,000 at the conclusion of the term;

(ii) repayment of a portion of the initial payment by the teacher if the teacher fails to complete two years of the four-year teaching term in the areas identified in Subsection (1) as provided by rule of the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, unless waived for good cause by the Job Enhancement Committee created in Section 53A-1a-602; and

(iii) nonpayment of the second installment if the teacher fails to complete the four-year teaching term; and

(d) (i) as to the scholarships awarded under Subsection (2)(b), provision for the providing institution to certify adequate performance in obtaining the master's degree, endorsement, or graduate education in order for the teacher to maintain the scholarship; and

(ii) repayment by the teacher of a prorated portion of the scholarship, if the teacher fails to teach in the state system of public education in the areas

identified in Subsection (1) for four years after obtaining the master's degree, the endorsement, or graduate education.

(3) An individual teaching in the public schools under a letter of authorization may participate in the cash award program if:

(a) the individual has taught under the letter of authorization for at least one year in the areas referred to in Subsection (1); and

(b) the application made under Subsection (2)(a) is based in large part upon the individual receiving a superior evaluation as a classroom teacher.

(4) (a) The program may provide for the expenditure of up to \$1,000,000 of available monies, if at least an equal amount of matching monies become available, to provide professional development training to superintendents, administrators, and principals in the effective use of technology in public schools.

(b) An award granted under this Subsection (4) shall be made in accordance with criteria developed and adopted by the Job Enhancement Committee created in Section 53A-1a-602.

(c) An amount up to \$120,000 of the \$1,000,000 authorized in Subsection (4)(a) may be expended, regardless of the matching monies being available.

The following code pertains to the Job Enhancement Committee:

53A-1a-602. Job Enhancement Committee -- Composition -- Duties -- Appropriation.

(1) There is created a Job Enhancement Committee to implement and administer the Public Education Job Enhancement Program established in Section 53A-1a-601.

(2) (a) The committee shall consist of:

(i) two members of the State Board of Education selected by the board;

(ii) two members of the State Board of Regents selected by the board;

(iii) six members of the general public who have business experience in mathematics, physics, chemistry, physical science, learning technology, or information technology selected by the governor; and

(iv) a master high school teacher, who has teaching experience in mathematics, physics, chemistry, physical science, learning technology, or information technology, selected by the superintendent of public instruction.

(b) Committee members shall receive no compensation or benefits for their service on the committee, but may receive per diem and expenses incurred in the performance of their duties at rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.

- (3) (a) The committee shall receive and review applications submitted for participation in the Public Education Job Enhancement Program established under Section 53A-1a-601.
- (b) In reviewing applications, the committee shall focus on:
- (i) the prioritized critical areas of need identified under Subsection (5)(a); and
 - (ii) the awards being made on a competitive basis.
- (c) If the committee approves an application received under Subsection (3)(a), it shall contract directly with the teacher applicant to receive the award or the scholarship for a master's degree, an endorsement, or graduate education, subject to Section 53A-1a-601.
- (d) The State Board of Education, through the superintendent of public instruction, shall provide staff support for the committee and adequate and reliable data on the state's supply of and demand for qualified secondary teachers in mathematics, physics, chemistry, physical science, learning technologies, and information technology.
- (4) The committee may apply for grants and matching monies to enhance funding available for the program established in Section 53A-1a-601.
- (5) The committee shall make a rule in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, establishing policies and procedures for:
- (a) making the awards and offering the scholarships in accordance with prioritized critical areas of need as determined by the committee;
 - (b) timelines for the submission and approval of applications under Subsection (3); and
 - (c) the distribution of the awards and scholarships to successful applicants based on available monies provided by legislative appropriation.
- (6) The Legislature shall make an annual appropriation to the State Board of Education to fund the Public Education Job Enhancement Program established under Section 53A-1a-601.
- (7) Before October 1, 2004, the committee shall make a report to the Legislature through the Education Interim Committee, the governor, the State Board of Education, and the State Board of Regents on the status of the program, together with any recommendations for modification, expansion, or termination of the program.

Amended by Chapter 210, 2002 General Session

INTERVENTIONS FOR STUDENT SUCCESS BLOCK GRANT

Function

The Legislature in the 2001 General Legislative Session provided for the consolidation and different funding methods for twenty five categorical programs. Three Block Grant areas were created out of fifteen programs, movement to administrative budgets of four programs, and a loosening of

spending requirements for another six programs. This was a major accomplishment as these issues had been discussed for a number of years and prior interim studies had yielded much discussion.

Of the three block grant programs, the first combined ten programs totaling \$49,821,560 into a "Local Program" block. These included: Truancy Intervention and Prevention, Unrestricted Local Program, Incentives for Excellence, Educational Technology Initiative, Character Education, School Nurses, Alternative Middle School, Reading Initiative, Experimental/Developmental Formula programs, and a Local Discretionary Program. Former distribution methods were eliminated and new distributions were made on a K-12, small schools formula basis. Calculations were made to reimburse any school district that may lose funding under the new distributions.

A Professional Development block grant was formed by combining the career ladder program with \$10,000,000 of new funds for extra teacher days.

The third block consisted of Applied Technology Education being combined with Technology/Life Careers and Work based Learning, and Comprehensive Guidance.

A special populations category was created to include Families, Agencies and Communities Together (FACT), Alternative language Services, Highly Impacted Schools, At Risk Programs, Adult Education, and Accelerated Learning programs. These programs maintained their distribution formulas other statutory provision mandates but an overall caveat was added saying that a School District could use its allocations for these programs in any one or all of the listed programs. Free movement of money among programs was granted.

Finally, four programs (Staff Development, Reading Scholarship Program, Regional Service Center Funding, and Contingency Fund) were removed from the Bill for School District funding and put in the Utah State Office of Education budget for administration and distribution.

The block grant programs continued to be modified and refined by the 2002, and 2003 Legislatures.

The Interventions for Student Success block grant was created by the 2002 Legislature out of six categorical programs that were designed to help the progress of students.

This program serves Utah's students most at risk of being left behind. Funds help schools identified as needing improvement and remediation to meet standards now required under new federal reporting guidelines.

The Block Grant programs no longer included program identity and are allocated funding based on the block grant category. Districts utilize the funds for programs expenditures designed to achieve the basic purposes of the block grant.

Statutory Authority 53A-17a-123.5. Interventions for Student Success Block Grant Program -- State contribution.

(1) The State Board of Education shall distribute money appropriated for the Interventions for Student Success Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) Schools districts and charter schools shall use Interventions for Student Success Block Grant monies to improve student academic success, with priority given to interventions on behalf of students not performing to standards as determined by U-PASS test results.

(3) (a) Each school district shall develop a plan for the expenditure of Interventions for Student Success Block Grant monies.

(b) The plan:

(i) shall specify anticipated results; and

(ii) may include continuing existing programs to improve students' academic success for which funds were appropriated before the establishment of the block grant.

(c) The local school board shall approve the plan for the expenditure of the block grant monies in an open public meeting before the monies are spent.

Amended by Chapter 320, 2003 General Session

State Board Rules R277-478-4 Distribution of Funds

G. Interventions for Student Success Block Grant funds shall be distributed using the following formula:(1) Seventy seven percent of the total student success block grant appropriation shall be allocated using the Local Discretionary Block Grant formula as outlined in R277-478-3B.

3B. Local Discretionary Block Grant funds shall be distributed using the following formula:

(1) Eight percent of the total local discretionary block grant appropriation shall be divided into 41 equal shares.

(2) Each district shall receive one share.

(3) One share shall be divided equally among all charter schools except charter schools which were once existing district schools.

(4) The remaining portion of the local discretionary block grant appropriation (ninety two percent) shall be divided among the districts and charters based upon their total WPUs in K-12, and the necessarily existent small schools portion of the Minimum School Basic program.)

(2) The remaining portion of the Interventions for Student Success Block Grant funds (twenty three percent) shall be allocated on the basis of the

number of LEP students as determined by Title IX, Part A, Section 9101(25) in each district or charter school for the prior fiscal year.

QUALITY TEACHING BLOCK GRANT

Function

The Quality Teaching Block Grant program was established by the 2003 Legislature to provide school districts with maximum flexibility in the use of their funding as appropriated by the State Legislature. The Quality Teaching Block Grant was created from prior existing programs of career ladder and the addition of \$10,000,000 by the 2003 Legislature for two extra professional development days. Five million of the extra day funds were subsequently removed as a result of budget reduction.

Statutory Authority

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

(1) The State Board of Education shall distribute money appropriated for the Quality Teaching Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) (a) Schools districts and charter schools shall use Quality Teaching Block Grant monies to implement school and school district comprehensive, long-term professional development plans required by Section 53A-3-701.

(b) In recognition of exceptional quality teaching, Quality Teaching Block Grant monies may be used for the award of individual Quality Teaching Bonuses for Exemplary Teachers to recognize and reward excellence in classrooms as determined by school principals in partnership with their school community councils.

(3) Each local school board shall:

(a) as provided by Section 53A-3-701, review and either approve or recommend modifications for each school's comprehensive, long-term professional development plan within the district so that each school's plan is compatible with the district's comprehensive, long-term professional development plan; and

(b) in an open public meeting, approve a plan to spend Quality Teaching Block Grant monies to implement the school district's comprehensive, long-term professional development plan.

Amended by Chapter 320, 2003 General Session

Further provisions for the Quality Teaching Block Grant Program are in the Utah Code Annotated Chapter 53A-3-701, "School and school district professional development plans."

State Board Rules

R277-478-5 Distribution of Funds

G. Quality Teaching Block Grant funds shall be distributed using the following formula: thirty percent of the total Quality Teaching Block Grant funds shall be distributed on the basis of the number of full-time equivalent

teachers employed by the district or charter school for the immediately previous school year. The remaining seventy percent of the funds shall be distributed on the basis of the number of WPUs in the basic programs of the Minimum School Program for the immediately previous school year.

LOCAL DISCRETIONARY BLOCK GRANT PROGRAM

Function

Under the 2003 Legislative modification the Local Discretionary Block program became a consolidation of four previously funded programs: Local discretionary program, education technology initiative, character education, and school nurses. Program designations were eliminated and lump sum amounts were distributed to districts for their general use. Unlike the FY 2002 Local Discretionary Block, there are no specific programs for which the grant must be used.

Statutory Authority

53A-17a-123. Local Discretionary Block Grant Program -- State contribution.

(1) The State Board of Education shall distribute money appropriated for the Local Discretionary Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) Schools districts and charter schools shall use Local Discretionary Block Grant monies for:

- (a) maintenance and operation costs;
- (b) capital outlay; or
- (c) debt service.

Amended by Chapter 320, 2003 General Session

State Board Rules

R277-478-3 Distribution of Funds

B. Local Discretionary Block Grant funds shall be distributed using the following formula:

(1) Eight percent of the total local discretionary block grant appropriation shall be divided into 41 equal shares.

(2) Each district shall receive one share.

(3) One share shall be divided equally among all charter schools except charter schools which were once existing district schools.

(4) The remaining portion of the local discretionary block grant appropriation (ninety two percent) shall be divided among the districts and charters based upon their total WPUs in K-12, and the necessarily existent small schools portion of the Minimum School Basic program.

HIGHLY IMPACTED SCHOOLS FUNDING

Function	<p>The 1995 Legislature passed House Bill 172, “Highly Impacted Schools” to provide additional resources for individual assistance to students at schools determined to be highly impacted.</p> <p>Schools that have received funding through this program have reported positive results. The schools are identified for funding by five factors: student mobility, student ethnicity, limited English proficiency, single parent family, and eligibility for free lunch.</p> <p>The Highly Impacted Schools program provides funding to about 54 schools with the state's highest rates of English language deficiency, student mobility, single parent families, free-lunch eligibility and ethnic minority students. Many of these schools serve communities where virtually all the students are eligible for free lunch, where less than half remain in a single school for an entire school year, and where over half speak a language other than English. The children who attend these schools survive in living conditions that severely limit their potential for school success.</p>
Statutory Authority	<p><u>53A-15-701. Highly impacted schools.</u></p> <p>(1) There is established a Highly Impacted Schools Program to provide additional resources for individual assistance to students at those schools determined by the board to be highly impacted.</p> <p>(2) (a) The State Board of Education, in consultation with the governor's office, shall base its determination of highly impacted schools on the following criteria as reported by the schools in their applications:</p> <ul style="list-style-type: none">(i) high student mobility rates within each school;(ii) the number and percentage of students at each school who apply for free school lunch;(iii) the number and percentage of ethnic minority students at each school;(iv) the number and percentage of limited English proficiency students at each school; and(v) the number and percentage of students at each school from a single parent family. <p>(b) As used in this section, "single parent family" means a household headed by a male without a wife present or by a female without a husband present.</p> <p>(3) (a) The board, through the state superintendent of public instruction, shall establish application deadlines for participation in the program.</p> <p>(b) (i) The appropriation required to implement the Highly Impacted Schools Program shall be made under Title 53A, Chapter 17a, Minimum School Program Act.</p>

(ii) The state superintendent of public instruction shall administer and distribute the appropriation to individual schools according to a formula established by the board.

(c) (i) Each participating school shall receive a base allocation from the appropriation.

(ii) Additional monies from the appropriation shall be allocated on the basis of a formula which takes into consideration the total number of students at each participating school and the number of students at each school who are within the categories listed in Subsection (2).

(4) This appropriation is in addition to any appropriation made for class-size reduction under Section 53A-17a-124.5.

(5) A highly impacted school may use part or all of its allocation to lengthen the school year or extend the school day in order to provide individual assistance to students.

(6) The board shall monitor the program and require each participant school to file a report on the use and effectiveness of the appropriation in meeting the educational needs and involving parents of students who attend these highly impacted schools.

Amended by Chapter 210, 2002 General Session

State Board Rules

R277-464-3 Distribution of Funds

A. Awards shall be made to individual schools and funds allocated to school districts shall be fully distributed to designated schools.

B. Applications shall be provided by the USOE.

C. Schools shall be selected for funding based on an analysis of the eligibility factors designated in Section 53A-15-701(2)(a). Those factors shall be equally weighted.

D. Each school selected for funding shall receive a base allocation.

E. Based on available funds, schools shall be guaranteed three years of funding.

F. The formula for distribution of funds shall take into consideration the total of all students enrolled in the school and shall equally weight the five factors, student mobility, students eligible for free school lunch, students of ethnic minorities, students of limited English proficiency, and students from single parent families, designated in Section 53A-15-701(2)(a). Schools shall provide data required for funding using the five factors defined under Section 53A-15-701(2)(a).

G. Schools receiving funding shall be notified by June 30.

AT-RISK PROGRAMS**Function**

The "At-Risk" program was initiated to serve the special needs of students who might be "at risk" and help overcome factors which put them at-risk. A number of factors are involved in determining what defines a student "at-risk." According to the Master Plan For Students At-Risk, "a student at-risk is any student who, because of his/her individual needs, requires some kind of uniquely designed intervention in order to achieve literacy, graduate, and be prepared for transition from school to post-school options.

Statutory Authority

53A-17a-121. Appropriation for at-risk programs.

(1) Money appropriated to the State Board of Education in Section 53A-17a-104 for at-risk programs shall be allocated to local school boards for the following programs:

- (a) youth in custody;
- (b) homeless and disadvantaged minority students;
- (c) mathematics, engineering, and science achievement programs;
- (d) gang prevention and intervention; and
- (e) at-risk flow through.

(2) Districts shall spend monies for these programs according to rules established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(3) (a) From the amount appropriated for youth at risk programs, the board shall allocate moneys to school districts for homeless and disadvantaged minority students.

(b) Each district shall receive its allocation on the basis of:

- (i) the total number of homeless students in the district;
- (ii) added to 50% of the number of disadvantaged minority students in the district;
- (iii) multiplying the total of Subsections (3)(b)(i) and (ii) by the value of the weighted pupil unit; and
- (iv) prorating the amount under Subsection (3)(b)(iii) to the amount in Subsection (3)(a).

(4) (a) From the amount appropriated for at-risk programs, the board shall allocate monies for mathematics, engineering, and science achievement programs, MESA programs, in the districts.

(b) The board shall make the distribution to school districts on a competitive basis by application under guidelines established by the board.

(5) (a) From the amount appropriated for at-risk programs, the board shall distribute moneys for gang prevention and intervention programs at the district or school level.

(b) The board shall make the distribution to school districts under guidelines established by the board consistent with Section 53A-15-601.

(6) (a) From the amount appropriated for at-risk programs, the board shall distribute moneys for programs for youth in custody.

(b) The board shall allocate these moneys to school districts which operate programs for youth in custody in accordance with standards established by the board.

(7) From the amount appropriated for at-risk programs, the board shall allocate monies based on:

(a) a formula which takes into account prior year WPU's per district and a district's low income population; and

(b) a minimum base of no less than \$18,600 for small school districts.

Amended by Chapter 320, 2003 General Session

State Board Rules

R277-760-3. Distribution of Funds

The annual state legislative appropriation for students at risk shall be awarded to Utah school districts:

(1) using a formula which takes into account selected prior year WPU's per district and a district's low-income population; and

(2) to guarantee a minimum base of no less than \$18,600 for small school districts.

ADULT EDUCATION

Function

Adult education is a program for those educational functioning levels of adults who have some literacy skills and can function in everyday life but are not proficient or do not have a secondary school diploma, GED or its recognized equivalent. AHSC provides instruction in Board-approved subjects which leads to a high school diploma for adults.

The funds are distributed according to State Board Rules as follows:

State Board Rules

R277-733-9. Allocation of Adult Education Funds.

Adult education funds shall be distributed to school districts according to the following:

A. Base amount - 7 percent of appropriation or \$13,000, whichever is greater, to be distributed equally to each district with USOE-approved plan.

B. Latest official census data, as defined in R277-733-1L, at a decreasing rate per year until reaching zero percent: 15 percent of appropriation for FY 04, 10

percent for FY 05, five percent for FY 06, zero percent for FY 07, and zero percent thereafter.

C. Measurable outcomes, as defined in R277-733-1M, on an increasing rate per year until reaching 50 percent: 35 percent of appropriation for FY 04, 40 percent for FY 05, 45 percent for FY 06, and 50 percent for FY 07 and 50 percent thereafter. Funds shall be distributed among measurable outcomes as follows:

- (1) number of high school diplomas awarded - 30 percent of the total funds available;
- (2) number of GED certificates awarded - 25 percent of the total funds available;
- (3) number of level gains: ESOL levels 1-6 and ABE competency levels 1-4 - 30 percent of the total funds available;
- (4) number of high school credits earned by students - 15 percent of the total funds available.

D. Enrollees as defined by federal regulations - 25 percent of appropriation.

E. Supplemental support, to be distributed to school districts for special program needs or professional development as determined by written request and USOE evaluation of need and approval - 2 percent or balance of appropriation whichever is smaller.

F. Student participation, total number of contact hours between adult student and adult education program - 16 percent.

Statutory Authority

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

- (1) Money appropriated to the State Board of Education in Section 53A-17a-104 for adult education shall be allocated to local school boards for adult high school completion and adult basic skills programs.
- (2) Each district shall receive its pro rata share of the appropriation for adult high school completion programs based on the number of people listed in the latest official census who are over 18 years of age and who do not have a high school diploma and prior year participation or as approved by board rule.
- (3) On February 1 of each school year, the State Board of Education shall recapture monies not used for an adult high school completion program for reallocation to districts that have implemented programs based on need and effort as determined by the board.
- (4) To the extent of monies available, school districts shall provide programs to adults who do not have a diploma and who intend to graduate from high school, with particular emphasis on homeless individuals who are seeking literacy and life skills.
- (5) Overruns in adult education in any district may not reduce the value of the weighted pupil unit for this program in another district.

(6) School districts shall spend money on adult basic skills programs according to standards established by the board.

Amended by Chapter 221, 2003 General Session

Amended by Chapter 320, 2003 General Session

Accountability

Funds are distributed on the basis of performance indicators such as: diplomas awarded, GED certificates awarded, level gains: ESOL levels and ABE competency levels, high school credits earned, Student participation, etc. (See state board rules above.)

ADULT BASIC SKILLS

Function

Adult Basic Skills is a program that provides instruction for adults whose inability to compute or speak, read, or write the English language at or below the eighth grade level substantially impairs their ability to find or retain employment commensurate with their real ability.

This program was created by the 1995 Legislature. It is designed to provide English as a second language and basic skills instruction for adult ethnic/racial minorities and others.

State Board Rules

R277-733-8. Adult Education Programs--Tuition and Fees.

A. Any adult may enroll in an adult education class as provided in Section 53A-15-404.

B. Tuition and fees may be charged for literacy courses, when adequate state or local funds are not available.

C. Tuition may be charged for adult high school general core courses, when adequate state or local funds are not available.

D. Tuition may be charged for courses that satisfy requirements outlined in R277-700-6 and subject to R277-733-4C, when adequate state or local funds are not available.

E. Fees may be charged for consumable and nonconsumable items necessary for adult high school general core courses, courses that satisfy requirements outlined in R277-700-6 and subject to R277-733-4C, and adult high school general core courses, consistent with the definitions under R277-733-1F and R277-733-1I.

ACCELERATED LEARNING PROGRAMS

Function

The 1987 Legislature created the Accelerated Learning Programs. The category includes Advanced Placement Programs, Concurrent Enrollment Programs, and Gifted and Talented Programs.

Utah's Accelerated Learning programs are among the best in the nation as evidenced by both test scores and the high percentage of participants. The funds are distributed according to the rules established by the State Board of Education.

- Statutory Authority** (1) Money appropriated to the State Board of Education in Section **53A-17a-104** for accelerated learning programs shall be allocated to local school boards for the following programs:
- (a) programs in grades 1-12 for the gifted and talented;
 - (b) concurrent enrollment; and
 - (c) advanced placement.
- (2) (a) A school participating in the concurrent enrollment programs offered under Section **53A-15-101** shall receive on a per student basis up to \$33.33 per quarter hour or \$50 per semester hour for each hour of higher education course work undertaken at the school.
- (b) Each year the amounts specified in Subsection (2)(a) shall be adjusted in proportion to the increase in the value of the weighted pupil unit from the prior year established in Subsection **53A-17a-103(1)**.
- (3) (a) Districts shall spend monies for these programs according to rules established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
- (b) The State Board of Education shall develop uniform and consistent policies for school districts to follow in utilizing advanced placement and concurrent enrollment monies.

Amended by Chapter 320, 2003 General Session

State Board Rules

Programs for Gifted and Talented Students

According to the State Board of Education rules "each school district shall receive its share of funds allocated for these programs in the same proportion that its number of weighted pupil units for kindergarten through grade twelve and necessarily existent small rural schools bears to the state total."

Districts differ widely in how they use these funds to aid in educating gifted and talented students. According to the Utah Administrative Code (1990) R277-711- 1, programs for the gifted and talented are: "children and youth whose superior performance or potential for accomplishment requires a differentiated and challenging education program to meet their needs in any one or more of the following areas":

- 1) General intellectual;
- 2) Specific academic;
- 3) Visual or performing arts;
- 4) Leadership;
- 5) Creative or productive thinking."

Each district is also required to have a plan for these students and a way of identifying gifted and talented students.

CONCURRENT ENROLLMENT

Function Concurrent Enrollment is another program in which Utah's outstanding high school students can move more rapidly through our school system by

enrolling in college courses prior to high school graduation for credit toward both high school graduation and full college matriculation. Both district teachers and college professors teach these courses. Who teaches depends on the district, agreements with the different colleges and universities in the state, and the location of the high school. Funds for this program are distributed to the districts in the state on a pro-rated amount based on the total number of quarter hours earned by their students.

Concurrent Enrollment information from the Utah State Office of Education is provided as follows:

The Analyst has provided the following text of the State Board of Education administrative rules governing the funding and use of Concurrent Enrollment funds.

State Board Rules

R277-713-8. Concurrent Enrollment Funding and Use of Concurrent Enrollment Funds.

A. Each district shall receive a pro-rated amount of the funds appropriated for concurrent enrollment according to the number of semester hours successfully completed by students registered through the district in the prior year compared to the state total of completed concurrent enrollment hours.

B. Each high school shall receive its proportional share of district concurrent enrollment monies allocated to the district pursuant to Section 53A-17a-120 based upon the hours of concurrent enrollment course work successfully completed by students on the high school campus as compared to the state total of completed concurrent enrollment hours.

C. State funding to school districts for concurrent enrollment is limited to a maximum of 30 semester hours per student per school year.

D. Funds allocated to school districts for concurrent enrollment shall not be used for any other program.

E. Colleges or universities shall receive concurrent enrollment funds from school districts based on the Annual Concurrent Enrollment Contract and approved guidelines.

F. District use of state funds for concurrent enrollment is limited to the following:

- (1) to pay tuition for students;
- (2) to pay for a share of the costs of supervision and monitoring by college or university employees according to the annual contractual agreement;
- (3) to aid in staff development of adjunct faculty in cooperation with the participating college or university;
- (4) to assist with costs of distance learning programs;
- (5) to offset the costs of district or school personnel who work with the program;

(6) to pay for textbooks and other instructional materials; and

(7) other uses approved in writing through the USOE Concurrent Enrollment Specialist consistent with the law and purposes of this rule.

G. Concurrent enrollment course credit shall count for completion of high school graduation requirements as well as for college credit.

ADVANCED PLACEMENT COURSES

Function

The advanced placement courses taught at the high school prepare the student to take the AP test in a certain subject. The test measures competency and grades on a score of 1 (lowest) to 5 (highest). A score of 3, 4 or 5 is passing and students can receive college credit or a waiver of some basic education requirements at most universities in the nation. (In many universities, however, only passing does not assure credits - some requiring up to a 5 to receive credit.) Funds are distributed to the districts on the basis of the total sum available divided by the total number of AP examinations passed with a grade of 3 or higher by students in the public schools of Utah.

ELECTRONIC HIGH SCHOOL

Function

The following information is provided by the Electronic High School:

The Electronic High School.....” serves four major groups of students: 1) students who need to make up credit, 2) students who wish to take a class not offered at their school, 3) students who wish to take extra credit and graduate early, and 4) students who are schooled at home.

Students who wish to enroll in EHS are required to meet with their local school counselor and make sure the courses they wish to take are acceptable for graduation. They must have access to the World Wide Web and have a familiarity with a web browser. Of course, they must have an e-mail account, and most importantly, they must be motivated enough to work on their own with minimum supervision.

When a student completes an assignment, quiz, or test, the student e-mails the teacher and attaches the material. Once it has been graded, the material is e-mailed back to the student. Grades are entered in an online grade book which the student may access at any time. Once a course is completed, a certificate indicating the student's grade and the credit earned, is mailed to the student's school of residence.”

“Courses in the Electronic High School are free of registration costs for Utah students. For students who live outside of Utah we charge \$100 per semester per course (or \$50 per quarter per course).”

Courses offered at Utah's Electronic High School:

Fine Arts, Music Aesthetics, Photography, Science, Earth Systems, Biology, Human Biology, Chemistry, Physics, Principles of Technology, Language Arts, English 9 through 12, Journalism, Mathematics, Pre-algebra, Algebra, Geometry, Pre-calculus, Social Studies, Geography for life, Geography II,

Ancient World Civilizations, Modern World, Civilizations, Economics, Psychology, Sociology, Healthy Lifestyles, Health, Education II, Fitness for Life, Computer Science, Intro to Information Tech., Foreign Languages, French I, French II, German I, Japanese I, Latin I, Latin II, Navajo I, Navajo II, Spanish IV, ESL, Electives, Child Development, Sports Marketing, Advertising/Promotion, Adult Roles & Responsibilities, Medical Anat. & Physiology, Business Communication, Food and Science, Horse Management, Under development, Intermediate Algebra, Calculus, U.S. Govt. and Citizenship, Computer Technology, Java Programming, Food and Nutrition, Art Foundations II, Film Making, Tongan I, US History II, Latin III, Spanish I, UBSCT Preparation, Art History and Criticism, Drivers Education (classroom portion).

Statutory Authority 53A-17a-131.15 Money appropriated to the State Board of Education in Section 53A-17a-104 for the Electronic High School shall be distributed to the school according to rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Amended by Chapter 320, 2003 General Session

State Board Rules R277-725-3. Electronic High School Funding.

A. Funds appropriated by the Legislature for the electronic high school program shall be distributed by the Utah State Office of Education.

B. The Utah State Office of Education may designate a fiscal agent to pay teachers' salaries, course development fees, software licensing fees, and accreditation dues.

SCHOOL LAND TRUST PROGRAM

Function The State School Trust Land Program provides revenue to individual schools for the purpose of providing funding for use of School Community Councils for expenditure items as they may determine.

This was established by the Legislature in the 1999 General Legislative session. This was amended in the 2002 and 2003 General Sessions of the Legislature.

Information for each district and each school that receives funding is available at www.schoollandtrust.org. Available information includes: the school plan, resources, funding information and the school council members. For example, Alpine Elementary school funding is shown as follows:

Funding for 2000-2001	\$8,092
Funding for 2001-2002	\$6,166
Funding for 2002-2003	\$7,606
Funding for 2003-2004	\$11,279
Total Funding Received from School Land Trust Program	\$33,143

Estimate for 2004-2005 \$11,516

The U.S. Congress, in exchange for not taxing federal land, gave lands to Utah schools at statehood. The lands are held in a legal trust for schools. Schools own 3.4 million acres. The lands are managed by the School Trust Lands Administration and must, by law, be used to generate money for schools. The money is put in a permanent savings account, which is never spent, but invested. Prior to FY 2000 the interest earned from the permanent fund went into the Uniform School Fund as unrestricted revenue available for appropriations. With the passage of House Bill 350 by the 1999 Legislature the interest now goes to each school in the state. Schools will get their share of the Trust Lands interest money according to the provision of the bill.

Statutory Authority

53A-17a-131.17. State contribution for a School LAND Trust Program.

(1) (a) Except as provided in Subsection (1)(b), there is appropriated \$10,050,000 to the State Board of Education as the state's contribution for the School LAND Trust Program for the fiscal year beginning July 1, 2003.

(b) If the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2) is less than or greater than \$10,050,000, the appropriation shall be equal to the amount of money in the Uniform School Fund described in Subsection 53A-16-101.5(2), up to a maximum of \$12,000,000.

(2) The State Board of Education shall distribute the money appropriated in Subsection (1) in accordance with Section 53A-16-101.5 and rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Amended by Chapter 320, 2003 General Session

53A-16-101.5. Distribution of funds -- School plans for use of funds.

(1) There is established the School LAND (Learning And Nurturing Development) Trust Program for the state's public schools to provide financial resources to enhance or improve student academic achievement and implement a component of the school improvement plan.

(2) (a) The program shall be funded each fiscal year from that portion of the Uniform School Fund consisting of the interest and dividends received in the immediately preceding fiscal year from the investment of monies in the permanent State School Fund.

(b) On and after July 1, 2003, the program shall be funded as provided in Subsection (2)(a) up to a maximum of \$12,000,000 each fiscal year.

(c) The Legislature shall annually allocate, through an appropriation to the State Board of Education, a portion of School LAND Trust Program monies for the administration of the program.

(3) (a) The State Board of Education shall allocate the monies referred to in Subsection (2) annually for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter as follows:

- (i) school districts shall receive 10% of the funds on an equal basis; and
- (ii) the remaining 90% of the funds shall be distributed on a per student basis, with each district receiving its allocation on the number of students in the district as compared to the state total.

(b) Each school district shall distribute its allocation under Subsection (3)(a) to each school within the district on an equal per student basis.

(c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the board may make rules regarding the time and manner in which the student count shall be made for allocation of the monies.

(4) In order to receive its allocation under Subsection (3), a school shall have established a school community council under Section 53A-1a-108.

(5) (a) The school community council or its subcommittee shall develop a program to use its allocation under Subsection (3) to implement a component of the school's improvement plan, including:

- (i) the school's identified most critical academic needs;
- (ii) a recommended course of action to meet the identified academic needs;
- (iii) a specific listing of any programs, practices, materials, or equipment which the school will need to implement a component of its school improvement plan to have a direct impact on the instruction of students and result in measurable increased student performance; and
- (iv) how the school intends to spend its allocation of funds under this section to enhance or improve academic excellence at the school.

(b) The school may develop a multiyear program, but the program shall be presented and approved by the school community council and the local school board of the district in which the school is located annually and as a prerequisite to receiving program funds allocated under this section.

(6) (a) Each school shall:

- (i) implement the program as approved by the school community council and approved by the local school board;
- (ii) provide ongoing support for the council's or its subcommittee's program;
- (iii) meet school board reporting requirements regarding financial and performance accountability of the program; and
- (iv) publicize to its patrons and the general public on how the funds it received under this section were used to enhance or improve academic excellence at the school and implement a component of the school's improvement plan, including the results of those efforts.

(b) (i) Each school through its council or its subcommittee shall prepare and present an annual report of the program to its local school board at the end of the school year.

(ii) The report shall detail the use of program funds received by the school under this section and an assessment of the results obtained from the use of the funds.

Amended by Chapter 320, 2003 General Session

Amended by Chapter 226, 2003 General Session

State Board Rules

The State Board of Education adopted the following rules that further define distribution of School Trust Funds:

R277-477-3. Distribution of Funds – Determination of Proportionate Share.

A. Funds shall be distributed to school districts, charter schools, and the USDB as provided under Section 53A-16-101.5(3)(a). The distribution shall be based on the state's total fall enrollment as reflected in the audited October 1 Fall Enrollment Report from the previous school year.

B. Each school district and the USOE, with regard to charter schools and the USDB, shall distribute funds received under R277-477-3A to each school, including schools that have opened since the prior October 1 Enrollment Report, on an equal per student basis. Local school boards and the USOE may adjust distributions, maintaining an equal per student distribution for school openings and closures and for boundary changes occurring after the audited October 1 Fall Enrollment Report of the prior year. All schools receiving funds shall have a current school plan for enhancing or improving academic excellence consistent with Section 53A-16-101.5 approved by the local school board and electronically submitted to the USOE.

C. All charter schools shall be considered collectively as a unit to receive a base amount under Section 53A-16-101.5(3)(a)(i).

D. In order to receive its allocation, a school shall satisfy the requirements of Section 53A-16-101.5(4)(5)(6).

E. Interest and dividend income from the permanent State School Fund shall be distributed to school districts at the close of the state fiscal year as the USOE receives the funds in the Uniform School Fund.

F. Each school board shall establish a policy for timely distribution of the funds to eligible schools.

G. In a year-end report, each local board shall provide to the USOE:

- (1) the names of schools and the funds distributed under this rule;
- (2) required school plan information as designated in R277-477-4;
- (3) a list of 10 percent of the district schools, or five schools implementing exemplary plans to be used to inform the public; and

(4) the date on which funds were made available to each school.

H. Funds not used in the school approved plan may be carried over by the school to the next school year and added to the School LAND Trust Program funds available for expenditure in that school the following year.

I. Schools serving only youth in custody may form committees and submit plans to the district serving the students. Youth in custody schools shall receive the same per pupil distribution as other schools in the district providing services.

J. Plans submitted by schools chartered by the Board shall be reviewed and approved by the charter school governing body and then submitted to the Board or its designee for final approval.

K. Plans submitted by schools chartered by local school boards shall be reviewed and approved by the charter school and then submitted to the local school board for approval.

CHARTER SCHOOL LOCAL REPLACEMENT FUNDING

Function

The Charter School Local Replacement Funding program was established to provide revenue to charter schools to assist in capital facility needs. Charter Schools do not have bonding authority or the ability to tax their patrons to cover facility costs.

The program originated with local school districts and the state sharing in the cost of the program. When a student enrolled in a charter school, the student's home district transferred half of the local expenditure per pupil in excess of state funding to the charter school. The state would then provide to the charter school an amount equal to half the statewide average expenditure per pupil in excess of state funding. This amount was computed at \$403 per student. The program resulted in funding inequities among the charter schools because only half of the revenue was equalized by the state.

With the change in legislation, the school districts no longer transfer funds to the charter school. The state provides an equalized amount directly to the charter school.

Due to the nature of charter school growth (unexpected new charters, increased enrollments, school closures) enrollment projections may never be 100 percent accurate. This creates problems with accurately appropriating sufficient funds for charter school student growth.

Statutory Authority

53A-1a-503. Purpose.

The purposes of charter schools are to:

- (1) continue to improve student learning;
- (2) encourage the use of different and innovative teaching methods;
- (3) create new professional opportunities for educators that will allow them to actively participate in designing and implementing the learning program at the school;
- (4) increase choice of learning opportunities for students;

(5) establish new models of public schools and a new form of accountability for schools that emphasizes the measurement of learning outcomes and the creation of innovative measurement tools;

(6) provide opportunities for greater parental involvement in management decisions at the school level; and

(7) expand public school choice in areas where schools have been identified for school improvement, corrective action, or restructuring under the No Child Left Behind Act of 2001, 20 U.S.C. Sec. 6301 et seq.

Amended by Chapter 251, 2004 General Session

53A-1a-502. State Charter School Board to authorize the establishment of charter schools.

The State Charter School Board may sponsor:

(1) effective July 1, 2003, 24 charter schools;

(2) effective each subsequent July 1, an additional eight charter schools; and

(3) six New Century High Schools, magnet charter schools focused on math, science, and technology.

Amended by Chapter 251, 2004 General Session

53A-1a-513. Funding for charter schools.

(1) (a) Charter schools shall receive funding as described in this section, except Subsections (2) through (7) do not apply to charter schools described in Subsection (1)(b).

(b) Charter schools sponsored by local school boards that are converted from district schools or operate in district facilities without paying reasonable rent shall receive funding as prescribed in Section 53A-1a-515.

(2) (a) Except as provided in Subsection (2)(b), a charter school shall receive state funds, as applicable, on the same basis as a school district receives funds.

(b) In distributing funds under Title 53A, Chapter 17a, Minimum School Program Act, to charter schools, charter school pupils shall be weighted, where applicable, as follows:

(i) .55 for kindergarten pupils;

(ii) .9 for pupils in grades 1-6;

(iii) .99 for pupils in grades 7-8; and

(iv) 1.2 for pupils in grades 9-12.

(c) The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer Subsection (2)(b), including hold harmless provisions to maintain a charter elementary school's funding level for a period of two years after the effective date of the distribution formula.

(d) Subsection (2)(b) does not apply to funds appropriated to charter schools to replace local property tax revenues.

(3) The State Board of Education shall adopt rules to provide for the distribution of monies to charter schools under this section.

(4) (a) The Legislature shall provide an appropriation for charter schools for each of their students to replace some of the local property tax revenues that are not available to charter schools. The amount of money provided for each charter school student shall be determined by:

(i) calculating the sum of:

(A) school districts' operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate pursuant to Section 53A-17a-135;

(B) school districts' capital projects revenues derived from local property taxes; and

(C) school districts' expenditures for interest on debt; and

(ii) dividing the sum by the total average daily membership of the districts' schools.

(b) Of the monies provided to a charter school under Subsection (4)(a), 10% shall be expended for funding school facilities only.

(5) Charter schools are eligible to receive federal funds if they meet all applicable federal requirements and comply with relevant federal regulations.

(6) The State Board of Education shall distribute funds for charter school students directly to the charter school.

(7) (a) Notwithstanding Subsection (2), a charter school is not eligible to receive state transportation funding.

(b) The board shall also adopt rules relating to the transportation of students to and from charter schools, taking into account Sections 53A-2-210 and 53A-17a-127.

(c) The governing body of the charter school may provide transportation through an agreement or contract with the local school board, a private provider, or with parents.

(8) (a) (i) The state superintendent of public instruction may allocate grants for both start-up and ongoing costs to eligible charter school applicants from monies appropriated for the implementation of this part.

(ii) Applications for the grants shall be filed on a form determined by the state superintendent and in conjunction with the application for a charter.

(iii) The amount of a grant may vary based upon the size, scope, and special circumstances of the charter school.

(iv) The governing board of the charter school shall use the grant to meet the expenses of the school as established in the school's charter.

(b) The State Board of Education shall coordinate the distribution of federal monies appropriated to help fund costs for establishing and maintaining charter schools within the state.

(9) (a) A charter school may receive, hold, manage and use any devise, bequest, grant, endowment, gift, or donation of any property made to the school for any of the purposes of this part.

(b) It is unlawful for any person affiliated with a charter school to demand or request any gift, donation, or contribution from a parent, teacher, employee, or other person affiliated with the charter school as a condition for employment or enrollment at the school or continued attendance at the school.

(10) The State Office of Education shall use up to \$1,044,000 of funding

provided for new growth to fund additional growth needs in charter schools in fiscal year 2005.

Amended by Chapter 257, 2004 General Session

State Board Rules

R277-470-5. Funding

A. State Funds: State funding for charter school students shall be paid by the USOE directly to charter schools.

(1) A public school that becomes a charter school shall receive funding on the same basis as it did prior to its conversion to a charter school.

(2) A charter school, chartered by a district, operating in a facility owned by a district, and not paying reasonable rent to that district shall, for funding purposes, be treated as a public school that has converted to a charter school.

(3) Charter schools are not eligible for Necessarily Existent Small Schools funding.

(4) Charter schools shall be considered collectively as a single school district when state program funding is distributed as a base amount to districts. The base amount for charter schools shall then be distributed among the charter schools on a per-pupil or per-WPU basis, depending on the formula.

B. Federal Funds: Charter schools are eligible for federal funding if they meet all applicable federal requirements and comply with relevant federal regulations.

C. One-Time Funds:

One-time funds appropriated by the Legislature or received from the federal government shall be distributed to charter schools consistent with state and federal law.

D. Ongoing Funds:

(1) Ongoing funds shall be distributed based on data submitted by charter schools consistent with the format and deadlines required of school districts.

(2) For its first school year, a charter school's state funding shall begin two months prior to the opening date specified in its contract or, funding shall begin in July if its opening date is prior to September 1. No charter school shall receive more than two months of funding prior to opening.

(a) Funding for the first two months of operation shall be based upon projected enrollment figures provided in the charter school's contract.

(b) Following the first two months of operations, funding for schools opening on or prior to September 1 shall be based on enrollment as of October 1. For schools opening after September 1, funding shall be based on actual enrollment as of the first school day of the month following the first full month of operation.

(c) Allocations for the first operating year shall be adjusted for the difference in funding generated by projected and actual enrollments.

(3) For its second and subsequent years of operation, charter schools shall be funded in the same manner as districts (prior year average daily membership plus growth.)

E. Transportation Funds:

(1) Charter schools are not eligible for to-and-from school transportation funds.

(2) A charter school that provides transportation to students shall comply with Utah law under Section 41-6-115.

(3) A school district may provide transportation for charter school students on a space-available basis on approved routes.

(a) Districts may not incur increased costs or displace eligible students to transport charter school students.

(b) A charter school student shall board and leave the bus only at existing designated stops on approved bus routes or at identified destination schools.

(c) A charter school student shall board and leave the bus at the same stop each day.

R277-470-6. Calculation of State Funding for Charter Schools.

A. The per pupil amount of state funding allocated to substitute for local property tax revenue shall be calculated as follows:

(1) Using data found in the most recent State Superintendent's Annual Report, calculate the sum of:

(a) school districts' maintenance and operations revenues derived from local property taxes, subtracting revenues from imposing a minimum basic tax rate;

(b) school districts' capital projects revenues derived from local property taxes; and

(c) school districts' expenditures for interest on debt service.

(2) Divide the sum derived from R277-470-6A(1) by the total actual average daily membership of all district schools. If the total state appropriation designated to charter schools to replace local funding is less than the amount determined in R277-470-6A(2), the amount paid to charter schools shall be adjusted on a percentage basis.

U OF U READING CLINIC

Function

The U's Reading Clinic, located in the Cedar Park complex in Murray, opened its doors in August 2001. It has served parents, educators, teacher candidates, and students from 158 schools across the state. The clinic provides reading assessment and intervention to clients at its Murray location and in schools

throughout the state. The clinic also provides professional development for educators in these same areas.

Students experiencing reading difficulties may stem from one or more of several sources. The source or sources of the difficulty needs to be identified so that appropriate instruction can be designed and implemented. Research suggests that unless intervention occurs during the primary grades, struggling readers have less than a 20% chance of recovering to grade level during their school careers. Based on assessment results, a child may be recommended to basic reading intervention by a member of the clinic's professional trained staff.

The center provides the following information:

“Assessments are conducted one-on-one, and focus on:

- oral reading accuracy
- oral reading rate
- reading and listening comprehension
- word recognition automaticity, and
- spelling

If indicated, more intensive computer-based assessments can be conducted. These assessments provide measures of both accuracy and speed, focusing specifically on the relationship among:

- letter recognition
- word recognition
- phonological awareness
- phonological decoding
- reading comprehension
- basic math skills, and
- response time “

Professional development in basic reading assessment and intervention is available to practicing educators and university students enrolled in a college of education.

K-3 READING PROGRAM

Function

The Utah State Office of Education has drafted a State framework for instruction and intervention to ensure all students progress at an appropriate and successful rate, mitigating the cycle of reading failure.

The State Literacy Program requires each district and elementary school to implement plans to have all students reading at or above grade level by the end of grade 3.

Statutory Authority 53A-17a-150. K-3 Reading Improvement Program.

- (1) As used in this section:
 - (a) "program" means the K-3 Reading Improvement Program; and
 - (b) "program monies" means:
 - (i) school district revenue from the levy authorized under Section 53A-17a-151;
 - (ii) school district revenue allocated to the program from other monies available to the school district, except monies provided by the state, for the purpose of receiving state funds under this section; and
 - (iii) monies appropriated by the Legislature to the program.
- (2) The K-3 Reading Improvement Program consists of program monies and is created to achieve the state's goal of having third graders reading at or above grade level.
- (3) Subject to future budget constraints, the Legislature may annually appropriate money to the K-3 Reading Improvement Program.
- (4) (a) Prior to using program monies, a school district or charter school shall submit a plan to the State Board of Education for reading proficiency improvement that incorporates the following components:
 - (i) assessment;
 - (ii) intervention strategies;
 - (iii) professional development;
 - (iv) reading performance standards; and
 - (v) specific measurable goals that are based upon gain scores.
- (b) The State Board of Education shall provide model plans which a school district or charter school may use, or the district or school may develop its own plan.
- (c) Plans developed by a school district or charter school shall be approved by the State Board of Education.
- (5) There is created within the K-3 Reading Achievement Program three funding programs:
 - (a) the Base Level Program;
 - (b) the Guarantee Program; and
 - (c) the Low Income Students Program.
- (6) Monies appropriated to the State Board of Education for the K-3 Reading Improvement Program 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.
- (7) (a) To participate in the Base Level Program, a school district or charter school shall submit a reading proficiency improvement plan to the State Board of Education as provided in Subsection (4) and must receive approval of the plan from the board.
 - (b) (i) Each school district qualifying for Base Level Program funds and the qualifying elementary charter schools combined shall receive a base amount.
 - (ii) The base amount for the qualifying elementary charter schools combined shall be allocated among each school in an amount proportionate to:

(A) each existing charter school's prior year fall enrollment in grades kindergarten through grade 3; and

(B) each new charter school's estimated fall enrollment in grades kindergarten through grade 3.

(8) (a) A school district that applies for program monies in excess of the Base Level Program funds shall choose to first participate in either the Guarantee Program or the Low Income Students Program.

(b) A school district must fully participate in either the Guarantee Program or the Low Income Students Program before it may elect to either fully or partially participate in the other program.

(c) To fully participate in the Guarantee Program, a school district shall:

(i) levy a tax rate of .000056 under Section 53A-17a-151;

(ii) allocate to the program other monies available to the school district, except monies provided by the state, equal to the amount of revenue that would be generated by a tax rate of .000056; or

(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies available to the school district, except monies provided by the state, so that the total revenue from the combined revenue sources equals the amount of revenue that would be generated by a tax rate of .000056.

(d) To fully participate in the Low Income Students Program, a school district shall:

(i) levy a tax rate of .000065 under Section 53A-17a-151;

(ii) allocate to the program other monies available to the school district, except monies provided by the state, equal to the amount of revenue that would be generated by a tax rate of .000065; or

(iii) levy a tax under Section 53A-17a-151 and allocate to the program other monies available to the school district, except monies provided by the state, so that the total revenue from the combined revenue sources equals the amount of revenue that would be generated by a tax rate of .000065.

(9) (a) A school district that fully participates in the Guarantee Program shall receive state funds in an amount that is:

(i) equal to the difference between \$21 times the district's total WPU's and the revenue the school district is required to generate or allocate under Subsection (8)(c) to fully participate in the Guarantee Program; and

(ii) not less than \$0.

(b) An elementary charter school shall receive under the Guarantee Program an amount equal to \$21 times the school's total WPU's.

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

(11) A school district that partially participates in the Guarantee Program or Low Income Students Program shall receive program funds based on the amount of district revenue generated for or allocated to the program as a percentage of the amount of revenue that could have been generated or allocated if the district had fully participated in the program.

(12) (a) Each school district and charter school shall use program monies

for reading proficiency improvement in grades kindergarten through grade three.

(b) Program monies may not be used to supplant funds for existing programs, but may be used to augment existing programs.

(13) (a) Each school district and charter school shall annually submit a report to the State

Board of Education accounting for the expenditure of program monies in accordance with its plan for reading proficiency improvement.

(b) If a school district or charter school uses program monies in a manner that is inconsistent with Subsection (12), the school district or charter school is liable for reimbursing the State Board of Education for the amount of program monies improperly used, up to the amount of program monies received from the State Board of Education.

(14) (a) The State Board of Education shall make rules to implement the program.

(b) (i) The rules under Subsection (14)(a) shall require each school district or charter school to annually report progress in meeting goals stated in the district's or charter school's plan for student reading proficiency as measured by gain scores.

(ii) If a school district or charter school does not meet or exceed the goals, the school district or charter school shall prepare a new plan which corrects deficiencies. The new plan must be approved by the State Board of Education before the school district or charter school receives an allocation for the next year.

(15) If after 36 months of program operation, a school district fails to meet goals stated in the district's plan for student reading proficiency as measured by gain scores, the school district shall terminate any levy imposed under Section 53A-17a-151.

Enacted by Chapter 305, 2004 General Session

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

(1) Each local school board may levy a tax rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading Improvement Program created under Section 53A-17a-150.

(2) The levy authorized under this section:

(a) is in addition to any other levy or maximum rate;

(b) does not require voter approval; and

(c) may be modified or terminated by a majority vote of the board.

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

Enacted by Chapter 305, 2004 General Session

VOTED AND BOARD LEEWAY PROGRAMS

Function

In 1954, the State Legislature authorized a "voted leeway program." In 1965, the name was changed to "voted board leeway program." The 1991 Legislature set dollar amounts as a guarantee instead of a value equal to a

percentage of the prior year's WPU. In the current "state-supported" "voted leeway program," the FY 1996 Legislature set a dollar amount as a guarantee based on a percentage of the prior year's WPU, thus reinstating an inflationary mechanism. The statutory provisions were changed again by the 2001 Legislature.

House Bill 38, "School District Voted Leeway Amendments," passed by the 2001 Legislature provided for a state guarantee up to a combined tax rate between the voted and the board leeway of .0020. It also indexed the amount of the guarantee to the value of the weighted pupil unit with FY 2004 requiring a contribution of .008544 times the value of the prior year weighted pupil unit. This was postponed with amendments to the law by the 2003 Legislature so as to not incur the added costs for FY 2004.

For FY 2005 the Legislature increased the state contribution from a guarantee of \$17.14 to \$17.54 per weighted pupil unit. This was not the full increase according to statute and so the law was changed to reflect a smaller increase. This action was due to the necessity of fiscal restraint but did begin again the incremental increase as originally intended.

The state guarantee is to increase by increments of .0005 until the guarantee is equal to .010544 times the value of the prior year weighted pupil unit.

Statutory Authority

53A-17a-133. State-supported voted leeway

(3) (a) Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$17.54 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.

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

(c) (i) Beginning July 1, 2005, the \$17.54 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.

State Board Rules

R277-422-3. Standards.

A. Each district that has approved a voted leeway program may set a voted leeway tax levy as authorized by the election required under Section 53A-17a-133 and by the local board of education.

(1) districts which have approved voted leeway programs since 1965 may set an annual fiscal year fixed tax rate levy for the voted leeway equal to or less than the levy authorized by the election;

(2) districts that set their levies on a percentage based on elections held prior to 1965 may estimate their tax rate levy limits for the fiscal year according to the following formula:

A equals ((Estimated WPU's for Fiscal Year / 26) times \$ Value of State Distribution Unit at time of election) plus Fiscal Year State Transportation \$ Value to and from School

Levy Limit for Fiscal Year equals (% Authorized by Elections times A) minus Fiscal Year Tax Rate Yield of .0002

The local board of education may authorize a voted leeway levy equal to or less than the levy limit.

B. The state provides funds to support the district voted leeway according to the amount specified in Section 53A-17a-133(3).

C. Districts shall submit levies to county auditors before the second Tuesday in August.

D. State and local funds received by a school district under the voted leeway program are free revenue and may be budgeted and expended under maintenance and operation as authorized by the local board of education.

BOARD LEEWAY PROGRAM

Function

Local school boards may levy a State Supported Board Leeway tax rate (of up to 0.000400)–under 53A-17a-134–to maintain a school program above the cost of the basic program. A local school board must establish its board-approved leeway by April 1 to have the levy apply to the fiscal year beginning July 1 of that year. In order to receive state support the first year, a district board of education must vote to establish a Board Leeway no later than December 1 of the year prior to implementation. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU. These M & O funds must be used for class size reduction unless the board complies with certain public notice,

hearing, as well as notice and permission requirements from the State Board of Education.

Statutory Authority

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

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

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

(b) if a local school board determines that the average class size in the school district is not excessive, it may use the monies for other school purposes but

only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate; and

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

(2) (a) The state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 per dollar of taxable value.

(b) The guarantee shall increase in the same manner as provided for the voted leeway guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).

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

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

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

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

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

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

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

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

Amended by Chapter 335, 2001 General Session

Amended by Chapter 336, 2001 General Session

LOCAL LEVY AUTHORITY FOR SCHOOL DISTRICTS

Function The total cost of operation and maintenance of the Minimum School Program in the state is divided between the state and school districts as follows:

- a. Each school district shall impose a minimum basic (ad valorem) tax rate on all taxable, tangible property in the school district and shall contribute the tax proceeds toward the cost of the Basic Program. The Basic Levy is the local-state shared portion of each school district's M & O expenditures.
- b. Each school district may also impose a levy for the purpose of participating in the Voted and Board Leeway programs.
- c. The state contributes the balance of the total costs from the Uniform School Fund.

The Basic Tax Rate is first estimated by the legislature each March during the annual legislative session so as to yield the dollar amount budgeted by the legislature for the coming fiscal year when levied by each school district. The State Tax Commission—in cooperation with the State Office of Education—sets the final tax rate the following June or July when more accurate assessed valuation data becomes available.

The following pages, as provided by the Utah State Office of Education, give the various taxing authority of Utah school districts and a description.

Statutory Authority 53A-17a-135. Minimum basic tax rate -- Certified revenue levy.

- (1) (a) In order to qualify for receipt of the state contribution toward the basic program and as its contribution toward its costs of the basic program, each school district shall impose a minimum basic tax rate per dollar of taxable value that generates \$217,590,703 in revenues statewide.
- (b) The preliminary estimate for the 2004-05 minimum basic tax rate is .001754.
- (c) The State Tax Commission shall certify on or before June 22 the rate that generates \$217,590,703 in revenues statewide.
- (d) If the minimum basic tax rate exceeds the certified revenue levy as defined in Section **53A-17a-103**, the state is subject to the notice requirements of Section **59-2-926**.
- (2) (a) The state shall contribute to each district toward the cost of the basic program in the district that portion which exceeds the proceeds of the levy authorized under Subsection (1).
- (b) In accord with the state strategic plan for public education and to fulfill its responsibility for the development and implementation of that plan, the Legislature instructs the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each of the coming five years to develop budgets that will fully fund student enrollment growth.
- (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the cost of the basic program in a school district, no state contribution shall be made to the basic program.
- (b) The proceeds of the levy authorized under Subsection (1) which exceed

the cost of the basic program shall be paid into the Uniform School Fund as provided by law.

Amended by Chapter 257, 2004 General Session

CHAPTER 3 SCHOOL BUILDING PROGRAMS

Function For a number of years the Critical School Building Aid Program was funded at a level of \$6,458,000. With the implementation of the new Capital Equalization Program by the 1992 Legislature additional state funds (Uniform School Fund) have been appropriated under provisions of that law. Senate Bill 1 enacted during the 1993 First Special Session called for a continuing commitment of increasing state dollars to both programs. That statutory commitment reached \$28,358,000 in on going funding in FY 1999.

The 1996 Legislature passed Senate Bill 46, "Capital Outlay Amendments," which rewrote the statutes for school building aid programs. This act established the Capital Outlay foundation program that included an emergency school building needs program through June 30, 2001. The act provided for 20 percent of the funds appropriated for the capital outlay foundation program to be used in an emergency school building needs program. The current FY 2004 budget no longer contains the emergency school building needs program as it was terminated on June 30, 2001. The original FY 2002 appropriation included a \$10,000,000 increase for a total of \$38,358,000. Because of revenue shortfalls, the 2002 Legislature reduced the appropriation to \$28,358,000. These funds are provided solely for school district capital outlay and debt service purposes.

Statutory Authority 53A-21-102. Capital Outlay Foundation Program—Enrollment Growth Program

- (1) The Capital Outlay Foundation Program and the Enrollment Growth Program are established to provide revenues to school districts for the purposes of capital outlay bonding, construction, and renovation.
- (2) The Capital Outlay Loan Program is established to provide short-term help to school districts to meet district needs for school building construction and renovation.
- (3) School districts shall use the monies provided to them under the programs established by this section solely for school district capital outlay and debt service purposes.

Funding Detail Table 2-1 shows state appropriations for the School Building Program for the past five years.

School Building Program					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	28,358,000	28,358,000	28,358,000	0	27,288,900
Beginning Nonlapsing	462,000	0	0	0	0
Closing Nonlapsing	(462,000)	0	0	0	0
Total	\$28,358,000	\$28,358,000	\$28,358,000	\$0	\$27,288,900
Categories of Expenditure					
Other Charges/Pass Thru	28,358,000	28,358,000	28,358,000	0	27,288,900
Total	\$28,358,000	\$28,358,000	\$28,358,000	\$0	\$27,288,900

Table 3-1

CAPITAL OUTLAY FOUNDATION PROGRAM

Function A school district may levy a Capital Outlay Levy for capital equipment or capital facilities projects up to 0.002400. Up to 0.000200 of this levy may be used for maintenance of school plants. If this option is exercised, a maintenance of effort equal to at least the dollar amount expended for the preceding year, plus the average annual percentage increase in the district's M & O budget for the current year is required.

If a school district elects to issue and sell general obligation bonds to finance its building program, the district must levy a Debt Service tax—which has no ceiling—that will derive at least its general obligation bond principal and interest debt payment annually. The full faith and credit of the school district is pledged. In addition, the State of Utah has placed its full faith and credit behind each school district bond through the School Bond Guarantee Act (53A-28)—a default avoidance program—wherein the State's bonded indebtedness credit rating is extended to each school district.

Statutory Authority 53A-21-103. Qualifications for participation in the foundation program – Distribution of monies—Distribution formulas.

(1) In order for a school district to qualify for monies under the Capital Outlay Foundation Program established in Subsection 53A-21-102(1), a local school board must levy a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service. (2) The State Board of Education shall adopt rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, that:

(a) allow a school district levying less than the full .0024 tax rate to receive proportional funding under the foundation program based upon the percentage of the .0024 tax rate levied by the district; and (b) maintain a school district's funding under the Capital Outlay Foundation Program for up to two years if the school district's funding would otherwise be reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation. (3) The State Board of Education shall distribute monies in the Capital Outlay Foundation Program in accordance with a formula developed by the state superintendent of public instruction which guarantees that a tax rate of up to .0024 per dollar of taxable value for capital outlay and debt service yields a minimum amount per pupil in average daily membership.

State Board Rules R277-451-3. Capital Outlay Foundation Program.

A. A district may receive state school building funds under the capital outlay foundation program established in Section 53A-21-102(1) if the amount raised by levying a tax rate of .0024 does not generate revenues above the foundation level established per ADM when the legislative appropriation is entered into the formula.

B. To qualify for capital outlay foundation funds, a school district shall levy a property tax rate up to 0.002400 designated specifically for capital outlay and debt service:

(1) school districts levying less than the full 0.002400 tax rate for capital outlay and debt service shall receive proportional funding under the capital foundation program based upon the percentage of the 0.002400 tax rate levied by the district;

(2) the amount of capital foundation funds to which a school district would otherwise be entitled under the Capital Outlay Foundation program may not be reduced as a consequence of changes in the certified tax rate under Section 59-2-924 due to changes in property valuation for a period of two tax years from the effective date of any such change in the certified tax rate.

C. The USOE shall support the foundation program to assist the qualifying district in reaching the foundation level.

ENROLLMENT GROWTH PROGRAM

Function

In order to qualify for monies under the Enrollment Growth Program, a school district must be a recipient of monies distributed under the Capital Outlay Foundation Program and must have a average net increase in student enrollment over the prior three years.

School districts receive Enrollment Growth Program monies in the same proportion that the district's three-year average net increased enrollment bears to the total three-year net increased enrollment of all the districts which qualify to receive funds under the Enrollment Growth Program.

Statutory Authority

53A-21-103.5. Qualifications for participation in the Enrollment Growth Program—State Board of Education rules—Distribution formula.

(1) (a) In order to qualify for monies under the Enrollment Growth Program established in Section 53A-21-102, a school district must be a recipient of monies distributed under the Capital Outlay Foundation Program, except as provided in Subsection (1)(b). (b) A school district that is not a recipient of Capital Outlay Foundation Program monies in fiscal year 2003-04, fiscal year 2004-05, or both, may qualify for monies under the Enrollment Growth Program if the school district received Capital Outlay Foundation Program monies in fiscal year 2002-03.

(2) (a) The State Board of Education shall distribute monies in the Enrollment Growth Program to qualifying school districts whose average net enrollment for the prior three years is a net increase in enrollment.

(b) A school district that meets the criteria of Subsection (2)(a) shall receive Enrollment Growth Program monies in the same proportion that the district's three-year average net enrollment bears to the total three-year net enrollment of all the districts that meet the criteria of Subsection (2)(a). © The State Board of Education shall make rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, to administer this section.

53A-21-105. State contribution to capital outlay programs.

(1) The state contribution toward the cost of the programs established under Section 53A-21-102 for the fiscal year beginning July 1, 2003, shall consist of

an appropriation totaling \$27,228,900 to the State Board of Education from the Uniform School Fund. (2) Of the monies appropriated in Subsection (1), the State Board of Education shall distribute:

(a) \$24,358,000 in accordance with the Capital Outlay Foundation Program described in Section 53A-21-103; and (b) \$2,930,900 in accordance with the Enrollment Growth Program described in Section 53A-21-103.5.

SCHOOL BUILDING REVOLVING ACCOUNT

Function The purpose of the school building revolving program is to provide short term loans to both school districts and charter schools for the construction and renovation of school buildings

As additional information the school building revolving account statutes are included below:

Statutory Authority 53A-21-104. School Building Revolving Account -- Access to the account.

(1) There is created a nonlapsing "School Building Revolving Account" administered within the Uniform School Fund by the state superintendent of public instruction in accordance with rules adopted by the State Board of Education.

(2) Monies received by a school district from the School Building Revolving Account may not exceed the district's bonding limit minus its outstanding bonds.

(3) In order to receive monies from the account, a school district must do the following:

(a) levy a tax of at least .0024 for capital outlay and debt service;

(b) contract with the state superintendent of public instruction to repay the monies, with interest at a rate established by the state superintendent, within five years of their receipt, using future state building monies or local revenues or both;

(c) levy sufficient ad valorem taxes under Section 11-14-19 to guarantee annual loan repayments, unless the state superintendent of public instruction alters the payment schedule to improve a hardship situation; and

(d) meet any other condition established by the State Board of Education pertinent to the loan.

(4) (a) The state superintendent shall establish a committee, including representatives from state and local education entities, to:

(i) review requests by school districts for loans under this section; and

(ii) make recommendations regarding approval or disapproval of the loan applications to the state superintendent.

(b) If the committee recommends approval of a loan application under Subsection (4)(a)(ii), the committee's recommendation shall include:

- (i) the recommended amount of the loan;
 - (ii) the payback schedule; and
 - (iii) the interest rate to be charged.
- (5) (a) There is established within the School Building Revolving Account the Charter School Building Subaccount.
- (b) The Charter School Building Subaccount shall consist of:
- (i) money appropriated to the subaccount by the Legislature;
 - (ii) money received from the repayment of loans made from the subaccount; and
 - (iii) interest earned on monies in the subaccount.
- (c) The state superintendent of public instruction shall make loans to charter schools from the Charter School Building Subaccount to pay for the costs of constructing or renovating charter school buildings.
- (6) (a) The state superintendent of public instruction shall establish a committee, which shall include individuals who have expertise or experience in finance, real estate, and charter school administration, one of whom shall be nominated by the governor to:
- (i) review requests by charter schools for loans under this section; and
 - (ii) make recommendations regarding approval or disapproval of the loan applications to the state superintendent.
- (b) If the committee recommends approval of a loan application under Subsection (6)(a)(ii), the committee's recommendation shall include:
- (i) the recommended amount of the loan;
 - (ii) the payback schedule; and
 - (iii) the interest rate to be charged.

Amended by Chapter 199, 2003 General Session

State Board Rules

R277-451-4. Capital Outlay Loan Program.

A. A district may receive capital outlay loan program funds under Section 53A-21-102 which establishes a capital outlay loan program to provide short-term help to districts, for a period not to exceed five years, for school building construction and renovation.

B. To be a priority qualifier for the capital outlay loan program, a district shall meet all of the following requirements:

- (1) demonstrate an ability and commitment as demonstrated by a local board vote to set the levy at the rate needed to repay the loan within the time period prescribed by the loan agreement; and

(2) levy a tax rate for capital outlay and debt service above the state average; and

(3) demonstrate a district need that is better met through the loan fund than through more traditional means for providing school building construction or renovation or both.

C. If a district does not meet the criteria for a priority qualifier and the needs of the priority qualifiers are met, the loan application of districts not meeting this criterion may be considered, if the district commits to levying at or above the state average for the next tax year. In the case of a natural disaster or other emergency, this requirement may be waived by the Superintendent.

D. A district applying for a short term loan under this rule shall make a formal application which includes:

(1) the emergency condition or the condition that exists that would be better met through the loan fund rather than through more traditional means for providing school building construction or renovation or both;

(2) the amount of loan sought;

(3) the proposed repayment schedule, not to exceed five years;

(4) the history of the last five years of loans or special supplementary funds received by the district from the USOE;

(5) minutes of the local board meeting recording the affirmative vote to levy the needed tax; and

(6) a signed agreement that if the district should default on a loan payment, the Superintendent may deduct the loan payment and added interest from the calculated per district state distribution after 90 days.

E. The loan request and repayment conditions shall be approved by the Superintendent or his designee.

TEN PERCENT OF THE BASIC PROGRAM

Function

School districts have statutory authority to raise funds through property tax equal to ten percent of their basic education program. These funds may be used for capital facilities as well as some limited operation and maintenance needs.

Statutory Authority

53A-17a-145. Additional levy by district for debt service, school sites, buildings, buses, textbooks, and supplies.

(1) A school district may elect to increase its tax rate by up to 10% of the cost of the basic program.

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

(3) This section does not prohibit a district from exercising the authority granted by other laws relating to tax rates.

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

Renumbered and Amended by Chapter 72, 1991 General Session.

CHAPTER 4 PUBLIC EDUCATION-RELATED TAX LEVIES UTAH CODE

Required Basic State-Supported Program	53A-17a-135; 59-2-902,-903,-905,-906
Local Voted/Board Leeway Programs	53A-17a-133 and 134; 59-2-904
Public Law 81-874 (Impact Aid)	53A-17a-143
Pupil Transportation Levy	53A-17a-126 and -127
Recreation Levy	11-2-7
Utah Government Immunity Levy	63-30-27
Capital Outlay Levy	53A-16-107
General Obligation Debt Levy	53A-16-107; 11-14-19
Ten Percent Additional Basic Program Levy	53A-17a-145
Voted Capital Leeway Levy	53A-16-110
Judgment Recovery Levy	53A-16-111; 59-2-102, 918.5, 924, 1328,1330
Reading Achievement Board Leeway Levy	53A-17a-151

School District Tax Levy Descriptions – July 2004*

<u>Tax Levy</u>	<u>Description</u>
<p>Basic Levy (53A-17a-135; 59-2-902, 903, 905, 906)</p>	<p>The total cost of operation and maintenance of the Minimum School Program in the state is divided between the state and school districts as follows.¹</p> <ol style="list-style-type: none"> a. Each school district shall impose a minimum basic (ad valorem) tax rate² on all taxable, tangible property in the school district and shall contribute the tax proceeds toward the cost of the Basic Program³. The Basic Levy is the local-state shared portion of each school district’s M & O expenditures. b. Each school district may also impose a levy for the purpose of participating in the Voted and Board Leeway programs. c. The state contributes the balance of the total costs from the Uniform School Fund. <p>The Basic Tax Rate is first estimated by the legislature each March during the annual legislative session so as to yield the dollar amount budgeted by the legislature for the coming fiscal year when levied by each school district. The State Tax Commission—in cooperation with the State Office of Education—sets the final tax rate the following June or July when more accurate assessed valuation data becomes available.⁴</p>
<p>State Supported Voted Leeway (53A-17a-133 and 59-2-904)</p>	<p>A Voted Leeway is a state-supported program in which a levy—approved by the school district electorate under 53A-17a-133 and Administrative Rule R277-422—is authorized to cover a portion of the costs of operation and maintenance of the state-supported minimum school program in a school district. State and local funds</p>

received by a school district under the Voted Leeway program are free revenue and may be budgeted and expended under maintenance and operation as authorized by the local school board. To establish a Voted Leeway program, a majority of the electors of a school district voting at an election must vote in favor of the Leeway. The election must be held on one of two special, primary or regular election days as specified in statute [20A-1-204]: the fourth Tuesday in June or the first Tuesday after the first Monday in November. The Voted Leeway allows districts to levy a tax rate (up to 0.002000, including the Board Leeway levy) to generate property tax and state aid revenue to supplement the district M & O. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per Weighted Pupil Unit (WPU). In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation. The election must also occur prior to May 2 to be invoked for the fiscal year beginning July 1 of that year.

State Supported Board Leeway
(53A-17a-134 and 59-2-904)

Local school boards may levy a State Supported Board Leeway tax rate (of up to 0.000400)—under 53A-17a-134—to maintain a school program above the cost of the basic program. A local school board must establish its board-approved leeway by April 1 to have the levy apply to the fiscal year beginning July 1 of that year. In order to receive state support the first year, a district board of education must vote to establish a Board Leeway no later than December 1 of the year prior to implementation. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU. These M & O funds must be used for class size reduction unless the board complies with certain public notice, hearing, as well as notice and permission

Reading Achievement Board Leeway Levy
(53A-17a-151)

requirements from the State Board of Education.

Each local school board may levy a tax rate of up to .000121 per dollar of taxable value for funding the school district's K-3 Reading Improvement Program created under 53A-17a-150. The K-3 Reading Improvement Program consists of program monies and is created to achieve the state's goal of having third graders reading at or above grade level. The levy authorized is in addition to any other levy or maximum rate, does not require voter approval, and may be modified or terminated by a majority vote of the board. A local school board shall establish its board-approved levy under this section by June 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year. If after 36 months of program operation, a school district fails to meet goals stated in the district's plan for student reading proficiency as measured by gain scores, the school district shall terminate any levy imposed under Section 53A-17a-151. After one year, the district may re-submit its revised reading and program plan for approval by the State Board for reconsideration.

Special Transportation
(53A-17a-127)

A school board may provide for the transportation of students who are not eligible for regular state-supported transportation to-and-from school from general funds of the district and a tax levy (up to 0.000300). The revenues from the tax rate may also be used for hazardous bus routes, school activities, field trips and purchase of school buses. The state contributes an amount not to exceed 85% of the state average cost per mile if the school board levies at least 0.000200 tax rate.

Recreation
(11-2-6 and 7)

School districts may join with municipalities or counties in purchasing or operating recreational facilities—such as playgrounds,

	<p>athletic fields, gyms and swimming pools—and associated activities. They may also levy a Recreation Levy to fund these facilities and activities. There is no statutory ceiling for this levy.</p>
<p>Tort Liability (63-30-27)</p>	<p>School districts may invoke a Tort Liability Levy (up to 0.000100) to pay liability insurance premiums, the legal costs to defend the district against claims, settlements or judgements, as well as for actual claims, settlements or judgements against school board members or school district employees.</p>
<p>Judgement Recovery (53A-16-111; 59-2-102, 918.5, 924,1328, 1330)</p>	<p>After complying with specific public notice and hearing— as well as notice to the State Tax Commission—a school district may invoke a Judgement Recovery Levy, up to the rate required to fund a property tax judgement (plus interest) against the school district as a result of a successful appeal of over-collection of property tax. Each judgement must be more than \$5,000, it must be final and unappealable, and it must have been issued no more than 14 months prior to July 22 of the year in which the judgement levy is imposed. The judgement must also be paid by the school district no later than December 31 of the year in which the judgement levy is imposed. Because school districts—as taxing entities— are liable to refund property tax funds unlawfully collected and charter schools are not taxing entities and do not share this liability, charter schools should not receive Judgement Recovery funds.</p>
<p>Public Law 874 (Federal Impact Aid -Title VII) (53A-17a-143)</p>	<p>Each school district is authorized to levy a tax rate—up to 0.000800—to provide an amount equal to the difference between the district's anticipated receipts under the federal entitlement for the fiscal year from Public Law 81-874 (the federal Impact Aid</p>

Program) and the amount the district actually received from this source for the next preceding fiscal year. This authorization terminates at the end of the third year it is used. If the amount actually received from this tax, plus the amount actually received from the federal Impact Aid Program exceeds the federal allocation to the district, the district must carry over the excess funds as its contribution to the Basic School Program. The district's basic rate for that year will be reduced by the carried-forward funds dollar amount.

*Capital Outlay
(53A-16-107)*

A school district may levy a Capital Outlay Levy for capital equipment or capital facilities projects up to 0.002400. Up to 0.000200 of this levy may be used for maintenance of school plants. If this option is exercised, a maintenance of effort equal to at least the dollar amount expended for the preceding year, plus the average annual percentage increase in the district's M & O budget for the current year is required.

*Debt Service
(11-14-19)*

If a school district elects to issue and sell general obligation bonds to finance its building program, the district must levy a Debt Service tax—which has no ceiling—that will derive at least its general obligation bond principal and interest debt payment annually. The full faith and credit of the school district is pledged. In addition, the State of Utah has placed its full faith and credit behind each school district bond through the School Bond Guarantee Act (53A-28)—a default avoidance program—wherein the State's bonded indebtedness credit rating is extended to each school district.

*Voted Capital Outlay Leeway
(53A-16-110)*

School districts may establish a Voted Capital Outlay Leeway program if a majority of the electors of a school district vote in favor of the Leeway. The election must be held on one of two special, primary or

regular election days as specified in statute [20A-1-204]: the fourth Tuesday in June or the first Tuesday after the first Monday in November. The Voted Capital Outlay Leeway allows districts to levy a tax rate (up to 0.002000) to generate property tax revenue to buy building sites, build and furnish school facilities or improve school property. The election must also occur prior to May 2 to be invoked for the fiscal year beginning July 1 of that year.

Ten Percent of Basic
(53A-17a-145)

School districts may establish a levy for non-general obligation debt, school sites and buildings, capital outlay expenses, as well as textbooks and supplies. This levy is called the Ten Percent of Basic levy and gets its name from its ceiling calculation. Districts may levy up to the tax rate that derives a yield equivalent to ten percent of the district's Basic Program [the Basic Program is all funding to the school district based on the district's Weighted Pupil Units (WPU's)].

*Source: Utah State Office of Education, School Finance and Statistics Section

CHAPTER 5 UTAH STATE OFFICE OF EDUCATION**Function**

The Utah State Office of Education (USOE) functions as support staff to the State Board of Education and the State Superintendent of Public Instruction. The USOE provides information and direction relating to public education policy, procedures and program implementation. Staff at USOE provides statewide service, support and direction to local school districts, charter schools. USOE guides its services by the following mission: “The mission of the Utah State Office of Education is to facilitate high levels of student achievement and educator quality and to assist schools in their drive toward excellence, through statewide services, leadership, and accountability.”² In addition to its mission, USOE continues to develop a strategic plan outlining its role as Utah’s education authority.

The State Board of Education appoints a State Superintendent of Public Instruction to act as the executive officer of the Board and the Superintendent serves at the pleasure of the Board. The Superintendent administers all programs assigned to the State Board of Education. Specifically, the Superintendent acts as the chief liaison with the Legislature and state and federal agencies, creates a strategic plan for Utah’s public education system, coordinates between the State Board of Education and the State Charter School Board, works with higher education to create a seamless education system, and provides final approval of policy and budget matters.³

In addition to the State Board of Education and the State Superintendent the state office of education houses several operating sections whose work maintains the state administration of public education. USOE sections include, Student Achievement and School Success, Data and Business Services, Law Legislation and Educational Services, and the State Charter School Board. The state office also has two internal services funds used to support USOE’s internal operations. Further detail of USOE sections may be found throughout the remainder of this chapter.

Statutory Authority

Unlike other state agencies, the state office of education does not have specific statutory language creating the office. Specifically, no language in statute states “There is created a State Office of Education.” However, state level administration of the public education system is detailed throughout statute. Many statutes refer to the state office of education, require the state office to provide reports, specifically direct USOE functions, or provide for USOE administration of certain education programs.

The state level education administration statutes may be found in UCA Title 53A, Chapter 1. Each subsequent Statutory Authority section in this chapter provides highlights of major statutes detailing office functions or specific programs contained in the given USOE Section.

² Harrington, Patti. *Utah State Office of Education – A report to the Public Education Appropriations Subcommittee of the Utah State Legislature*. Utah State Office of Education. October, 2004.

³ Harrington, Patti. *Utah State Office of Education – A report to the Public Education Appropriations Subcommittee of the Utah State Legislature*. Utah State Office of Education. October, 2004.

The appointment, duties, and responsibilities of the State Superintendent may be found in the following statutes.

- UCA 53A-1-301 – Provides guidelines for the appointment of the State Superintendent of Public Instruction and outlines the qualifications and duties of the Superintendent.
- UCA 53A-1-303 – This statute directs the state superintendent to give advice and provide opinions to local school boards, superintendents, and other school officers on public education matters.

Funding Detail

Although the total State Office of Education budget nears \$200 million, the actual operating budget of USOE is significantly less. Of the total revenue, roughly 86 percent is passed on to the local school districts and charter schools. The remaining 14 percent funds the operations of the USOE.

The USOE acts as the fiscal agent for most federal support programs and grants administered by the U.S. Department of Education. The federal funding that supports education programs at the local level flows through the USOE. Federal funds make up over 84 percent of the USOE budget. The Uniform School Fund provides the majority of USOE operating revenue at approximately 10.8 percent.

Table 5-1 details the total USOE budget. Further detail on the USOE operating sections may be found throughout chapter 5.

State Office of Education					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	0	1,400,000
Uniform School Fund	16,190,200	26,864,300	23,437,100	22,806,900	21,349,400
Uniform School Fund, One-time	0	0	0	0	68,900
Federal Funds	134,634,900	137,851,200	166,136,100	182,354,500	166,511,900
Dedicated Credits Revenue	5,205,700	5,130,700	5,475,200	5,541,200	6,360,450
Federal Mineral Lease	1,152,800	709,700	933,800	1,459,200	971,850
Restricted Revenue	77,700	0	0	0	0
GFR - Substance Abuse Prevention	350,800	400,800	450,700	396,500	490,000
USFR - Professional Practices	0	75,800	78,400	72,000	90,700
Transfers	3,342,400	151,100	57,100	183,800	0
Transfers - Interagency	1,053,700	1,420,800	1,297,200	278,200	0
Beginning Nonlapsing	4,318,300	6,004,700	4,374,700	4,533,500	4,533,600
Closing Nonlapsing	(6,004,700)	(4,374,700)	(4,533,600)	(8,330,700)	(4,533,600)
Lapsing Balance	0	(702,800)	(74,100)	0	0
Total	\$160,321,800	\$173,531,600	\$197,632,600	\$209,295,100	\$197,243,200
Programs					
Board of Education	1,039,000	2,522,300	1,108,100	1,628,300	1,374,000
Student Achievement	118,188,200	146,497,900	172,932,600	146,266,500	172,120,800
Data and Business Services	4,498,000	10,833,400	12,164,700	6,984,800	12,240,200
Law, Legislation and Education Services	0	13,678,000	11,427,200	54,415,500	11,241,100
Applied Technology Education	17,185,000	0	0	0	0
School LAND Trust Administration	0	0	0	0	80,000
State Charter School Board	0	0	0	0	187,100
Planning and Project Services	19,204,000	0	0	0	0
Utah Education Network	207,600	0	0	0	0
Total	\$160,321,800	\$173,531,600	\$197,632,600	\$209,295,100	\$197,243,200
Categories of Expenditure					
Personal Services	13,113,600	13,091,800	12,157,100	12,601,000	13,425,200
In-State Travel	250,400	227,000	208,300	241,600	208,200
Out of State Travel	164,900	127,800	162,700	174,400	162,700
Current Expense	9,614,200	12,275,800	12,439,500	13,022,000	12,468,000
DP Current Expense	1,089,700	2,293,200	1,167,100	1,141,800	1,167,700
DP Capital Outlay	192,400	37,200	105,300	15,100	105,300
Capital Outlay	8,000	6,600	0	20,700	0
Other Charges/Pass Thru	135,888,600	145,472,200	171,392,600	182,078,500	169,706,100
Total	\$160,321,800	\$173,531,600	\$197,632,600	\$209,295,100	\$197,243,200
Other Data					
Total FTE	212.5	210.2	187.1	192.0	192.0
Vehicles	2	7	7	7	7

Table 5-1- Total USOE Budget

Special Funding

The State Office of Education receives revenue from two restricted sources. Funds received from the General Fund – Substance Abuse Prevention account supports substance abuse prevention and education programs in the schools. The Uniform School Fund – Professional Practices restricted revenue supports the processing of teacher licenses and the Utah Professional Practices Advisory Commission.

Restricted Funds Summary - (Program Name)				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2004 Balance
Substance Abuse Prevention	UCA 63-63a-5	Surcharge on all criminal fines, penalties, and forfeitures imposed by the courts. The surcharge is 85% upon conviction of a felony, class A & class B misdemeanor, and drunk/reckless driving. 35% surcharge on any other offense not exempted by statute.	USOE receives 2.5%, not to exceed Legislative appropriation, for substance abuse prevention and education programs for students.	\$21,300
Uniform School Fund: Professional Practices Restricted Subfund	53A-6-105	Fee revenue paid by educators seeking a new, reinstated, or renewal license or endorsement from the State Board of Education.	To pay the costs of issuing licenses, collecting fees, and the operations of the Utah Professional Practices Advisory Commission.	\$3,400

Table 5-2

STATE BOARD OF EDUCATION

Function

The State Board of Education directs education policy and makes rules governing educational administration. The Board has three standing committees: Curriculum and Instruction; Law and Policy; and Finance. The board also has an audit committee that meets as needed.

Seventeen Board members make up the Utah State Board of Education. Fifteen members represent electoral districts, and two members are appointed by the State Board of Regents as non-voting members of the Board. The State Board of Education has two full time staff positions, an administrative assistant and an internal auditor. The budget presented below provides for board members' per diem, travel and other related expenses, as well as board member and staff salaries.

In its Vision and Mission Statement, the Board identified four education goals. These goals are:⁴

7. Continue to actively advocate for increased funding to provide quality education for all children and meet the demands of growing enrollment.
8. Promote the achievement of high standards of learning for each child, partnering with family, educators, and community.
9. Ensure an adequate supply of quality teachers for all Utah children.
10. Improve the English proficiency and academic achievement of Utah's ESL students.

Statutory Authority

Article 10, Section 3 of the Utah Constitution establishes the State Board.

- Utah State Constitution Article X, Section 3- In addition to vesting the "general control and supervision" of public education in the State Board, this section directs that the membership and election of board members be directed by statute and provides for the appointment of the State Superintendent of Public Instruction.

The following statutes detail specific functions of the State Board.

- UCA 20-14-101 et. seq.– Provides the statutory requirements for the nomination and election of the State Board of Education, provides the official boundary maps, and details how Board vacancies are handled.
- UCA 53A-1-101 – Details the members of the State Board of Education as provided in UCA 20-14-101. In addition to the 15 State Board members statute provides for two non-voting members to represent the State Board of Regents.
- UCA 53A-1-201 et. seq. – Sections 201 – 204 provide for the operations of the Board. This statute provides for board member, removal, compensation, insurance, quorum requirements, etc.

⁴ Utah State Board of Education. *Vision Statement, Mission Statement, and Goals*. Found at: <http://www.usoe.k12.ut.us/board>

- UCA 53A-1-401 – Defines the powers of the State Board of Education as well as defines “general control and supervision” as used in Article X, Section 3, of the Utah State Constitution.
- UCA 53A-1-402 – Requires the State Board of Education to establish minimum standards for Utah’s public schools.

Funding Detail

Table 5-3 details the budget for the State Board of Education for the past 5 years. The Uniform School Fund contributes the largest share to the State Board budget. Other revenue sources such as Federal Mineral Lease funds and Dedicated Credits also support the Board’s budget. The \$25,000 in Dedicated Credits represents payment on land sold by the Board of Education several years ago. All funds for the property have been collected, and will be transferred to the School and Institutional Trust Lands Administration.

The budget detailed below provides for Board member per diem, travel, and other expenses incurred while performing board duties. The budget also includes the salaries and benefits for the Board’s two full time staff.

Board of Education					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	1,859,000	1,988,400	734,200	4,344,500	1,037,000
Uniform School Fund, One-time	0	0	0	0	1,000
Dedicated Credits Revenue	0	175,500	169,900	0	25,000
Federal Mineral Lease	599,200	106,400	290,400	826,300	311,000
Beginning Nonlapsing	773,700	1,426,900	316,200	251,600	402,600
Closing Nonlapsing	(2,192,900)	(665,700)	(402,600)	(3,794,100)	(402,600)
Lapsing Balance	0	(509,200)	0	0	0
Total	\$1,039,000	\$2,522,300	\$1,108,100	\$1,628,300	\$1,374,000
Categories of Expenditure					
Personal Services	406,700	453,200	415,300	438,300	427,600
In-State Travel	17,300	16,700	18,400	29,200	18,400
Out of State Travel	23,500	15,200	15,000	17,900	15,000
Current Expense	294,300	454,300	202,100	655,100	219,000
DP Current Expense	12,200	1,001,100	13,500	102,200	13,500
DP Capital Outlay	70,100	0	50,200	7,100	50,200
Capital Outlay	8,000	0	0	0	0
Other Charges/Pass Thru	206,900	581,800	393,600	378,500	630,300
Total	\$1,039,000	\$2,522,300	\$1,108,100	\$1,628,300	\$1,374,000
Other Data					
Total FTE	2.0	2.0	2.0	2.0	2.0

Table 5-3 – State Board of Education Budget Detail

STUDENT ACHIEVEMENT AND SCHOOL SUCCESS

Function

The Student Achievement and School Success (SASS) division provides leadership and support to local school districts, regional service centers, public and private schools, post-secondary educational instructors, parents, teachers, and educational agencies. It accounts for approximately eighty five percent of the total Utah State Office of Education budget.

The SASS division contains the following sections.

Curriculum and Instruction – The section assists districts with individual subject planning and curriculum development. It defines, develops, disseminates, and implements core curriculum standards and other curriculum requirements of the State Board or the Legislature.

Career and Technical Education – CTE provides leadership and assistance to school districts and Applied Technology Colleges regarding secondary education. It develops curricula for secondary CTE programs and works with local employers to insure training is relevant to employer needs. CTE works with the Utah College of Applied Technology in administering CTE to high school students.

Evaluation and Assessment – The section oversees the statewide testing and evaluation of students. It develops standardized tests, provides training to district testing directors, and supervises the evaluation of standardized tests. This section administers Utah Performance Assessment System for Students (U-PASS), the states assessment and accountability system and its components.

Services for at Risk Students – Administers targeted statewide programs for students that require additional services in order to succeed. Major programs include Special Education, Alternative Language Services, Dropout Prevention, Youth in Custody, and Homeless Education.

No Child Left Behind (NCLB) – The federal No Child Left Behind Act of 2001 revised the Elementary and Secondary Education Act with the goal to provide all school children with the opportunity to achieve academic success. The Act indicates the following four principles; accountability for results, expanded state and local flexibility, expanded choices for parents, and focusing resources on proven educational methods, particularly in reading instruction.

Statutory Authority

The division oversees many of the major initiatives passed by the Legislature or the federal government. These largest two initiatives include U-PASS and the federal No Child Left Behind Act. The following statutory references detail, in part, Student Achievement and School Success functions.

- UCA 53A-1-402 – Requires the State Board of Education to establish minimum standards for Utah’s public schools.
- UCA 53A-1-402.6 – Directs the State Board to establish a core curriculum, define minimum standards related to curriculum and

instruction requirements, and identify basic skills and competency requirements of students.

- UCA 53A-1-601 et. seq. – Sections 601–611 provides guidelines for the creation, implementation, and oversight of U-PASS.
- UCA 53A-13-101 et. seq. – Sections 101–109 provide statutory requirements for specific items as they relate to the core curriculum. Some examples include: Maintaining constitutional freedom in the public schools; expressions of belief; civic and character education.
- UCA 53A-13-201 et. seq. – Sections 201–209 establish and define the Drivers Education Program in the schools.
- UCA 53A-17a-113 – Appropriates funding for and defines what applied technology programs may receive funding.

Funding Detail

Division revenue comes primarily from the federal government, accounting for more than 90 percent of the section budget. Revenue from the Uniform School Fund provides for the majority of division operation expenses. The division receives General Fund Restricted (detailed in Special Funding), Federal Mineral Lease Revenue, and Dedicated Credits Revenue. The Utah Education Network provides funding for personnel and services for technology training at the USOE. In addition to these UEN services, the division generates Dedicated Credits through private grants, grants from other state agencies, funds for the Safe and Drug Fee Schools program, and vocational education.

Table 5-4 below provides further detail for the SASS division. The 5 year history shows a couple of funding irregularities primarily in the state and federal revenue sources.

Uniform School Funds to the SASS division increased greatly from FY 2001 to FY 2002 and have maintained relatively stable for the past three years. In FY 2001, USOE began a significant organizational restructure which combined several programs into the new SASS. For example, prior to FY 2001 Applied Technology Education was a separate division.

Federal funds began to increase dramatically from FY 2001 as well. The State received large federal fund boosts in FY 2002 and FY 2003. Unlike the Uniform School Fund increase, the federal funds have not remained as stable. Implementation of the federal No Child Left Behind program largely explains the dramatic increases in federal revenue.

As mentioned at the beginning of the chapter, the majority of SASS revenue is passed through to local school districts. The pass through expenditure strongly correlates with the federal fund revenue received by the agency. Over 88 percent of the SASS budget is passed through, leaving approximately 12 percent to fund division operations.

Student Achievement					
Sources of Finance	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Appropriated
Uniform School Fund	4,433,800	18,542,700	15,204,100	13,412,800	14,692,400
Uniform School Fund, One-time	0	0	0	0	33,200
Federal Funds	112,334,500	125,545,300	155,088,200	131,518,100	155,174,000
Dedicated Credits Revenue	127,400	3,600	426,000	240,000	1,371,150
Federal Mineral Lease	217,700	315,100	352,800	420,900	360,050
GFR - Substance Abuse Prevention	350,800	400,800	450,700	396,500	490,000
Transfers - Interagency	1,021,800	1,320,800	1,220,300	278,200	0
Beginning Nonlapsing	355,400	897,700	700,000	0	435,400
Closing Nonlapsing	(653,200)	(509,500)	(435,400)	0	(435,400)
Lapsing Balance	0	(18,600)	(74,100)	0	0
Total	\$118,188,200	\$146,497,900	\$172,932,600	\$146,266,500	\$172,120,800
Categories of Expenditure					
Personal Services	4,794,100	7,513,700	7,250,500	6,938,300	7,387,700
In-State Travel	114,200	159,400	155,000	155,800	154,800
Out of State Travel	68,000	76,700	106,000	109,200	106,100
Current Expense	2,811,800	10,114,900	11,051,400	10,613,100	11,051,600
DP Current Expense	172,800	599,800	633,500	399,600	633,500
DP Capital Outlay	0	11,600	55,100	8,000	55,100
Capital Outlay	0	6,600	0	0	0
Other Charges/Pass Thru	110,227,300	128,015,200	153,681,100	128,042,500	152,732,000
Total	\$118,188,200	\$146,497,900	\$172,932,600	\$146,266,500	\$172,120,800
Other Data					
Total FTE	77.6	114.5	111.6	112.0	112.0

Table 5-4 – Student Achievement and School Success Budget Detail

Special Funding

The Student Achievement and School Success division receives General Fund Restricted revenue. The GFR – Substance Abuse Prevention Account is defined in UCA 63-63a-5. Statute provides that 2.5% of the account (not to exceed Legislative appropriation) be allocated to the State Office of Education. Funding provides programs in the public schools for: substance abuse prevention and education; substance abuse prevention training for teachers and administrators; and district and school programs to supplement existing local prevention efforts in cooperation with local substance abuse authorities.

Restricted Funds Summary - Substance Abuse Prevention				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2004 Balance
Substance Abuse Prevention	UCA 63-63a-5	Surcharge on all criminal fines, penalties, and forfeitures imposed by the courts. The surcharge is 85% upon conviction of a felony, class A & class B misdemeanor, and drunk/reckless driving. 35% surcharge on any other offense not exempted by statute.	USOE receives 2.5%, not to exceed Legislative appropriation, for substance abuse prevention and education programs for students.	\$21,300

Table 5-5 – Substance Abuse Prevention Restricted Fund

DATA AND BUSINESS SERVICES

Function	<p>The Division of Data and Business Services is responsible for providing the State Office of Education and the forty school districts with support in the areas of finance accounting, computer services, and Human Resources.</p> <p>The following sections are contained within Data and Business Services; Computer Services, Human Resource Management, Internal Accounting and School Finance and Statistics.</p>
Statutory Authority	<p>As with all the USOE divisions, Data and Business Services is not defined in statute. As stated above, the division is responsible for accounting, allocation of funds, and statistical information. Fund allocation, tracking, and reporting constitute the majority of division activities. The following statutory references detail programs which prescribe fund allocation, annual reports, or statistical estimations that are done by the section.</p> <ul style="list-style-type: none"> ➤ <u>UCA 53A-1-301</u> – Requires the Superintendent to provide a complete statement of fund balances; a complete statement of state funds allocated to each of the school districts; items such as fall enrollments, average membership, high school graduates, licensed and classified employees, pupil-teacher ratios, class sizes, average salaries; require all school districts to comply with data collection and management procedures; and with the approval of the board, prepare and submit to the governor a budget for the board to be included in the budget that the governor submits to the Legislature. ➤ <u>UCA 53A-16-101.5</u> – Provides fund allocation and reporting requirements for the State Board of Education in relation to the School LAND Trust Program. ➤ <u>UCA 53A-17-101 et. seq.</u> – Chapter 17a “Minimum School Program” requires the State Board of Education to administer MSP programs.
Funding Detail	<p>The Uniform School Fund provides the majority of revenue for division operations. Revenue from the federal government fluctuates as grants or programs are obtained or expire. Dedicated credits, generated through billings to the school districts, comprise the remaining revenue that supports the Data and Business Services division. School districts purchase computer programming, software, and other services to support their accounting and student information systems. The billings cover the related IT costs at USOE.</p> <p>Table 5-6 below details the division budget for the past 5 years. The table shows that nearly half of the revenue supporting the Data and Business Services division gets passed through to the local education agencies.</p>

Data and Business Services					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	3,855,500	4,114,800	3,926,100	3,669,500	4,052,400
Uniform School Fund, One-time	0	0	0	0	24,200
Federal Funds	22,600	6,069,900	7,809,100	2,812,400	7,809,100
Dedicated Credits Revenue	588,000	352,200	277,600	502,900	354,500
Transfers - Interagency	31,900	100,000	76,900	0	0
Beginning Nonlapsing	0	371,500	75,000	0	0
Lapsing Balance	0	(175,000)	0	0	0
Total	\$4,498,000	\$10,833,400	\$12,164,700	\$6,984,800	\$12,240,200
Categories of Expenditure					
Personal Services	2,945,100	3,130,600	3,076,000	2,980,700	3,302,900
In-State Travel	32,900	27,000	19,600	19,400	19,600
Out of State Travel	20,100	17,300	9,100	15,400	9,100
Current Expense	428,100	391,900	322,300	242,200	322,400
DP Current Expense	434,100	656,600	487,200	596,000	487,900
DP Capital Outlay	122,300	25,600	0	0	0
Capital Outlay	0	0	0	20,700	0
Other Charges/Pass Thru	515,400	6,584,400	8,250,500	3,110,400	8,098,300
Total	\$4,498,000	\$10,833,400	\$12,164,700	\$6,984,800	\$12,240,200
Other Data					
Total FTE	46.0	48.0	47.0	47.0	47.0
Vehicles	2	7	7	7	7

Table 5-6 – Data and Business Services Budget Detail

LAW, LEGISLATION AND EDUCATION SERVICES

Function	<p>The Law, Legislation and Educational Services division provides leadership and support for local school districts, educators, and other education institutions. It combines Educational Equity, Educator Licensing, the Electronic High School, Government and Legislative Relations, Planning and Education Programs, the Utah Education Network, and Public Relations into one division.</p> <p>The division handles teacher licensing, teacher preparation program approval, legal consultation and support, educational equity and training, and fostering the State Strategic Plan within USOE and local school districts.</p>
Statutory Authority	<p>The major statutes referring to functions of Law, Legislation and Education Services deal with educator licensing, evaluation, and standards. The following statutes detail some of the statutory requirements overseen by the division.</p> <ul style="list-style-type: none"> ➤ <u>UCA 53A-1-402.5</u> – Directs the board of education to establish basic ethical conduct standards for public education employees. ➤ <u>UCA 53A-6-101 et. seq.</u> – Sections 101–702 details the Utah Educator Licensing and Professional Practices Act. This chapter provides licensing requirements for educators, provides teacher classifications, teaching contracts, disciplinary action, etc. ➤ <u>UCA 53A-10-101 et. seq.</u> – Sections 101–111 provide statutory provisions for educator evaluation.
Intent Language	<p>Through intent language found in the Appropriations Act (S.B. 1, 2004 General Session – Item 210), the Legislature requested that the State Board of Education submit a teacher licensing fee plan in its FY 2006 budget request that provides enough fee revenue to cover the costs of the Educator Licensing Section.</p>
<i>Analyst Response</i>	<p><u>Teacher Licensing Fee</u> – State Office of Education staff has developed a fee plan that would support the Educator Licensing Section at the state office without the Uniform School Fund subsidy. USOE staff is in the process of disseminating the plan as required in statute. The State Board of Education will hear the plan and may make recommendations during its January 2005 board meeting.</p>
Funding Detail	<p>Similar to the other USOE operating divisions, Law, Legislation and Education Services receives the majority of its revenue from the federal government. Federal grant program revenue such as the Title Programs, Safe and Drug Free Schools, and Teacher Quality are received by the program. The division receives a significant portion of its revenue from Dedicated Credits. The Driver Education Fee assessed when motor vehicles are registered represents the majority of dedicated credits generated by the division. The division also collects fees for educator background checks when a new teacher applies for a license, and out-of-state student fees for the</p>

Electronic High School. The remaining division revenue comes from the Uniform School Fund, Federal Mineral Lease, and other small sources.

Table 5-7 below details a 5 year history of the division. During the USOE organizational restructure mentioned above, the division was created out of several smaller divisions. Being newly created, the division does not have a budget history prior to FY 2002.

In FY 2004, USOE shifted some significant federal grant programs to the division resulting in the sharp increase of federal revenue. The FY 2005 figures may be adjusted to reflect the changes made by the state office.

The Legislature appropriated \$1,400,000 in one-time General Funds to provide private school scholarships to special needs students as outlined in H.B. 115 (2004 General Session.) Following the 2004 General Session, the Governor vetoed H.B. 115. The revenue to implement the provisions of H.B. 115 was appropriated in the Supplemental Appropriations Act II (H.B. 3 2004 General Session) and was not vetoed by the Governor.

Law, Legislation and Education Services					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund, One-time	0	0	0	0	1,400,000
Uniform School Fund	0	2,218,400	3,572,700	1,380,100	1,464,500
Uniform School Fund, One-time	0	0	0	0	10,500
Federal Funds	0	6,236,000	3,238,800	48,024,000	3,364,800
Dedicated Credits Revenue	0	4,599,400	4,601,700	4,798,300	4,609,800
Federal Mineral Lease	0	288,200	290,600	212,000	300,800
USFR - Professional Practices	0	75,800	78,400	72,000	90,700
Transfers	0	151,100	57,100	183,800	0
Beginning Nonlapsing	0	3,308,600	3,283,500	4,281,900	3,695,600
Closing Nonlapsing	0	(3,199,500)	(3,695,600)	(4,536,600)	(3,695,600)
Total	\$0	\$13,678,000	\$11,427,200	\$54,415,500	\$11,241,100
Categories of Expenditure					
Personal Services	0	1,994,300	1,415,300	2,243,700	2,039,900
In-State Travel	0	23,900	15,300	37,200	15,400
Out of State Travel	0	18,600	32,600	31,900	32,500
Current Expense	0	1,314,700	863,700	1,511,600	875,000
DP Current Expense	0	35,700	32,900	44,000	32,800
Other Charges/Pass Thru	0	10,290,800	9,067,400	50,547,100	8,245,500
Total	\$0	\$13,678,000	\$11,427,200	\$54,415,500	\$11,241,100
Other Data					
Total FTE	0.0	45.7	26.5	31.0	31.0

Table 5-7 – Law, Legislation, and Education Services Budget Detail

Special Funding

Law, Legislation and Education Services, receives restricted Uniform School Funds from the Professional Practices Restricted Sub-fund. Fees paid by educators to be licensed in Utah under UCA 53A-6-105 are deposited in the Professional Practices Restricted account. Funding generated through licensing fees supports the operations of processing educator licenses and the Utah Professional Practices Advisory Commission.

Restricted Funds Summary - Professional Practices				
Fund/Account Name	Statutory Authority	Revenue Source	Prescribed Uses	FY 2004 Balance
Uniform School Fund: Professional Practices Restricted Subfund	53A-6-105	Fee revenue paid by educators seeking a new, reinstated, or renewal license or endorsement from the State Board of Education.	To pay the costs of issuing licenses, collecting fees, and the operations of the Utah Professional Practices Advisory Commission.	\$3,400

Table 5-8 – Professional Practices Restricted Subfund

STATE CHARTER SCHOOL BOARD**Function**

The Legislature passed the Charter School Governance (H.B. 152, 2004 General Session) bill that created the State Charter School Board. The board authorizes and promotes the establishment of charter schools and advises the State Board of Education on charter issues.

The State Charter School Board consists of seven members appointed by the Governor. Statute details that Charter School Board members must reflect the following qualifications: two members who have expertise in finance or small business management; three members who are appointed from a slate of at least six candidates nominated by Utah's charter schools; and two members who are appointed from a slate of at least four candidates nominated by the State Board of Education. Board member terms last for four years, however, three initial members were appointed for a two-year term.

The Charter School Board began its work in June 2004. While still beginning its work, the Board began reviewing applications for new charter schools and started discussing charter school policy issues. The Board received approximately 19 new charter school applications for the 2005 school year.

The Board has a total of two full time staff to support its operations, a staff director and administrative assistant. The State Superintendent appoints the staff director with the consent of the Charter School Board.

Statutory Authority

The following highlight the major statutes dealing with charter schools, and the State Charter School Board.

- UCA 53A-1a-501.5 – Creates the State Charter School Board, defines member qualifications, length of term, appointment process, and compensation.
- UCA 53A-1a-501.6 – Details the powers and duties of the Charter School Board. Powers include the authorization of charter schools, review and monitor charter schools, provide technical assistance to charter schools, and advise the State Board of Education on charter school issues.
- UCA 53A-1a-501.7 – Provides the process of appointing a staff director to the Charter School Board.
- UCA 53A-1a-502 – Details the number of charter schools the Charter School Board may authorize.
- UCA 53A-1a-503 et. seq. – Sections 501– 515 detail statutory provisions relating to charter schools. Statutory provisions include the purpose of charter schools, application process, requirements for charter schools, provisions for termination of a charter, State Board rule waivers, funding for charter schools, and provisions regulating charter schools approved by local school boards.

Intent Language

The Legislature passed in the Appropriations Act (S.B. 1, 2004 General Session – Item 210) intent language directing the State Board of Education to combine the services of the Utah Schools for the Deaf and Blind (USDB) and the Jean Massieu Charter School, integrate representatives from Jean Massieu into the USDB Institutional Council, and provide for the varied modes of instruction offered at the schools.

Analyst Response

Jean Massieu Charter School – Since the conclusion of the 2004 General Session, officials from USDB and the Jean Massieu Charter School have conducted several meetings to work out a merger plan. Details of the merger are still pending, however, the organizations have discussed issues related to the differing education programs offered by the schools, school finances, school administration, student transportation, and governing bodies. The governing board of Jean Massieu has voted to merge with USDB beginning with the fall 2005 school year. The two organizations continue to work out issues in an effort to facilitate the planned 2005 merger.

Funding Detail

Table 5-9 below shows the FY 2005 appropriation for the State Charter School Board. Historical funding detail for charter schools may be found as part of the division of Law, Legislation, and Education Services budget detailed above.

State Charter School Board					
Sources of Finance	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Appropriated
Uniform School Fund	0	0	0	0	23,100
Federal Funds	0	0	0	0	164,000
Total	\$0	\$0	\$0	\$0	\$187,100
Categories of Expenditure					
Personal Services	0	0	0	0	187,100
Total	\$0	\$0	\$0	\$0	\$187,100

Table 5-9 – State Charter School Board Budget Detail

INDIRECT COST POOL**Function**

The Indirect Cost Pool funds programs and individuals who administer the State Office of Education. In addition to USOE administrative office functions, the Indirect Cost Pool supports accounting, purchasing, and government/public liaison functions of the State Office of Education.

According to Utah code, an internal service fund agency is defined as “an agency that provides goods or services to other agencies of state government or to other governmental units on a capital maintenance and cost reimbursement basis, and which recovers costs through interagency billings.” The Indirect Cost Pool operates by charging other USOE programs to support its functions. The Indirect Cost Pool takes a portion of all federal and state funds in the operating divisions that support personal services. The rates assessed by the Indirect Cost Pool reflect the percentage amounts allowed under U.S. Department of Education grant provisions that allow states to use a portion of the grant to support the state administration of the grant program.

Statute prohibits the Indirect Cost Pool from billing another program unless the Legislature reviews its budget request and authorizes its revenue, rates, and FTE. Further the Indirect Cost Pool may not acquire capital unless such acquisition is authorized by the Legislature.

For FY 2005, the Legislature established the rates for the Indirect Cost Pool as follows:

1. 13% of personal costs supported by restricted funds.
2. 19% of personal costs supported by unrestricted funds.
3. A total of 49 Full Time Equivalent Employees.
4. Authorized Capital Outlay of \$14,800.

Statutory Authority

The statutory provision governing Internal Service Funds governs the Indirect Cost Pool.

- UCA 63-38-3.5 – Provides for the governance and review of agency internal service funds. The statute details the process for approval of rates, new internal service funds, capital expenditures, etc.

Funding Detail

The Indirect Cost Pool, as stated above, receives its funding from the operating divisions of the State Office of Education. Revenue for the Indirect Cost Pool is represented as Dedicated Credits – Intra-governmental Revenue.

ISF - USOE Indirect Cost Pool					
Sources of Finance	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Appropriated
Dedicated Credits - Intragvt Rev	0	0	0	3,236,100	3,867,100
Transfers	3,626,200	3,070,200	3,166,100	0	0
Total	\$3,626,200	\$3,070,200	\$3,166,100	\$3,236,100	\$3,867,100
Categories of Expenditure					
Personal Services	2,747,000	2,919,800	2,954,500	3,034,300	3,100,900
In-State Travel	9,200	5,700	3,300	5,500	3,300
Out of State Travel	10,800	6,200	4,200	9,100	4,200
Current Expense	460,200	393,300	400,200	366,700	380,300
DP Current Expense	221,100	195,100	131,000	100,000	131,000
DP Capital Outlay	23,000	0	14,800	0	14,800
Capital Outlay	5,300	0	0	0	0
Total	\$3,476,600	\$3,520,100	\$3,508,000	\$3,515,600	\$3,634,500
Profit/Loss	\$149,600	(\$449,900)	(\$341,900)	(\$279,500)	\$232,600
Other Data					
Total FTE	47.0	50.0	50.0	49.0	49.0
Authorized Capital Outlay	28,300	71,300	75,000	75,000	14,800
Retained Earnings	572,200.0	122,300.0	(219,600.0)	(289,400.0)	(315,800.0)
Vehicles	0	0	1	1	1

Table 5-10 – Indirect Cost Pool Budget Detail

INTERNAL SERVICE FUND

Function The State Board of Education operates an Internal Service Fund to support its print shop and mailroom.

As stated above, Internal Service Funds may not bill another program unless the Legislature reviews the ISF’s budget request and authorize its revenue, rates and FTE level. The Legislature must authorize capital outlay funds.

The Legislature adopted the following rates for the USOE – Internal Service Fund for FY 2005.

1. Printing: \$17.00 per hour labor
.04 per copy
Cost plus 35 percent on printing supplies
2. Mail Room: Cost plus 25 percent on postage.
3. A total of 8.3 Full Time Equivalent Employees.
4. Authorized Capital Outlay of \$22,100.

Statutory Authority The statutory provision governing Internal Service Funds is detailed below.

- UCA 63-38-3.5 – Provides for the governance and review of agency internal service funds. The statute details the process for approval of rates, new internal service funds, capital expenditures, etc.

Funding Detail The Internal Service Fund is financed through dedicated credits collected by the program form the Utah State Office of Education operating entities.

ISF - State Board ISF					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits - Intragvt Rev	1,300,600	984,000	806,300	914,700	960,000
Total	\$1,300,600	\$984,000	\$806,300	\$914,700	\$960,000
Categories of Expenditure					
Personal Services	259,200	260,900	258,500	261,000	312,100
In-State Travel	100	100	0	0	0
Current Expense	953,400	630,700	574,000	647,100	571,800
DP Current Expense	400	700	2,200	100	2,200
Capital Outlay	14,000	22,100	22,100	11,600	22,100
Other Charges/Pass Thru	54,100	46,800	43,800	43,300	51,800
Total	\$1,281,200	\$961,300	\$900,600	\$963,100	\$960,000
Profit/Loss	\$19,400	\$22,700	(\$94,300)	(\$48,400)	\$0
Other Data					
Total FTE	8.5	8.5	8.3	8.0	8.3
Authorized Capital Outlay	40,600	17,300	17,300	17,300	22,100
Retained Earnings	113,100	135,800	41,500	135,100	41,500

Table 5-11 – Internal Service Fund Budget Detail

CHAPTER 6 UTAH STATE OFFICE OF REHABILITATION

Function	<p>The Utah State Office of Rehabilitation (USOR), under the direction of the State Board of Education, operates programs designed to assist disabled individuals prepare for and obtain gainful employment as well as increase their independence. USOR contains an Executive Director's Office, and four operating divisions: Services to the Blind and Visually Impaired, Rehabilitation Services, Disability Determination Services, and Services to the Deaf and Hard-of-Hearing.</p> <p>The Smith-Fess Act authorizing the state-federal vocational rehabilitation program was passed by Congress and signed into law in 1920. The program officially opened in Utah in 1921. The Utah State Office of Rehabilitation was created during the 1988 Legislative session under the direction of the State Board of Education and State Superintendent of Public Instruction. Prior to 1988 two separate departments the Division of Rehabilitation Services and the Division of Services for the Blind and Visually Impaired existed as separate divisions under the State Board.</p> <p>USOR provides tailored services focusing on the needs, interests, abilities, and informed choices of the individuals served. USOR works in concert with other community service and resource providers to offer rehabilitative services throughout the state.</p> <p>To be eligible for services, patrons must have a physical or mental impairment that constitutes a substantial impediment to gainful employment. State law requires a financial needs test to determine the extent to which a client may receive services.</p>
Statutory Authority	<p>Statutory provisions for the Utah State Office of Rehabilitation may be found in UCA, Section 53A, Chapter 24. In addition to state law, many functions provided by USOR have provisions detailed in federal law. Those federal law references follow the references in Utah Code.</p> <p>Utah Code:</p> <ul style="list-style-type: none"> ➤ <u>UCA Title 53A, Chapter 24</u> – State Rehabilitation Act, creates and defines the State Office of Rehabilitation and its functions. <p>Federal Law:</p> <ul style="list-style-type: none"> ➤ 29 USC 721 (a)(2) – Designates the State Agency/Unit for Rehabilitation Services.

Funding Detail

Two primary sources provide revenue for USOR. The largest contributor is the federal government, providing approximately 61.6 percent of total USOR revenues. In addition to federal funds, USOR receives a significant appropriation from state funds. Uniform School Fund revenues account for roughly 36.5 percent of the total appropriation. The remaining state generated revenue comes from the General Fund. In addition to state and federal resources, the office collects dedicated credits generated primarily through fees and the sale of services, goods and materials.

Table 6-1 provides a 5 year budget history for the Utah State Office of Rehabilitation. More specific budget detail on the USOR operating divisions may be found throughout chapter 6.

State Office of Rehabilitation					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	254,900	254,900	254,900	254,900	254,900
Uniform School Fund	15,421,900	17,365,400	17,986,800	18,166,100	18,996,900
Uniform School Fund, One-time	0	0	0	0	128,600
Federal Funds	29,029,300	28,726,300	29,734,100	32,998,200	30,859,700
Dedicated Credits Revenue	514,200	305,500	313,200	521,900	680,300
Transfers - Interagency	127,600	452,400	465,300	0	0
Beginning Nonlapsing	287,400	267,500	0	0	0
Closing Nonlapsing	(267,500)	0	0	0	0
Total	\$45,367,800	\$47,372,000	\$48,754,300	\$51,941,100	\$50,920,400
Programs					
Executive Director	1,436,000	1,334,200	1,335,200	1,423,000	1,437,400
Blind and Visually Impaired	4,265,000	4,660,500	5,192,300	4,897,100	5,454,500
Rehabilitation Services	31,520,300	32,871,400	33,279,300	36,486,900	34,514,100
Disability Determination	6,722,900	6,976,100	7,192,300	7,505,200	7,577,200
Deaf and Hard of Hearing	1,423,600	1,529,800	1,755,200	1,628,900	1,937,200
Total	\$45,367,800	\$47,372,000	\$48,754,300	\$51,941,100	\$50,920,400
Categories of Expenditure					
Personal Services	18,029,200	18,971,200	19,552,900	20,017,400	21,508,100
In-State Travel	195,400	163,900	168,300	187,000	168,300
Out of State Travel	61,600	41,100	22,300	37,500	22,300
Current Expense	3,394,600	3,783,000	4,023,100	3,910,600	3,996,600
DP Current Expense	722,900	767,600	739,700	753,500	739,700
DP Capital Outlay	71,600	95,900	150,200	40,900	150,200
Capital Outlay	78,100	104,900	124,700	15,600	124,700
Other Charges/Pass Thru	22,814,400	23,444,400	23,973,100	26,978,600	24,210,500
Total	\$45,367,800	\$47,372,000	\$48,754,300	\$51,941,100	\$50,920,400
Other Data					
Total FTE	391.5	404.0	394.0	404.0	406.3
Vehicles	31	32	41	41	41

Table 6-1 – Total USOR Budget

EXECUTIVE DIRECTOR'S OFFICE**Function**

With the approval of the State Board of Education, the State Superintendent appoints the Executive Director of USOR. The Executive Director administers the office in accordance to the direction of the State Superintendent, policies of the State Board, and applicable state and federal laws and regulations.

The Executive Director's Office supervises and coordinates the four operating divisions which include the Division of Services for the Blind and Visually Impaired, the Division of Rehabilitation Services, the Division of Disability Determination Services, and the Division of Services to the Deaf and Hard of Hearing.

Functions of the Executive Director's office include planning, budgeting, policy and procedure development, program evaluation, program and fee approval, facility and lease management, computer network development and maintenance, contracts and monitoring, public relations, special project grants, personnel, and training. The office also acts as the primary interface between the Legislature, the State Board of Education as well as the Rehabilitation Services Administration and the Social Security Administration for the various divisions.

Statutory Authority

The following statutes detail the creation of the Executive Director's office, provide for the appointment of the Executive director and enumerate the functions of the office.

Utah Code:

- UCA 53A-24-104 – This section directs the State Superintendent, with approval of the State Board of Education to appoint an Executive Director for the State Office of Rehabilitation.
- UCA 53A-24-105 – Details the statutory functions of the Executive Directors Office, including, budgeting, program administration, establish divisions, conduct studies and make reports pursuant to office functions, etc.

Federal Law:

- 29 USC 721 (a)(2)(B)(ii) – Executive Director

Funding Detail

The Uniform School Fund provides the majority of funding for the Executive Director’s Office. In addition to Uniform School Funds, the office receives approximately 23 percent of its revenue from the federal government. In addition, the Executive Director’s office generates a portion of its revenue from dedicated credits.

The dedicated credits are generated through two receivable contracts USOR has with the Department of Health. One contract involves network support services for a Department of Health office that is located next to a USOR office in the same building. The second contract involves a joint effort with the Governor’s Committee on Employment of People with Disabilities through the State Office of Rehabilitation and the Medicaid Infrastructure Grant (DOH) to educate employers about hiring people with disabilities.

Executive Director					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	927,200	975,400	961,100	956,300	1,051,700
Uniform School Fund, One-time	0	0	0	0	5,000
Federal Funds	345,100	342,600	337,800	424,800	344,400
Dedicated Credits Revenue	150,000	0	0	41,900	36,300
Transfers - Interagency	13,700	16,200	36,300	0	0
Total	\$1,436,000	\$1,334,200	\$1,335,200	\$1,423,000	\$1,437,400
Categories of Expenditure					
Personal Services	894,400	909,900	935,800	952,700	1,037,700
In-State Travel	20,200	16,500	16,000	17,300	16,000
Out of State Travel	9,000	6,300	6,500	6,400	6,500
Current Expense	212,800	201,300	171,500	219,200	162,100
DP Current Expense	11,200	72,200	31,800	94,100	31,800
Capital Outlay	0	0	34,500	0	34,500
Other Charges/Pass Thru	288,400	128,000	139,100	133,300	148,800
Total	\$1,436,000	\$1,334,200	\$1,335,200	\$1,423,000	\$1,437,400
Other Data					
Total FTE	14.0	15.0	13.0	14.0	14.0

Table 6-2 – Office of the Executive Director Budget Detail

DIVISION OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED**Function**

The Division of Services for the Blind and Visually Impaired (DSBVI) assists individuals who are blind or visually disabled to obtain employment and increase their independence. The division provides a variety of services that include orientation and mobility assistance, vocational counseling, vocation training, adaptive technology services, adjustment to blindness training activities, visual screening of children, and prevention of blindness training. The division also administers a Business Enterprise Program that includes cafeterias, gift shops, and convenience stores that are operated by the blind.

The DSBVI provides preschool vision screening. According to state law, DSBVI coordinates vision screening for pre-school and kindergarten age children throughout Utah. Several youth with amblyopia and other severe vision problems are discovered each year through the screenings provided by the division.

Low Vision services provided by DSBVI help citizens throughout the state. The division offers free low vision clinics weekly in Salt Lake City, and on a regular basis throughout the State. The section offers services to aid consumers in adjusting to their particular low vision needs, such as, devices, training, mobility, etc.

DSBVI employs a deaf-blind specialist who provides services for those who are deaf-blind, and coordinates services for individuals with other state or USOR programs. In addition to the deaf-blind specialist, the division receives through the Rehabilitation Services Administration funding to conduct an older-blind program. Individuals age 55 and older with severe vision problems may be eligible for these services. The division employs three full-time older-blind specialists in Logan, Price and St. George and two part-time specialists in Vernal and Moab. These individuals assist the older-blind population in rural areas with in-home instruction, support services, and involvement in division and community programs.

Statutory Authority

The statutory references below define the creation of DSBVI, the division's responsibilities and the appointment of an advisory council.

- UCA 53A-24-302 – Creates the Division of Services for the Blind and Visually Impaired within the Utah State Office of Rehabilitation.
- UCA 53A-24-303 – Provides that the Executive Director of USOR appoint the director of the Division of Services for the Blind and Visually Impaired with the approval of the State Board of Education.
- UCA 53A-24-304 – Establishes the duties and responsibilities of DSBVI. The statute also enables the division to provide the Business Enterprise Program, as well as various vocational and employment training services.
- UCA 53A-24-305 – Directs the State Board to appoint an advisory council to assist the division, USOR, and the Board on issues regarding serving blind and visually impaired individuals. The statute

also mandates at least one-third of the council members be individuals that are blind or have visual impairments.

Funding Detail

The Uniform School Fund provides the largest source of revenue for the division, at approximately 63 percent of total division funds. Federal funds and dedicated credits represent the remaining division revenue at 35.5 percent and 1.5 percent respectively. The division generates dedicated credit revenue primarily through the sale of low vision magnification devices, Braille devices, and speech equipment.

The table below provides a 5 year budget history for the division. Funding for the division has remained steady throughout the 5 years in this history.

Blind and Visually Impaired					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	2,348,900	2,726,000	3,308,600	3,165,700	3,414,800
Uniform School Fund, One-time	0	0	0	0	20,800
Federal Funds	1,813,700	1,549,700	1,796,600	1,659,200	1,931,800
Dedicated Credits Revenue	102,400	117,300	87,100	72,200	87,100
Beginning Nonlapsing	0	267,500	0	0	0
Total	\$4,265,000	\$4,660,500	\$5,192,300	\$4,897,100	\$5,454,500
Categories of Expenditure					
Personal Services	2,281,000	2,436,000	2,505,400	2,739,600	2,768,500
In-State Travel	20,800	18,300	15,600	24,400	15,600
Out of State Travel	7,300	1,500	3,800	4,900	3,800
Current Expense	750,400	956,900	1,200,600	881,400	1,193,800
DP Current Expense	165,000	170,400	276,700	201,800	276,700
DP Capital Outlay	38,000	89,500	150,200	5,800	150,200
Capital Outlay	6,200	30,200	50,800	0	50,800
Other Charges/Pass Thru	996,300	957,700	989,200	1,039,200	995,100
Total	\$4,265,000	\$4,660,500	\$5,192,300	\$4,897,100	\$5,454,500
Other Data					
Total FTE	55.5	54.0	53.0	56.0	56.0
Vehicles	10	10	13	13	13

Table 6-3 – Division of Services to the Blind and Visually Impaired Budget Detail

DIVISION OF REHABILITATION SERVICES**Function**

Rehabilitation Services provides two major programs, Vocational Rehabilitation and Independent Living.

Vocational Rehabilitation

Vocational Rehabilitation provides services directed towards the goal of employment. Services include counseling and guidance, assistive technology, job training, job placement, and post employment follow-up. Eligibility for vocational rehabilitation is based on the presence of physical or mental impairment that constitutes a substantial impediment to employment. Once determined eligible, an individual will work with a counselor to develop an individualized program that leads to employment.

The division provides statewide services to people with disabilities through twenty-eight offices. All forty school districts in the state, through cooperative agreements, receive vocational rehabilitation services. Vocational Rehabilitation Counselors are assigned to each high school in the state. The division also works through cooperative agreements with the Department of Workforce Services, the Division of Children's Health and Special Care Needs, the State Board of Regents, the Division of Services for People with Disabilities, and the Division of Mental Health.

Independent Living Centers

Statewide Independent Living Centers enable people with disabilities to live independently. The Division of Rehabilitation Services works with the Independent Living Centers, the Division of Services for the Blind and Visually Impaired, and the Utah Statewide Independent Living Council to coordinate services. Services provided include; peer support, skills training, recreation and community integration programs, and assistive technology.

Eligibility for the program is based on the presence of a disability coupled with the ability to benefit from services. All services are based individual need in accordance with an IL plan with specific goals and objectives. Services are time-limited and designed to assist consumers increase and maintain their levels of independence and community participation.

Currently, six Independent Living Centers (ILC's) and four satellites operate throughout Utah. They include: Options for Independence in Logan with a satellite in Brigham City; Tri-County Independent Center in Ogden; Utah Independent Living Center in Salt Lake City which operates a satellite in Tooele; Central Utah Independent Living Center in Provo; Active Re-Entry Independent Living Center in Price, which operates two satellites in Vernal and Moab; and Red Rock Independent Living Center in St. George. Each ILC operates on a combination of State and federal funding. All ILC's provide, at a minimum, the services detailed above.

Statutory Authority

The statutory references below detail the Division of Rehabilitation Services, Assistive Technology Services, and various advisory councils in Utah law. Appropriate federal law references may be found following the state code section.

Utah Code:

- UCA 53A-24-110.5 – Establishes the Rehabilitation Services Advisory Committee as an advisory council for the Utah Center for Assistive Technology.
- UCA 53A-24-110.7 – Provides an ongoing revenue source for Assistive Technology. Funding assists individuals in accessing, customizing, or using assistive technology devices.
- UCA 53A-24-114 – Establishes the Governor’s Committee on Employment of People with Disabilities and defines its duties.
- UCA 53A-24-202 – Establishes within the Utah State Office of Rehabilitation, the Division of Rehabilitation Services.
- UCA 53A-24-203 – Provides that the Executive Director of USOR appoint the director of the Division of Rehabilitation Services with the approval of the State Board of Education.
- UCA 53A-24-204 – Outlines the statutory responsibilities of the Division of Rehabilitation Services.
- UCA 53A-24-205 – Provides for the creation of an advisory council for the Division of Rehabilitation Services to advise the office on issues relating to the needs of persons with disabilities and how they relate to office functions and vocational rehabilitation services.

Federal Law:

- 29 USC 721 (a)(2)(B) – Designated State Unit
- 29 USC 721 (a)(21)(A)(ii) – State Rehabilitation Council
- 29 USC 796 (c) – Independent Living Services
- 29 USC 796 (d) – Statewide Independent Living Council.

Funding Detail

The federal government provides the largest portion of division funding. A combination of state funds (Uniform School Fund and General Fund) contributes roughly 37 percent of division funds. The remaining division revenue is generated through dedicated credits.

The division’s dedicated credits revenue comes from two sources: 1) The Division of Facilities Construction and Management rents a portion of the Buffmire Rehabilitation Services Center building for \$37,000; 2) The Department of Workforce Services Receivable Contract, the Department of Health Receivable Contract, and the Department of Education – At Risk Students Receivable Contract total \$265,000 in dedicated credits revenue.

As noted above, Rehabilitation Services receives revenue from the state’s general fund of \$254,900. This funding stream has existed at the current level for several years. Rehabilitation Services is the only education related agency that receives an ongoing general fund appropriation. The General Fund appropriation provides for the Utah Center for Assistive Technology (UCAT). UCAT began as a federal grant serving multiple state agencies such as; the Division of Services for People with Disabilities, the Division of Children’s Health and Special Care Needs, the Division of Aging, the Department of Workforce Services, etc. When the federal grant ended, the Legislature continued the program and placed the Center under the direction of the Utah State Office of Rehabilitation. The General Funds are used to continue services to other non-education related state agencies.

Table 6-4 shows the 5 year budget history for the division. Division funding has remained fairly consistent over the past 5 years. Except for FY 2003 when the state experienced severe budget stress, Uniform School Funds to the division have increased annually.

As with many of the USOR divisions, Rehabilitation Services passes through the majority of its revenue to other agencies or programs. Rehabilitation Services uses the majority of its pass through revenue in client case management to provide direct services to those clients.

Rehabilitation Services					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
General Fund	254,900	254,900	254,900	254,900	254,900
Uniform School Fund	10,810,700	12,287,700	12,149,600	12,562,100	12,793,900
Uniform School Fund, One-time	0	0	0	0	85,900
Federal Funds	20,150,000	19,860,700	20,410,300	23,411,600	21,016,300
Dedicated Credits Revenue	170,900	31,900	35,500	258,300	363,100
Transfers - Interagency	113,900	436,200	429,000	0	0
Beginning Nonlapsing	287,400	0	0	0	0
Closing Nonlapsing	(267,500)	0	0	0	0
Total	\$31,520,300	\$32,871,400	\$33,279,300	\$36,486,900	\$34,514,100
Categories of Expenditure					
Personal Services	10,226,600	10,664,400	10,906,000	11,046,100	11,958,600
In-State Travel	129,700	113,600	115,700	131,400	115,700
Out of State Travel	29,100	21,700	6,800	14,600	6,800
Current Expense	1,747,100	1,786,600	1,747,300	1,897,300	1,735,200
DP Current Expense	445,400	415,000	294,700	255,800	294,700
DP Capital Outlay	0	6,400	0	35,100	0
Capital Outlay	45,500	17,100	31,700	15,600	31,700
Other Charges/Pass Thru	18,896,900	19,846,600	20,177,100	23,091,000	20,371,400
Total	\$31,520,300	\$32,871,400	\$33,279,300	\$36,486,900	\$34,514,100
Other Data					
Total FTE	220.2	229.0	226.0	226.0	227.5
Vehicles	18	19	24	24	24

Table 6-4 – Rehabilitation Services Budget Detail

DIVISION OF DISABILITY DETERMINATION SERVICES

Function This state administered federal program develops, adjudicates, and processes all disability claims of Utah residents under Title II and Title XVI of the Social Security Act. It refers disabled adults to the Division of Rehabilitation Services whenever the adult may benefit from vocational rehabilitation services. The determination of who may benefit is based on criteria developed by the Social Security Administration.

Statutory Authority The following statutes govern the operation of the Division of Disability Determination Services. Federal law references follow references to Utah Code.

- UCA 53A-24-501 – Creates the Division of Disability Determination Services within the Utah State Office of Rehabilitation.
- UCA 53A-24-502 – Provides that the Executive Director of USOR appoint the director of the Division of Disability Determination Services with the approval of the State Board of Education.
- UCA 53A-24-503 – Provides that DDDS may perform disability determination services authorized under state or federal law or regulation.

Funding Detail Disability Determination Services, except for a small Uniform School Fund appropriation, receives its’ revenue from the federal government. The \$10,000 in state Uniform School Funds received by the division supports the Disabilities Determination Services Advisory Council (UCA 53A-15-205). Table 6-5 details the division’s budget for the past 5 years.

Disability Determination					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	2,400	2,800	2,900	2,600	10,000
Federal Funds	6,720,500	6,973,300	7,189,400	7,502,600	7,567,200
Total	\$6,722,900	\$6,976,100	\$7,192,300	\$7,505,200	\$7,577,200
Categories of Expenditure					
Personal Services	3,653,100	3,925,100	3,969,300	4,069,800	4,326,700
In-State Travel	5,700	2,100	2,200	1,600	2,200
Out of State Travel	11,900	7,500	2,200	11,600	2,200
Current Expense	475,900	518,600	567,600	627,800	569,800
DP Current Expense	70,100	57,400	66,700	142,700	66,700
DP Capital Outlay	11,400	0	0	0	0
Capital Outlay	26,400	6,800	0	0	0
Other Charges/Pass Thru	2,468,400	2,458,600	2,584,300	2,651,700	2,609,600
Total	\$6,722,900	\$6,976,100	\$7,192,300	\$7,505,200	\$7,577,200
Other Data					
Total FTE	73.8	80.0	72.0	76.0	76.0

Table 6-5 – Disability Determination Services Budget Detail

DIVISION OF SERVICES TO THE DEAF AND HARD OF HEARING**Function**

The Division of Services to the Deaf and Hard-of-Hearing (DSDHH) helps increase productivity, independence, and community integration of individuals who are deaf or hard-of-hearing. Program services provided through the Robert G. Sanderson Community Center for the Deaf include: information and referral, educational classes, counseling and case management services, recreation and leisure activities, telecommunication services for the deaf, repair and maintenance of assistive technology, interpreter services, and a library. The division operates four programs: Deaf and Hard of Hearing, Utah Interpreter Programs, Outreach and Technology Program, and the Individualized Program. These programs are detailed in the following paragraphs.⁵

Programs for the Deaf – The deaf program includes activities and services to fulfill social, recreational, and adult learning needs with barrier-free communication. Specialized programs have been developed for Deaf Seniors, Deaf teenagers, families with Deaf children, people with multiple disabilities and some degree of deafness, and people who have lost their hearing as adults.

Programs for the Hard of Hearing – The Hard of Hearing Specialists work with hard of hearing and late-deafened individuals and their families to support those individuals with building various degrees of adjustment/coping skills by providing a barrier-free environment in which to learn, share experiences and enjoy socialization with others who have similar experiences. They provide classes, workshops, sign language and speech reading training. They also provide information and resources on self-advocacy, assistive technology, purchasing hearing aids, the Americans with Disabilities Act (ADA), self-help strategies and employment issues.

Utah Interpreter Program – The program provides interpreter training, mentoring, best practices, and certification. The center offers classes and workshops to help interpreters improve skills, increase knowledge, and prepare for certification.

The Center performs interpreter certification quality assurance evaluations to ensure that deaf community is receiving quality interpreting services.

Individualized Services Program – Services are provided at no cost to individuals who are Deaf and Hard of Hearing, such as mental health counseling in family, group or individualized settings; case management services; assistance with reading documents; and referring clients to appropriate agencies or service providers.

Outreach and Technology Program – Outreach services offer information and referrals to the public regarding deaf and hard of hearing issues. The program provides presentations or workshops on the needs and technology available for individuals who are Deaf or Hard of Hearing.

⁵ Utah Services to the Deaf and Hard of Hearing, Program Descriptions. Found at: www.deafservices.utah.gov.

The Center offers a Demonstration Lab that has equipment available for individuals to test before purchase. Equipment includes special phones for the Hard of Hearing, TTY Devices, Doorbell and Phone Transmitters and Flashers, Baby Cry Devices, Fire/Burglar Alarms, computer software and hardware, etc.⁶

Statutory Authority

The following statutes detail the creation of the division, division responsibilities, and the appointment of an advisory council. Federal law references follow UCA references.

- UCA 53A-24-402 – Creates the Division of Services to the Deaf and Hard of Hearing within the Utah State Office of Rehabilitation.
- UCA 53A-24-403 – Provides that the Executive Director of USOR appoint the director of the Division of Services to the Deaf and Hard of Hearing with the approval of the State Board of Education.
- UCA 53A-24-404 – Outlines the services the division may provide, including: training and adjustment services for adults with hearing impairments; maintain a register of qualified interpreters; operate community centers for individuals with hearing impairments.
- UCA 53A-24-405 – Directs the State Board to appoint an advisory council to assist the division, USOR, and the Board on issues relating to serving the needs of Deaf and Hard of Hearing individuals. The statute also mandates at least one-third of the council members be individuals with hearing impairments.

⁶ Program Information Pamphlet: *Utah State Office of Rehabilitation – Division of Services to the Deaf and Hard of Hearing.*

Funding Detail

Table 6-6 provides a 5 year budget history for the division. The table illustrates that Uniform School Funds represent roughly 90 percent of the total division revenue. The only other revenue source in the division’s budget is dedicated credits revenue. The division generates dedicated credits through the sale of services that includes items such as: building rental income (Utah Association for the Deaf and a Bookstore); fees for interpreter certification evaluation; fees for interpreter services to Courts and state agencies; fees for interpreter training workshops; fees for sign language classes; and mental health service fees.

Deaf and Hard of Hearing					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	1,332,700	1,373,500	1,564,600	1,479,400	1,726,500
Uniform School Fund, One-time	0	0	0	0	16,900
Dedicated Credits Revenue	90,900	156,300	190,600	149,500	193,800
Total	\$1,423,600	\$1,529,800	\$1,755,200	\$1,628,900	\$1,937,200
Categories of Expenditure					
Personal Services	974,100	1,035,800	1,236,400	1,209,200	1,416,600
In-State Travel	19,000	13,400	18,800	12,300	18,800
Out of State Travel	4,300	4,100	3,000	0	3,000
Current Expense	208,400	319,600	336,100	284,900	335,700
DP Current Expense	31,200	52,600	69,800	59,100	69,800
DP Capital Outlay	22,200	0	0	0	0
Capital Outlay	0	50,800	7,700	0	7,700
Other Charges/Pass Thru	164,400	53,500	83,400	63,400	85,600
Total	\$1,423,600	\$1,529,800	\$1,755,200	\$1,628,900	\$1,937,200
Other Data					
Total FTE	28.0	26.0	30.0	32.0	32.8
Vehicles	3	3	4	4	4

Table 6-6 – Division of Services to the Deaf and Hard of Hearing Budget Detail

CHAPTER 7 UTAH SCHOOLS FOR THE DEAF AND BLIND

Function	<p>The Utah Schools for the Deaf and Blind (USDB) were established in 1896 to meet the educational needs of children with hearing or vision impairments. USDB’s mission is to “Provide high quality direct and indirect education services to children with sensory impairments from birth through 21 years of age and their families in Utah.”</p> <p>USDB helps children with hearing and/or visual impairments to become competent, caring and contributing citizens. They operate an educational resource center that supplies educational materials to other agencies serving sensory impaired children. Annually, the USDB provides educational services to approximately 1,600 Utah students through three major programs. These programs include; a residential program, self-contained classrooms, and a student consultant program.</p> <p>The Utah State Board of Education is designated in statute as USDB’s governing body. In addition to the State Board of Education, the USDB Institutional Council acts as an advisory panel to the State Board of Education, the State Superintendent, and the USDB Superintendent. The role of the USDB Institutional Council is defined in Chapter 8.</p>
Statutory Authority	<p>Utah code details the Schools for the Deaf and Blind in Section 53A, Chapter 25. The following references represent broad statutory segments dealing with the deaf school, blind school and the Institutional Council.</p> <ul style="list-style-type: none"> ➤ <u>UCA 53A-25-101 et. seq.</u> – Sections 101-111 detail the creation of the School for the Deaf, qualifications for students to enter the deaf school, and the qualities and duties of the school superintendent. ➤ <u>UCA 53A-25-201 et. seq.</u> - Sections 201-206 further detail the creation of the Blind School. As with the deaf school, statute defines qualifications for students and governance. ➤ <u>UCA 53A-25-301 et. seq.</u> – Sections 301-306 establish the USDB Institutional Council, as well as, details the appointment and duties of council members.
Intent Language	<p>The Legislature passed four items of intent language for USDB. These intent items may be found in the Appropriations Act (S.B. 1, 2004 General Session – Item 212).</p> <p>Legislative auditors made several recommendations to the Legislature on how to improve the USDB. The major items include: moving the financial management of USDB to the state office of education, directing the State Board to oversee the calculation of teacher salary adjustments, and instructed USDB and the State Board of Education to report during the 2004 interim on the progress toward implementing the audit recommendations. In addition to the audit related intent statements, the Legislature, directed the State Board to combine the services of USDB and the Jean Massieu Charter School for the deaf.</p>

Analyst Response

The USDB, in conjunction with USOE and the State Board of Education continue to work on implementing Legislative intent recommendations. Many of the recommendations made in the Legislative Audit have been implemented or are in the process of implementation. The following statements address the individual intent items.

USDB Financial Management – The day to day financial management of USDB remains at USDB, however, the USDB Business Administrator works under the USDB Superintendent and the finance department at the state office of education. The State Board of Education reviews USDB expenditures on a regular basis as it does the other agencies under its supervision. This is done at least quarterly through the approval of the board’s consent calendar.

Under a strict interpretation of the Legislative intent, it doesn’t appear that USDB and the State Board of Education have complied with both parts of the intent. The intent language specifically states that “beginning July 1, 2004 that the fiscal management of the Utah Schools for the Deaf and Blind be placed in the Utah State Office of Education. It is further the intent of the Legislature that the State Board of Education provided oversight of USDB operations and finances.”⁷ The State Board of Education has increased its oversight of USDB operations and finances. However, the fiscal management of USDB has not been moved to USOE. Although Legislative intent has not been strictly followed, the recommendations made by the Legislative Auditor General have been implemented. With the increased oversight of the State Board of Education and the USOE finance department the actual transfer of USDB financial management to USOE may not be required. The Legislature may wish to revisit USDB financial management in the future.

USDB Teacher Salary Adjustments – The USDB business administrator, Superintendent, and USOE finance staff have worked together to calculate the annual salary adjustment for USDB teachers as defined in UCA 53A-25-111. The State Board of Education has reviewed and adopted the calculation for the salary adjustment.

Interim Report – Officials from USOE and USDB reported to the Public Education Appropriations Subcommittee in October, 2004. In this presentation, USDB detailed the progress it had made implementing audit recommendations.

Jean Massieu Charter School – Since the conclusion of the 2004 General Session, officials from USDB and the Jean Massieu Charter School have conducted several meetings to work out the details of a merger plan. Details of the merger are still pending, however, the groups have discussed issues related to the differing education programs offered by the schools, school finances, school administration, student transportation, and governing bodies. The governing board of Jean Massieu has voted to merge with USDB beginning with the fall 2005 school year. The two organizations continue to work out issues in an effort to facilitate the planned 2005 merger.

⁷ Appropriations Act. S.B. 1, 2004 General Session. Item 212.

Funding Detail

Table 7-1 provides a 5 year budget history for the Utah Schools for the Deaf and Blind. The Uniform School Fund provides the largest source of revenue for USDB. Historically, USF revenue contributes more that 82 percent of the total revenue used to support USDB.

Over the past 5 years, USDB has benefited from a steady and increasing USF appropriation. The remaining revenue supporting USDB comes from dedicated credits generated through contracted services. A significant portion of USDB revenue is transferred from other agencies such as USOE, the Child Nutrition Program, or the Department of Health.

School for the Deaf and Blind					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	16,772,800	17,175,800	17,214,300	18,106,800	18,996,400
Uniform School Fund, One-time	0	0	0	0	170,200
Dedicated Credits Revenue	1,029,800	1,060,000	838,900	609,400	633,700
Transfers	0	0	0	3,796,900	0
Transfers - Health	0	0	67,400	0	45,800
Transfers - Interagency	2,441,800	3,171,200	0	0	24,300
Transfers - State Office of Education	0	0	2,995,600	0	3,043,900
Beginning Nonlapsing	1,135,200	1,435,200	1,410,000	605,600	119,100
Closing Nonlapsing	(1,436,900)	(1,410,000)	(1,001,600)	(628,500)	(50,000)
Lapsing Balance	0	0	0	(38,800)	0
Total	\$19,942,700	\$21,432,200	\$21,524,600	\$22,451,400	\$22,983,400
Programs					
Instruction	11,468,500	11,885,000	12,144,700	12,996,000	13,725,200
Support Services	8,474,200	9,547,200	9,379,900	9,455,400	9,258,200
Total	\$19,942,700	\$21,432,200	\$21,524,600	\$22,451,400	\$22,983,400
Categories of Expenditure					
Personal Services	15,536,600	16,091,500	16,010,500	16,973,600	18,330,500
In-State Travel	305,000	285,900	282,200	311,400	271,600
Out of State Travel	28,000	39,500	29,900	38,500	28,900
Current Expense	3,891,800	4,406,600	4,733,900	4,780,700	4,234,500
DP Current Expense	175,400	465,400	411,600	287,700	117,900
DP Capital Outlay	0	31,000	6,500	0	0
Capital Outlay	5,900	112,300	0	58,000	0
Other Charges/Pass Thru	0	0	50,000	1,500	0
Total	\$19,942,700	\$21,432,200	\$21,524,600	\$22,451,400	\$22,983,400
Other Data					
Total FTE	341.2	368.0	368.0	372.0	371.8
Vehicles	20	30	34	34	34

Table 7-1 – USDB Total Budget

INSTRUCTION**Function**

The Instruction division provides educational programs for the deaf, blind, and deaf-blind children of Utah. It provides residential, daytime, and extension programs in a number of locations throughout the state. The following details significant programs within the division of Instruction. All programs are geared toward meeting the instructional/educational needs of students served by USDB.

Teacher Consultant Program

The Teacher Consultant Program provides regular classroom teachers' in the school districts with assistance on how to best meet the educational needs of hearing or visually impaired students.

Educational Resource Center

The Educational Resource Center provides materials and equipment to every instructional program throughout the state that has a hearing or visually impaired student. Services include captioned films for the hearing impaired; Braille, large print, and recorded materials; a professional book collection related to sensory impairment; a parent resource library; a textbook depository; visual aids and teaching aids that support the curriculum; and books for recreational reading at appropriate reading levels.⁸

Parent Infant Program

The Parent Infant Program provides home based vision and hearing services to families with children who are sensory impaired from birth through three years of age.

Deafblind Services

USDB provides services to individuals with dual sensory impairments from birth through age 21. Consultants provide services statewide. Services include, but are not limited to, training, technical assistance, mentoring, teaching and interacting techniques, curricula and learning environment modifications and adaptations, the use of appropriate communication systems, etc.⁹

Self-Contained Classrooms & Consultant Services

In addition to the programs detailed above. USDB operates many self-contained classrooms throughout the state. USDB also provides consultant services to deaf, blind or deaf blind students who remain in their local school districts for their education. The self-contained and consultant services represent the largest portion of USDB operations. USDB established geographical service regions (North, Central, and South) for the school for the deaf and school for the blind.

⁸ Quigley, Lorri. *Educational Resource Center Division Overview*. Utah Schools for the Deaf and Blind. June, 2004.

⁹ Fowers, Darla. *Brief Description of Deafblind Services*. Utah Schools for the Deaf and Blind. June, 2004.

General services provided by USDB include early detection and diagnosis, family support and intervention, core curriculum, additional and adapted core subjects, and transition services for those students progressing to higher education institutions.

Funding Detail

Table 7-2 below details a 5 year budget history for the division. As the table show, the Uniform School Fund provides more than 92 percent of the division’s budget. Instruction services is a very labor intensive division, over 97 percent of the division’s budget supports employee salaries and benefits.

Instruction					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	10,892,700	11,173,000	11,135,100	11,970,100	12,711,600
Uniform School Fund, One-time	0	0	0	0	123,600
Dedicated Credits Revenue	174,200	156,200	228,100	226,400	249,900
Transfers	0	0	0	765,700	0
Transfers - Health	0	0	67,400	0	45,800
Transfers - Interagency	943,800	455,000	0	0	0
Transfers - State Office of Education	0	0	471,200	0	594,300
Beginning Nonlapsing	1,900	166,600	104,400	350,000	0
Closing Nonlapsing	(544,100)	(65,800)	138,500	(316,200)	0
Total	\$11,468,500	\$11,885,000	\$12,144,700	\$12,996,000	\$13,725,200
Categories of Expenditure					
Personal Services	10,966,400	11,297,900	11,410,900	12,337,400	13,328,600
In-State Travel	194,700	160,900	163,000	180,900	148,100
Out of State Travel	3,800	18,000	7,300	8,000	2,900
Current Expense	277,300	381,200	525,200	444,700	241,500
DP Current Expense	20,400	27,000	38,300	18,300	4,100
Capital Outlay	5,900	0	0	6,700	0
Total	\$11,468,500	\$11,885,000	\$12,144,700	\$12,996,000	\$13,725,200
Other Data					
Total FTE	228.5	254.0	254.0	257.0	257.0

Table 7-2 – USDB Instruction Budget Detail

SUPPORT SERVICES**Function**

The Support Services Division provides functions of USDB related to Administration, Educational Support, Residential Care Oversight, and Transportation. The following detail each of the major operating sections of support services.

Administration

USDB administration executes the schools' business management (coordinated through the state office of education), personnel services, and data processing functions.

Educational Support

Educational Support included professional staff that supports the educational goals of students as outlined in their IEP. These professionals include, audiologists, orientation and mobility specialists, physical therapists, and psychologists.

Resident Services

In some cases, a student's Individual Education Plan (IEP) indicates that educational goals may be better fulfilled in a residential program. USDB supports four residential cottages (which hold 12 students) and two housing units that hold up to 18 students. Students reside at the school during the week and return home for the weekend.

Transportation

Students that receive educational services in a USDB self-contained classroom are bussed from home to the location of their school each day. The division provides coordination between the student's residence and the closest classroom based on disability and classroom capacity. In addition, the division may coordinate the transportation of residential students on the weekends.

Other Support Services

In addition to those services mentioned above, USDB has staff to provided food services at school and in the residential facilities, as well as staff to perform building and ground maintenance.

Funding Detail

Support Services receives the majority of its revenue from the Uniform School Fund. Over 67 percent of the Support Services budget comes from the USF. The remaining revenue is generated through dedicated credits and transfers from other agencies. The division collects dedicated credits primarily through contracted services, training fees, bookstore/canteen sales, and other small sources. Support Services also receives federal fund transfers from USOE, Child Nutrition Program, and the Department of Health.

Table 7-3 below provides a 5 year budget history for the Support Services division.

Support Services					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	5,880,100	6,002,800	6,079,200	6,136,700	6,284,800
Uniform School Fund, One-time	0	0	0	0	46,600
Dedicated Credits Revenue	855,600	903,800	610,800	383,000	383,800
Transfers	0	0	0	3,031,200	0
Transfers - Interagency	1,498,000	2,716,200	0	0	24,300
Transfers - State Office of Education	0	0	2,524,400	0	2,449,600
Beginning Nonlapsing	1,133,300	1,268,600	1,305,600	255,600	119,100
Closing Nonlapsing	(892,800)	(1,344,200)	(1,140,100)	(312,300)	(50,000)
Lapsing Balance	0	0	0	(38,800)	0
Total	\$8,474,200	\$9,547,200	\$9,379,900	\$9,455,400	\$9,258,200
Categories of Expenditure					
Personal Services	4,570,200	4,793,600	4,599,600	4,636,200	5,001,900
In-State Travel	110,300	125,000	119,200	130,500	123,500
Out of State Travel	24,200	21,500	22,600	30,500	26,000
Current Expense	3,614,500	4,025,400	4,208,700	4,336,000	3,993,000
DP Current Expense	155,000	438,400	373,300	269,400	113,800
DP Capital Outlay	0	31,000	6,500	0	0
Capital Outlay	0	112,300	0	51,300	0
Other Charges/Pass Thru	0	0	50,000	1,500	0
Total	\$8,474,200	\$9,547,200	\$9,379,900	\$9,455,400	\$9,258,200
Other Data					
Total FTE	112.7	114.0	114.0	115.0	114.8
Vehicles	20	30	34	34	34

Table 7-3 – USDB Support Services Budget Detail

CHAPTER 8 USDB INSTITUTIONAL COUNCIL

Function	<p>The USDB – Institutional Council line item was created by the Legislature during the 2003 General Session. The Institutional Council was created in statute to act as an advisory panel to the State Board of Education when considering the educational needs of deaf, blind or deaf/blind students. Council members are appointed by the State Board of Education based on their interest and knowledge of the educational needs of students with sensory impairments.</p> <p>In addition to the general educational needs of sensory impaired students, the Institutional Council may make recommendations or give advice to the State Superintendent and the State Board of Education with respect to the continued employment of the USDB superintendent. The council may also wish to provide input on staff positions, school policy, budget, and operations. The State Board of Education may choose to delegate additional duties to the Institutional Council.</p> <p>The line item was created by the Legislature at the request of USDB. The purpose was to shift the revenue generated from the interest and dividends derived from the permanent fund created for the Schools for the Deaf and Blind at statehood. These funds are distributed by the School and Institutional Trust Lands Administration. Utah Code, <u>UCA 53A-25-306</u>, restricts the use of Trust Land funds to the Education Enrichment Program for the Hearing and Visually Impaired</p>
Statutory Authority	<p>The following statutes detail provisions relating to the Institutional Council.</p> <ul style="list-style-type: none">➤ <u>UCA 53A-25-301</u> – Establishes the council as an advisory panel of the State Board of Education.➤ <u>UCA 53A-25-302</u> – Provides for the appointment and length of term for council members.➤ <u>UCA 53A-25-304</u> – Details the statutory duties of the council in relation to its function as an advisory to the State Board.➤ <u>UCA 53A-25-305</u> – Directs the State Board to adopt policies and programs for providing appropriate educational services to individuals who have dual sensory impairments and designate an individual within the State Office of Education to act as a resource coordinator for the board on public education programs designed for individuals who are dual sensory impaired.
Intent Language	<p>The Legislature passed intent language, found in the Appropriations Act (S.B. 1, 2004 General Session – Item 213), directing the State Board of Education, in consultation with the council, to define the appropriate use of USDB Trust Lands Funds.</p>

Analyst Response

USDB Trust Land Funds – During the 2004 interim, the State Board of Education reorganized the USDB Institutional Council to contain the statutory limit of 11 members. Since its reorganization, the Council has received training on USDB Trust Land funds. The Council discussed establishing a new plan for the use of Trust Land funds, however, elected to wait to refer to a previously approved plan by the Institutional Council. Further discussions will take place in January 2005.

Funding Detail

As mentioned at the beginning of the chapter, the USDB – Institutional Council line item was created in the 2003 General Session. Because of its new creation, the 5 year budget history provided in Table 8-1 only contains FY 2004 and FY 2005 information. Prior to FY 2004 Institutional Council funding was tracked in the Support Services division at USDB.

The Institutional Council line item is funded entirely through dedicated credits. These dedicated credits are the interest and dividends earned off the investment of the permanent fund created for the education of the hearing and visually impaired.

Institutional Council					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Dedicated Credits Revenue	0	0	0	377,600	363,100
Beginning Nonlapsing	0	0	0	396,100	507,900
Closing Nonlapsing	0	0	0	(437,300)	(581,000)
Total	\$0	\$0	\$0	\$336,400	\$290,000
Categories of Expenditure					
Personal Services	0	0	0	246,200	290,000
In-State Travel	0	0	0	1,000	0
Current Expense	0	0	0	82,400	0
DP Current Expense	0	0	0	6,800	0
Total	\$0	\$0	\$0	\$336,400	\$290,000
Other Data					
Total FTE	0.0	0.0	0.0	6.0	6.0

Table 8-1 – Institutional Council Budget Detail

CHAPTER 9 CHILD NUTRITION PROGRAMS

Function

These federal assistance programs have the purpose of offering high quality, nutritionally well-balanced meals and to develop nutrition awareness among students. The programs offer low cost or free meals to children in public and non-profit private schools. The state contributes to the nutrition programs with revenue generated through the liquor tax.

The Child Nutrition staff provides technical assistance as requested by participants; develops an annual financial and staffing plan; provides free and reduced price meal policy; interprets state and federal regulations; and performs administrative and nutritional reviews in districts and institutions to assure compliance with state and federal regulations.

The federal child nutrition programs were authorized under the National School Lunch Act of 1946, the Child Nutrition Act of 1966, and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The programs strive to improve the nutritional well being of children, enabling them to reach their full potential. The following are the primary programs administered by the Child Nutrition Section at USOE, in accordance with USDA regulations.

National School Lunch Program

Four funding sources contribute to the National School Lunch Program, namely, Federal Funds, State Funds, USDA Commodities and Local Revenue. Commodities include items such as meat, vegetables, cheese, and staples such as flour, oils etc. This program serves a dual need; support for the agriculture industry, and the nutritional needs of children.

Meals provided in the schools must meet the nutritional requirements of the “Dietary Guidelines for Americans,” published by the USDA and U.S. Department of Health and Human Services. Guidelines indicate that meals should provide for one-third of a child’s daily nutritional requirements. Free and Reduced price lunches are available for children who meet the eligibility requirements detailed in “Free and Reduced Price Lunch Guidelines” below.

National School Breakfast Program

Schools have the option of participating in the School Breakfast Program. The same eligibility requirements used in determining the need for free or reduced price lunch are used for the breakfast program, see “Free and Reduced Price Lunch Guidelines” below.

Severe Need Breakfast Program

The Severe Need Breakfast Program aids local schools that have 40 percent or more of their population qualifying for free or reduced price lunches. The program enables these children the opportunity to have at least two nutritionally balanced meals each day. The Child Nutrition Section at the State Office of Education tracks which schools qualify for the program and

notifies schools of their eligibility. Federal and local funds are used for the Regular and Severe Need Breakfast Programs.

Special Milk Program

Children who do not participate in the other nutrition programs, for example, children attending kindergarten may participate in the Special Milk Program. The federal government provides a reimbursement for each half-pint of milk. Children are charged the difference between the reimbursement and the actual cost. Children not able to pay the difference may receive milk free of charge; the federal reimbursement covers the full cost of the milk in this instance.

Summer Food Service Program

The Summer Food Service Program provides meals on a regular basis when school is not in session. To be eligible the school must show that 50 percent or more of their students were served free or reduced price meals. Once the need has been demonstrated, then all children who attend the school are eligible to participate in the program. The Summer Food Service Program is entirely federally funded.

Food Distribution Program

The USDA distributes food to institutions and programs that provide nutritional services to eligible persons. These programs include the National School Lunch Program, the Child and Adult Care Food Program and the Summer Food Service Program. Participating agencies enter into an annual agreement to receive commodities.

Emergency Food Assistance Program

The Emergency Food Assistance Program provides food and federal cash assistance to food banks, pantries and emergency shelters. Foods are distributed through local pantries to individuals in economic distress and for meal services at shelters. The cash assistance helps food banks defray the expense of administration of the program and in the storage and distribution of the food. The state appropriation supports state level administrative expenses, including warehouse receipt and some distribution to shelters.

Free and Reduced Price Lunch Guidelines

Children whose household income is at or below 130 percent of federal poverty guidelines may receive school meals at no charge. Children are entitled to pay a reduced price (a maximum of 40 cents for lunch, 30 cents for breakfast and 15 cents for a snack) if their household income is above 130 percent but at or below 185 percent of these guidelines. Children are automatically eligible for free school meals if their household receives food stamps, benefits under the Food Distribution Program on Indian Reservations or, in most cases, benefits under the Temporary Assistance for Needy Families (TANF) program.

All income actually received by the household is counted in determining eligibility for free and reduced price meals. This includes salary, public

assistance benefits, social security payments, pensions, unemployment compensation etc. The only exceptions are benefits under Federal programs which, by law, are excluded from consideration; in-kind benefits, such as military on-base housing, certain kinds of assistance for students and irregular income from occasional small jobs such as baby-sitting or lawn mowing.

Statutory Authority

As federal assistance programs, little statutory language exists in Utah code defining the Child Nutrition Programs detailed above. The following statutory references comprise school lunch programs in Utah code. Only two sections deal with school lunch, both deal with programmatic funding.

- UCA 53A-19-201 – Places the control of federal school lunch revenues with the State Board of Education. The statute also details the usage of school lunch funds, revenue apportionment, and reporting requirements.
- UCA 59-16-101 – Provides for a 13% sales tax on wine and distilled liquor sold in state liquor stores. Generated revenue is deposited into the Uniform School Fund to support the school lunch program.

Funding Detail

As detailed in Table 9-1, the majority of Child Nutrition revenue comes from the federal government. The State supports the school lunch programs by assessing a tax on liquor and wine. This tax, shown in Table 8-1 as dedicated credits revenue provides for approximately 15 percent of the total program.

Approximately 98 percent of the total revenue generated for the program gets passed on to local school districts. The remaining 2 percent supports the Child Nutrition division at the State Office of Education.

Child Nutrition					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	167,300	162,400	164,400	140,100	143,900
Uniform School Fund, One-time	0	0	0	0	900
Federal Funds	72,245,900	86,413,800	91,838,700	95,983,700	91,992,000
Dedicated Credits Revenue	14,696,300	15,606,400	15,799,200	16,803,500	15,809,000
Transfers - Interagency	0	57,600	0	0	0
Total	\$87,109,500	\$102,240,200	\$107,802,300	\$112,927,300	\$107,945,800
Categories of Expenditure					
Personal Services	1,168,300	1,240,800	1,250,500	1,290,700	1,421,100
In-State Travel	20,600	18,700	18,200	27,000	18,200
Out of State Travel	13,100	21,400	24,100	19,100	24,100
Current Expense	1,204,900	794,400	814,600	808,000	814,700
DP Current Expense	7,900	44,700	26,500	38,000	26,500
Other Charges/Pass Thru	84,694,700	100,120,200	105,668,400	110,744,500	105,641,200
Total	\$87,109,500	\$102,240,200	\$107,802,300	\$112,927,300	\$107,945,800
Other Data					
Total FTE	25.5	26.0	26.0	26.0	25.5
Vehicles	1	1	1	1	1

Table 9-1 – Total Child Nutrition Budget

CHAPTER 10 FINE ARTS AND SCIENCES**Function**

For more than 30 years the Legislature has funded Fine Arts and Science programs in the public schools. Program origins began in the 1960's with the Utah Symphony. Appropriations reports from the time indicate that the Legislature provided funds “. . . to finance concerts in the public school districts. The appropriation is given to the Department of Public Instruction who will reimburse the orchestra for the cost of these programs.”¹⁰

With the inclusion of Ballet West in 1972-73, the program began to grow into its current form. The Legislature, through passage of S.B. 17 in the 39th Legislature, included the Ballet. “The sum of \$50,000 is appropriated to the State Board of Education from the Uniform School Fund for the purpose of arranging with Ballet West to give not less than 48 ballet concerts in the public schools. . . The school district and the students shall not be charged for these concerts.”¹¹ Shortly after the Ballet, the Clark Planetarium (formerly Hansen Planetarium) and the Utah Opera began to provide services in the schools. The program has grown to over 12 participating organizations.

The Fine Arts and Sciences Program enables Utah's professional art and science organizations to provide their expertise and resources in the teaching of the state's fine art and science core curricula. The organizations support and enhance the state curriculum by providing educational services such as, demonstrations, performances, presentations, and activities in the public schools.

Program participants collaborate with the State Office of Education and the school community in planning the content of art/science education in the schools. The participants extend professional performances and presentations to students in the schools and at professional venues. The program ensures that each of the 40 school districts receive services in a balanced and comprehensive manner over a three year period.

The Fine Arts and Sciences line item provides funding for Utah's art and science organizations through three programs. These programs include the “Professional Outreach Program in the Schools” commonly referred to as POPS, the Fine Arts and Sciences Request for Proposal (RFP) Program, and the Fine Arts and Science Subsidy Program.

Statutory Authority

Utah Code does not specifically establish the Fine Arts and Sciences Program. Various actions taken by the Legislature, namely, session bills, intent language and budget appropriations have continued the program over time. Statute enables the State Board of Education to establish minimum requirements for the public schools as well as the core curricula. The following statutes direct the creation of minimum standards and the core curricula.

¹⁰ Appropriations Report, 1970-71. *A Summary of Fiscal Action Taken by the 38th Utah State Legislature, Budget Session.* Office of the Legislative Fiscal Analyst, February, 1970.

¹¹ Appropriations Report, 1972-73. *A Summary of Fiscal Action Taken by the 39th Utah State Legislature, Budget Session.* Office of the Legislative Fiscal Analyst, February, 1972.

- UCA 53A-1-402 – Directs the State Board of Education to establish standards for the public schools, including curriculum and instruction requirements of students.
- UCA 53A-1-402.6 – Relating to UCA 53A-1-402, the Board shall implement a core curriculum that enables students to, among other objectives, identify the basic knowledge, skills, and competencies each student is expected to acquire or master.

Intent Language

The Legislature included intent language in the Appropriations Act (S.B. 1 2004 General Session – Item 215). The language directs the State Board of Education to make rules governing the Fine Arts and Sciences program. Language also enables program participants to receive the same level of funding in FY 2005 that they received in FY 2004 provided they meet all necessary program requirements.

Analyst Response

Arts and Science Rules and Funding Levels – The State Board of Education has provided in rule (R277-444) Fine Arts and Science program definitions, qualifications for funding, and accountability measures that each participating organization must follow. Participating organizations will receive at least the same appropriation in FY 2005 that they received in FY 2004.

Funding Detail

Table 10-1 provides a budget history for the Fine Arts and Science program. The program is funded entirely through a Uniform School Fund appropriation. Funds pass through the state office of education to the participating members.

During the 2004 General Session, Legislative legal counsel made the Legislature aware that by directing how the Fine Arts and Science funds were distributed among the private non-profit organizations by the State Board of Education raises several legal issues. As a solution, the Legislature collapsed the various line-item programs into the three programs detailed in the remaining sections of this chapter.

Fine Arts and Sciences					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	2,687,000	3,377,500	2,934,300	2,979,000	2,991,500
Uniform School Fund, One-time	0	0	0	0	320,000
Beginning Nonlapsing	0	0	12,400	0	0
Total	\$2,687,000	\$3,377,500	\$2,946,700	\$2,979,000	\$3,311,500
Programs					
Request for Proposal Program	310,000	272,400	12,400	80,000	140,000
Clark Planetarium	470,500	471,500	445,600	440,200	0
Ririe-Woodbury Dance Company	89,500	89,700	84,700	83,700	0
Repertory Dance Company	91,000	91,200	86,200	85,200	0
Children's Dance Theater	105,200	105,400	99,600	98,400	0
Utah Opera Company	217,900	218,400	206,400	203,900	0
Ballet West	416,500	417,500	394,500	389,800	0
Utah Symphony	855,400	857,400	810,200	800,500	0
Arts and Science Subsidy	0	0	0	0	50,000
Springville Arts Museum	131,000	131,300	124,100	122,600	0
Children's Museum of Utah	0	48,200	45,500	44,900	0
Utah Museum of Natural History	0	282,700	267,200	264,000	0
Utah Festival Opera	0	174,600	165,000	163,000	0
Utah Shakespearean Festival	0	217,200	205,300	202,800	0
Professional Outreach Programs in the Schools	0	0	0	0	3,121,500
Total	\$2,687,000	\$3,377,500	\$2,946,700	\$2,979,000	\$3,311,500
Categories of Expenditure					
Current Expense	0	0	12,400	0	0
Other Charges/Pass Thru	2,687,000	3,377,500	2,934,300	2,979,000	3,311,500
Total	\$2,687,000	\$3,377,500	\$2,946,700	\$2,979,000	\$3,311,500
Other Data					

Table 10-1 – Total Fine Arts and Sciences Budget

REQUEST FOR PROPOSAL PROGRAM**Function**

When the Professional Outreach Program in the Schools (detailed below) was established, the Legislature created a Request for Proposal Program. The RFP program enables smaller more regional programs to participate in art and science education. The RFP program allows organizations to develop educational programs geared to the state core curriculum, expand to provide statewide outreach, and once established receive ongoing funding by moving to the line item program.

RFP organizations may apply to move to the line item program once they have successfully participated in the RFP outreach program for three years and demonstrated that they have a proven quality of service, fiscal responsibility and a core curriculum-based focus in their school program. The following details the State Office of Education's RFP regulations and eligibility requirements. See below for the Line Item application procedure.¹²

1. Only non-profit groups or organizations may apply. Individuals are not eligible. POPS of Subsidy organizations are not eligible.
2. Groups or organizations that apply must have existed for at least three years with a track record of proven or demonstrated excellence in their discipline. "Proven Quality" may stem from a peer review process, proven fiscal responsibility, and/or being a recipient of grant awards at a national level.
3. Groups or organizations that apply must have the ability to share their discipline(s) creatively and effectively in educational settings.
4. Funding will follow a one to three year cycle. Groups or organizations funded for more than one year are expected to submit the original application each year of the approved cycle.
5. Groups or organizations may reapply for a new funding cycle when the term of their application has concluded.

The following details the application procedure for a RFP organization to move to the Line Item Program. The language was approved during the 1999 Legislative Session.¹³

January – April

1. Research and evaluation of how current programs offered by the organization fulfill student/teacher needs in achieving the objectives of the Arts and Science core curricula.
2. Development of a master plan that uses the organization's talents and resources to best serve the educational need the organization chooses to target.

¹² Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

¹³ Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

3. Creation of a budget that itemizes the costs of the master plan for each year. The actual dollar request by the organization must be no more than 50% of that annual figure. The organization will need to have an official audit to validate the budget, preferably over a three-year period.

May

4. Collaboration with State Office of Education in developing application to the State Board of Education. Collaboration identifies the most important classroom needs and which of those needs an applying organization can most effectively address in the programming provided. In addition, develop strategies to measure progress towards meeting those needs and to evaluate the quality of the products and processes of services.

June 1

5. Submission of application to State Board of Education, via State Superintendent of Public Instruction. The school board then determines its position on the application and sends that recommendation to the legislature in its budget requests for the year. Of course, not included in this timeline are the usual "lobbying" efforts involved in educating school board members, legislators and the governor's office.

Funding Detail

Table 10-2 provides the 5 year budget history for the Request for Proposal Program. Funding for the RFP program has fluctuated significantly over the past 5 years. During the budget shortfall years, the Legislature removed the ongoing revenue appropriated to the RFP program. A small amount of ongoing revenue was restored to the program for FY 2004 and FY 2005. RFP funding is distributed to program applicants by the State Board of Education.

Request for Proposal Program					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	310,000	272,400	0	80,000	30,000
Uniform School Fund, One-time	0	0	0	0	110,000
Beginning Nonlapsing	0	0	12,400	0	0
Total	\$310,000	\$272,400	\$12,400	\$80,000	\$140,000
Categories of Expenditure					
Current Expense	0	0	12,400	0	0
Other Charges/Pass Thru	310,000	272,400	0	80,000	140,000
Total	\$310,000	\$272,400	\$12,400	\$80,000	\$140,000

Table 10-2 – REP Budget Detail

SUBSIDY PROGRAM

Function

During the 2004 General Session, the Legislature created the Fine Arts and Sciences Subsidy Program. The program targets Fine Arts and Science Request for Proposal (RFP) program participants that have participated in the RFP program for several years.

An RFP participant wishing to move into the Subsidy Program must demonstrate to the State Board of Education: that the organization has participated in the RFP program for a number of years; that the participant must have a proven record of success in providing valuable educational services in the public schools; and that due to a specific program requirement they do not qualify for entry into the Fine Arts and Sciences POPS program.

The State Board of Education evaluates the proposal for entry into the subsidy program. The Board also determines individualized participation and reporting requirements for the new subsidy organization, and may seek additional funding from the Legislature to support the approved program. The State Board of Education is in the process of establishing formal rules and guidelines for the Fine Arts and Science Subsidy Program.

Funding Detail

Because the Arts and Science Subsidy program was created during the 2004 General Session, no budget history exists. Table 10-3, provides the FY 2005 appropriation. The program is funded entirely by the Uniform School Fund. Only one program, Arts Inc., receives subsidy funding.

Arts and Science Subsidy					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	0	0	0	0	50,000
Total	\$0	\$0	\$0	\$0	\$50,000
<hr/>					
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	50,000
Total	\$0	\$0	\$0	\$0	\$50,000

Table 10-3 – Arts and Science Subsidy Budget Detail

PROFESSIONAL OUTREACH PROGRAM IN THE SCHOOLS (POPS)**Function**

The Professional Outreach Program in the Schools (POPS) has three main objectives; to support and enhance the state's art and science core curriculum; the collaboration of art and science groups with the USOE and the school community in planning the content of art and science education; and a three year, balanced and comprehensive plan to include all 40 school districts in the state.

The art and science organizations enhance the state core curriculum through the following services:¹⁴

1. Performances, presentations and workshops that enable students and teachers to observe models of professional level performance and instruction.
2. Professional Development services that provide classroom teachers with access to art and science specialists, as well as provide instructional models and resources for teaching other core subjects using art and science techniques.
3. Instructional materials that enhance the teaching/learning process of teachers and students. Items may include audio and video recordings, on-line resources, preparatory materials for presentations, and lesson plans to aid in student instruction.

Every four years the line item participants go through a Request for Proposal process to reestablish their participation and level of funding in the program. The State Office of Education validates the groups' function in the planned curriculum for art and science in the schools. The USOE reports to the Legislature any problems or changes necessary to implement and maintain the validity of the art and science program.

¹⁴ Guidelines. "Professional Outreach Programs in the Schools." Utah State Board of Education. Found at: <http://www.usoe.k12.ut.us/curr/FineArt/POPS/POPSoverview.htm>

Funding Detail

Prior to FY 2005, the Legislature established funding levels for POPS participants. These funding levels were included in the annual appropriations act passed by the Legislature each year. As mentioned at the beginning of the chapter, Legislative legal counsel raised several legal issues with how the Legislature appropriated funding for this program.

To address legal concerns, the Legislature collapsed the appropriations for the 12 POPS participating organizations into one program for FY 2005. Individual appropriation amounts for the private non-profit organizations participating in the program are no longer outlined in the Appropriations Act.

The consolidated POPS program is new for FY 2005. Because of this, Table 10-4 only provides budget information for FY 2005. Program participants and the budget history for those participants may be found in Table 10-1 provided at the beginning of the chapter.

Professional Outreach Programs in the Schools					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	0	0	0	0	2,911,500
Uniform School Fund, One-time	0	0	0	0	210,000
Total	\$0	\$0	\$0	\$0	\$3,121,500
Categories of Expenditure					
Other Charges/Pass Thru	0	0	0	0	3,121,500
Total	\$0	\$0	\$0	\$0	\$3,121,500

Table 10-4 – POPS Budget Detail

CHAPTER 11 EDUCATION CONTRACTS

Function Education Contracts provides funding for the education of students in state custody. Two primary programs provide these services. The Youth Center in Provo provides services to students at the State Hospital, and Corrections Institutions provides services to inmates in the state’s correctional facilities.

The Utah State Board of Education takes responsibility for the education of students in state custody and acts as the “school board” governing their education. The board contracts with various school districts to provide educational services at the Youth Center and in the State Prisons.

Funding Detail Revenue to support the Education Contracts program comes entirely from the Uniform School Fund. Table 11-1 provides a 5 year budget history for the line item. The table also details the individual budget amounts for the Youth Center and Corrections Institutions. All revenue supports the education of individuals in the custody of the state and is passed through to the local school districts providing those services. The current expense expenditure supports activities related to providing services in the State’s correctional facilities.

Educational Contracts					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	4,333,800	3,928,300	3,831,800	3,854,800	3,854,800
Uniform School Fund, One-time	0	0	46,500	0	0
Beginning Nonlapsing	4,300	9,000	5,200	59,000	59,000
Closing Nonlapsing	(9,000)	(5,200)	(59,000)	0	(59,000)
Lapsing Balance	0	0	0	(52,000)	0
Total	\$4,329,100	\$3,932,100	\$3,824,500	\$3,861,800	\$3,854,800
Programs					
State Developmental Center	556,600	0	0	0	0
Youth Center	1,115,600	1,160,200	1,160,200	1,153,200	1,153,200
Corrections Institutions	2,656,900	2,771,900	2,664,300	2,708,600	2,701,600
Total	\$4,329,100	\$3,932,100	\$3,824,500	\$3,861,800	\$3,854,800
Categories of Expenditure					
Current Expense	12,300	19,000	11,400	15,200	11,400
Other Charges/Pass Thru	4,316,800	3,913,100	3,813,100	3,846,600	3,843,400
Total	\$4,329,100	\$3,932,100	\$3,824,500	\$3,861,800	\$3,854,800

Table 11-1 – Total Education Contracts Budget

YOUTH CENTER

Function

The State Hospital provides specialized mental health services that are difficult to obtain in many communities. The Utah State Board of Education has the responsibility of providing an educational program to all school age children at the State Hospital in Provo. The State Board of Education contracts with the Provo School District to provide educational services at the youth center.

Mountain Brook Elementary and East Wood High School are self-contained schools providing specialized educational services to the students at the State Hospital. In addition to general education services, the Youth Center provides additional personnel for specialized services, such as, interveners, speech/language pathologists, counselors, and psychologists. Due to the nature of mental illness, a high adult to student ratio is required to provide appropriate educational services.

There are two primary units at the youth center, the Children’s Unit and the Adolescent Unit. Together, these two programs serve approximately 75-100 school age students.

The Children’s Unit (Mountain Brook) serves youth ranging from age 6 to age 13. The Adolescent Unit (East Wood) serves youth ages 13 to 18 years. Both units are usually at or near capacity.

Statutory Authority

The Education Contracts – Youth Center has the following statutory requirements.

- UCA 53A-1-403 – Places the direct responsibility for the education of persons under the age of 21 in the custody of the Department of Human Services, or a juvenile detention agency with the State Board of Education.

Funding Detail

Table 11-2 provides a 5 year budget history for the Youth Center in Provo. The entire budget amount supports the education of students at the center. Program funds are passed through to Provo School District.

Youth Center					
Sources of Finance	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Appropriated
Uniform School Fund	1,115,600	1,160,200	1,146,300	1,153,200	1,153,200
Uniform School Fund, One-time	0	0	13,900	0	0
Total	\$1,115,600	\$1,160,200	\$1,160,200	\$1,153,200	\$1,153,200
Categories of Expenditure					
Other Charges/Pass Thru	1,115,600	1,160,200	1,160,200	1,153,200	1,153,200
Total	\$1,115,600	\$1,160,200	\$1,160,200	\$1,153,200	\$1,153,200

Table 11-2 – Youth Center Budget Detail

CORRECTIONS INSTITUTIONS

Function The recidivism reduction program used by the state is a nine-component program designed to enhance the education and job skills of inmates so they will be a positive addition to society when released from prison. The nine components of the program include: Inmate Assessment, Cognitive Problem Solving Skills, Basic Literacy Skills, Career Skills, Job Placement, Post Release Support, Research and Evaluation, Family Involvement, and Multi-agency Collaboration.

School districts, applied technology centers, colleges, and universities that have correctional facilities within their boundaries provide educational services for inmates. The primary recipients of contract funds are the Jordan and South Sanpete school districts. In addition to traditional education strategies, such as, testing/assessment, basic literacy, ESL, high school completion/GED, occupational training, etc., emphasis is placed on cognitive restructuring and transition assistance.

During the past year, school districts and higher education institutions provided educational services in the state prisons or county jails.

Statutory Authority Statute details the education program for persons in the custody of the Department of Corrections.

- UCA 53A-1-403.5 – Provides that subject to Legislative appropriation, the State Board of Education and the State Board of Regents are responsible for providing educational services for persons in custody of the Department of Corrections. In addition, statute directs the boards to develop a recidivism reduction plan and provides components of the plan.

Funding Detail Table 11-3 provides a 5 year history for Corrections Institutions. Program funding provides for the education of inmates in the State’s correctional facilities. Program funds are passed through to the service providers.

Corrections Institutions					
	2001	2002	2003	2004	2005
Sources of Finance	Actual	Actual	Actual	Actual	Appropriated
Uniform School Fund	2,661,600	2,768,100	2,685,500	2,701,600	2,701,600
Uniform School Fund, One-time	0	0	32,600	0	0
Beginning Nonlapsing	4,300	9,000	5,200	59,000	59,000
Closing Nonlapsing	(9,000)	(5,200)	(59,000)	0	(59,000)
Lapsing Balance	0	0	0	(52,000)	0
Total	\$2,656,900	\$2,771,900	\$2,664,300	\$2,708,600	\$2,701,600
Categories of Expenditure					
Current Expense	12,300	19,000	11,400	15,200	11,400
Other Charges/Pass Thru	2,644,600	2,752,900	2,652,900	2,693,400	2,690,200
Total	\$2,656,900	\$2,771,900	\$2,664,300	\$2,708,600	\$2,701,600

Table 11-3 – Corrections Institutions Budget Detail

GLOSSARY

Finance categories used by the state are:

<i>General Fund</i>	This is one of the state's most important sources of income. The primary revenue source is the sales tax, although there are other taxes and fees which are deposited into this fund. General Funds may be spent at the discretion of the Legislature, as the Constitution allows. Personal income taxes and corporate franchise taxes are not deposited into the General Fund, but into the Uniform School Fund.
<i>School Funds</i>	This is another of the state's most important sources of income. Revenues come primarily from personal income taxes and corporate franchise taxes. Funds are constitutionally restricted to public and higher education. In the Capital Facilities subcommittee, these funds are used for debt service and capital improvements (alteration, repair and improvements).
<i>Transportation Funds</i>	Transportation funds are derived primarily from the gas tax and are constitutionally restricted to road and highway related issues. In the Capital Facilities subcommittee, these funds are used for debt service on highway bonds, especially for Centennial Highway Fund projects.
<i>Federal Funds</i>	Federal agencies often make funds available to the state for programs that are consistent with the needs and goals of the state and its citizens and are not prohibited by law. Generally, federal funds are accompanied by certain requirements. A common requirement is some form of state match in order to receive the federal dollars. The Legislature must review and approve most large federal grants before state agencies may receive and expend them.
<i>Dedicated Credits</i>	Dedicated Credits are funds that are paid to an agency for specific services and are dedicated to financing that service. For example, fees collected by an internal service fund agency from another state agency are dedicated credits. By law, these funds must be spent before other appropriated state funds are spent. An agency must estimate the level of its service for the following fiscal year, and thus its level of dedicated credits.
<i>Restricted Funds</i>	Restricted funds are statutorily restricted to designated purposes. The restricted funds usually receive money from specific sources, with the understanding that those funds will then be used for related purposes.
<i>Lapsing/Nonlapsing</i>	Several other small funds are used by certain agencies. These will be discussed in further detail as the budgets are presented. Lapsing funds, however, should be addressed. Funds lapse, or revert back to the state, if the full appropriation is not spent by the end of the fiscal year. Since it is against the law to spend more than the Legislature has appropriated, all programs will either spend all the money or have some left over. The funds left over lapse to the state, unless specifically exempted. Those exceptions include funds that are setup as nonlapsing in their enabling legislation, or appropriations designated nonlapsing by annual intent language per UCA 63-38-8.1. In these cases, left over funds do not lapse back to the state, but remain with the agency in a special nonlapsing balance, for use in the next fiscal year. In the

budgets, the Beginning Nonlapsing balance is the balance on July 1, while the balance on the next June 30 is termed the Closing Nonlapsing balance. The Closing Nonlapsing balance from one fiscal year becomes the Beginning Nonlapsing balance of the following fiscal year. The reasoning behind nonlapsing funds is that a specific task may take an indeterminate amount of time, or span more than one fiscal year. By allowing departments to keep their unexpended funds, the state not only eliminates the rush to spend money at the end of a fiscal year, but also encourages managers to save money.

Expenditure categories used by the state are:

<i>Personal Services</i>	Includes employee compensation and benefits such as health insurance, retirement, and employer taxes.
<i>Current Expenses</i>	Includes general expenses such as utilities, subscriptions, communications, postage, professional and technical services, maintenance, laundry, office supplies, small tools, etc. that cost less than \$5,000 or are consumed in less than one year.
<i>Data Processing Current Expense</i>	Includes items such as small computer hardware and software, port charges, programming, training, supplies, etc.
<i>Capital Outlays</i>	Includes items that cost over \$5,000 and have a useful life greater than one year.
<i>Pass Through</i>	Includes funds passed on to other non-state entities for use by those entities, such as grants to local governments.

Other budgeting terms and concepts that the Legislature will encounter include the following:

<i>Performance Measures</i>	<p>In recent years, performance based budgeting has received more attention as citizens and decision-makers demand evidence of improved results from the use of tax dollars.</p> <p>Care must be exercised in crafting performance measures to avoid misdirected results. Moving to performance based budgeting is a long term commitment. The Analyst has drafted some ideas for performance measures in the write-up, however, it is recognized that the measures are a work in progress and that long-term tracking of measures would require a statewide commitment in both the executive and legislative branches.</p>
<i>Intent Language</i>	Intent language may be added to an appropriation bill to explain or put conditions on the use of the funds in the line item. Intent language may restrict usage, require reporting, or impose other conditions within the item of appropriation. However, intent language cannot contradict or change statutory language.
<i>Supplemental Appropriation</i>	The current legislative session is determining appropriations for the following fiscal year. However, it may be determined that unexpected circumstances have arisen which require additional funding for the current year. The appropriations subcommittee can recommend to the Executive Appropriations

Committee that a supplemental appropriation be made for the current fiscal year.

FTE

An abbreviation for Full Time Equivalent, this is a method of standardizing personnel counts. A full time equivalent is equal to one employee working 40 hours per week. Four employees each working ten hours per week would also count as 1 FTE.

Line Item

This is a term that applies to an appropriation bill. A line number in the appropriations bill identifies each appropriated sum. Generally, each line item may contain several programs. Once the appropriation becomes law, the money may be moved from program to program within the line item, but cannot be moved to another line item of appropriation.

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