

# Budget Brief – Utah State Office of Education

NUMBER PEDBB-05-04

## SUMMARY

The 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 the policies, procedures, and programs of Utah’s public education system. This brief provides budget detail for the State Board of Education, State Charter School Board and the USOE operating divisions. Further information on the USOE may be found in chapter 5 of the Compendium of Budget Information (COBI).

## ISSUES AND RECOMMENDATIONS

The Executive Appropriations Committee has not allocated additional revenue to the subcommittee. The budget detail table on page 4 does not include funding for the recommendations presented in this brief.

### *National Geographic Endowment – Recommended Amount \$300,000 (one-time)*

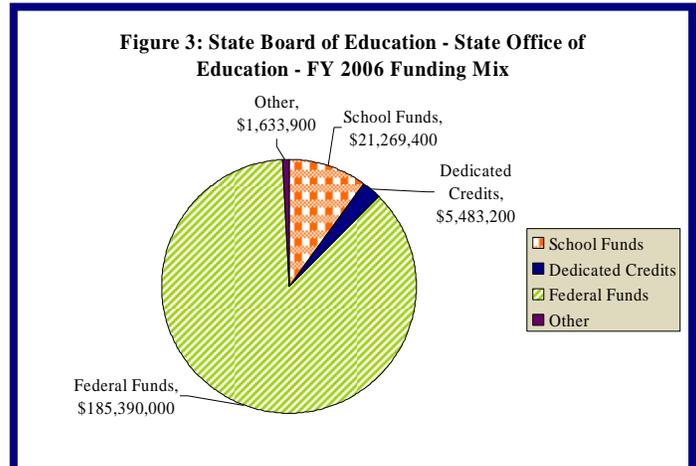
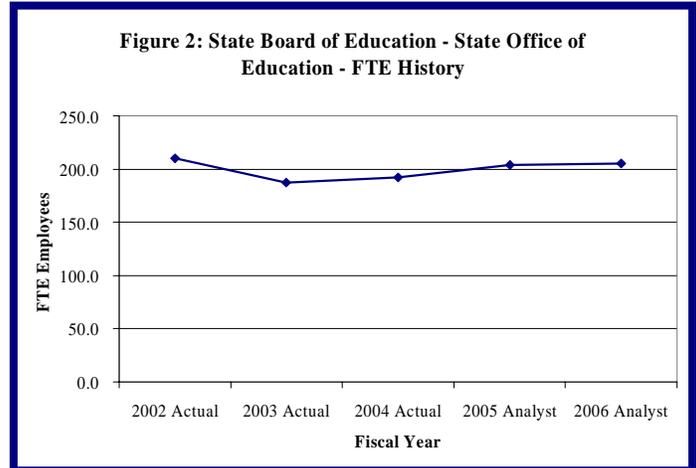
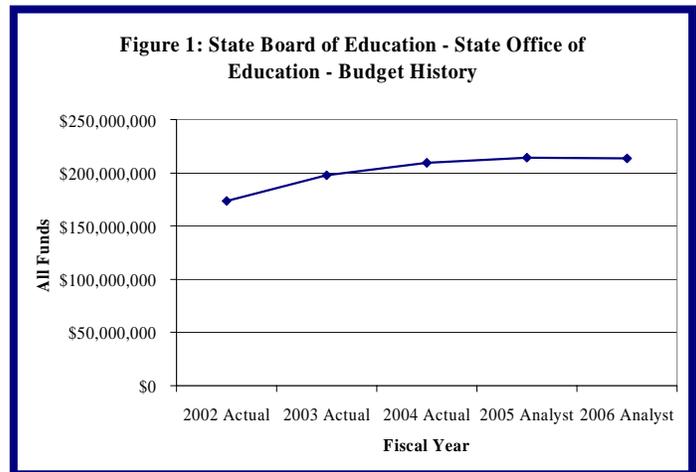
The National Geographic Society (NGS) has offered to match local contributions to establish an endowment of up to \$1 million to support geography education. The NGS – Education Foundation invests the funds and covers all administrative costs. Income from the endowment may support professional development, curriculum materials, exhibitions, etc. The Analyst recommends that the subcommittee discuss this item and weigh it in their final budget priorities submitted to the executive committee.

### *Educator Licensing Fees*

During the 2004 General Session, the Legislature passed intent language directing the State Board to develop a fee plan that would generate enough revenue to cover the costs of administering educator licenses. The Issue Brief titled “Educator Licensing Fees” (PEDIB-05-05) provides further detail of this fee plan.

### *General Fund Appropriation – FY2005 Supplemental Reduction*

The Legislature appropriated GF \$1,400,000 (one-time) to implement the provisions of H.B. 115 (Carson Smith Special Needs Scholarships.) The Governor vetoed H.B. 115; however the revenue to implement the provisions of the bill was appropriated in H.B. 3 (Supplemental Appropriations Act II.) The line item in H.B. 3 was not vetoed by the Governor, leaving \$1,400,000 unallocated in USOE’s budget. The Analyst’s recommendation includes a supplemental reduction of \$1.4 million, freeing up this revenue for future allocation by the Legislature.



***School LAND Trust Administration***

The Issue Brief titled “School LAND Trust Program” (PEDIB-05-06) provides detail on revenue transferred from the MSP – School LAND Trust program to the state office for program administration. The Analyst recommends changing the source of revenue for the School LAND Trust program from the Uniform School Fund to a USF Restricted sub-fund, titled “USFR – Interest and Dividends Account.”

***Federal Funds***

The Issue Brief titled “Public Education Federal Funds” (PEDIB-05-04) details the various federal funds received by the State Office of Education.

**ACCOUNTABILITY DETAIL**

The State Superintendent is in the process of revising the strategic plan of the Utah State Office of Education. The strategic plan states that the mission of USOE “is to facilitate high levels of student achievement and teacher quality and to assist schools in their drive toward excellence, through statewide service, leadership, and accountability.” With the continued focus on the No Child Left Behind Act, Performance Plus, and U-PASS, the USOE is evaluating performance measures used in prior years and how they correlate with the mission of USOE. The USOE has submitted the following accountability measures for inclusion in the budget brief for the agency. The FY 2007 Compendium of Budget Information (COBI), released prior to the 2006 General Session, will contain further accountability information for the agency.

**Accountability Detail - Utah State Office of Education**

Goal	Measure	FY 2004	FY 2005
		Observed	Target
<b>Quality teachers in every classroom</b>			
The Utah State Board has convened a major study of this, with expectations of restructuring rewards and recognition systems as well as dismissal systems that honor great teachers and dismiss perpetually poor teachers.	1. Number of educators participating in USOE sponsored professional development activities	17,300	17,500
	2. Number of Educator Licenses Granted, Renewed, and Endorsed	9,000	9,000
	3. Number of Utah Professional Practices Committee Actions Taken (An increase may be indicative of better enforcement and investigation; a decrease may be indicative of better screening.)	44	44
<b>Writing initiative: All teachers are teachers of writing.</b>			
Common scoring guides in all classrooms; Six Trait writing framework for all classrooms; More writing expected from all teachers; Implementing (beginning February 2005) writing software that provides instant and ample feedback to student writing (currently in pilot form in Roy)	1. Number of Districts/Charter Schools Implementing Writing Software		20
<b>Utah is moving from curriculum coverage to focused instruction.</b>			
Instructional materials and programs will be selected for their track record of performance in raising student achievement (research-based) and core correlation	1. Number of Textbooks (plus related materials) reviewed by the Instructional Materials Committee	4,000	4,000

**BUDGET DETAIL**

The State Office of Education acts as the fiscal agent for most federal support programs and grants received for public education. Federal revenue contributes over 86.7 percent to the total USOE budget. The Uniform School Fund provides over \$20 million to the support of USOE, or 9.8 percent of the total budget. The table on page 4 details the remaining revenue sources for USOE, as well as, the major expenditure categories and operating division budgets.

Although the total FY 2006 budget for USOE totals over \$200 million, the actual operating budget of USOE totals a little over \$27 million. Of the total revenue appropriated to the State Office, approximately 87 percent is passed on to the local school districts and charter schools. The remaining 13 percent provides for the operations of USOE.

***Budget Recommendation***

The Analyst recommends a total FY 2006 budget appropriation of \$213,776,500, with \$20,853,400 from the Uniform School Fund, for the Utah State Office of Education. The Analyst also recommends a one-time appropriation of \$300,000 from the Uniform School Fund for the National Geographic Society – Geography Education Endowment Match discussed on page 1. This funding increase is not built into the table and charts of this budget brief.

The Analyst recommends the following changes to the USOE budget.

1. A supplemental (FY 2005) reduction to USOE budget of \$1,400,000 in General Fund revenue. As discussed on page 1, this funding was appropriated during the 2004 General Session for the implementation of H.B. 115 (vetoed).
2. Appropriate \$80,000 from the USFR – Interest and Dividends Account to support the administration of the School LAND Trust program at USOE. Shifting the revenue source from the Uniform School Fund to a restricted account results in a decrease in total public education expenditures when compared to the total subcommittee allocation. Please see the Issue Brief titled “School LAND Trust Program” (PEDIB-05-06) for further information.
3. Reduce the total ongoing USF appropriation to Law, Legislation, and Education Services by \$416,000 and appropriate one-time USF revenue in its place. This will allow time for the USOE to collect the required Educator Licensing Fees to support operations currently subsidized by the Uniform School Fund. Please refer to the Issue Brief titles “Educator Licensing Fee” (PEDIB-05-05) for further information.

These changes are included in the Analyst’s recommendations provided in the budget detail table provided on page 4.

**BUDGET DETAIL TABLE**

## State Board of Education - State Office of Education

Sources of Finance	FY 2004 Actual	FY 2005 Appropriated	Changes	FY 2005 Revised	Changes	FY 2006 Analyst*
General Fund, One-time	0	1,400,000	(1,400,000)	0	0	0
Uniform School Fund	22,806,900	21,349,400	0	21,349,400	(496,000)	20,853,400
Uniform School Fund, One-time	0	68,900	0	68,900	347,100	416,000
Federal Funds	182,354,500	166,511,900	18,879,800	185,391,700	(1,700)	185,390,000
Dedicated Credits Revenue	5,541,200	6,360,450	(795,050)	5,565,400	(82,200)	5,483,200
Federal Mineral Lease	1,459,200	971,850	50	971,900	0	971,900
Restricted Revenue	0	0	490,000	490,000	0	490,000
GFR - Substance Abuse Prevention	396,500	490,000	(490,000)	0	0	0
USFR - Interest and Dividends Account	0	0	0	0	80,000	80,000
USFR - Professional Practices	72,000	90,700	0	90,700	1,300	92,000
Transfers - Interagency	278,200	0	0	0	0	0
Transfers - State Office of Education	183,800	0	0	0	0	0
Beginning Nonlapsing	4,533,500	4,533,600	3,797,100	8,330,700	0	8,330,700
Closing Nonlapsing	(8,330,700)	(4,533,600)	(3,797,100)	(8,330,700)	0	(8,330,700)
<b>Total</b>	<b>\$209,295,100</b>	<b>\$197,243,200</b>	<b>\$16,684,800</b>	<b>\$213,928,000</b>	<b>(\$151,500)</b>	<b>\$213,776,500</b>
<b>Programs</b>						
Board of Education	1,628,300	1,374,000	6,179,600	7,553,600	(82,100)	7,471,500
Student Achievement	146,266,500	172,120,800	(26,058,900)	146,061,900	(47,800)	146,014,100
Data and Business Services	6,984,800	12,240,200	(7,619,200)	4,621,000	(15,800)	4,605,200
Law, Legislation and Education Services	54,415,500	11,241,100	44,450,400	55,691,500	(5,800)	55,685,700
School LAND Trust Administration	0	80,000	(80,000)	0	0	0
State Charter School Board	0	187,100	(187,100)	0	0	0
<b>Total</b>	<b>\$209,295,100</b>	<b>\$197,243,200</b>	<b>\$16,684,800</b>	<b>\$213,928,000</b>	<b>(\$151,500)</b>	<b>\$213,776,500</b>
<b>Categories of Expenditure</b>						
Personal Services	12,601,000	13,425,200	405,300	13,830,500	(148,900)	13,681,600
In-State Travel	241,600	208,200	33,400	241,600	0	241,600
Out of State Travel	174,400	162,700	11,700	174,400	0	174,400
Current Expense	13,022,000	12,468,000	551,900	13,019,900	0	13,019,900
DP Current Expense	1,141,800	1,167,700	(25,900)	1,141,800	0	1,141,800
DP Capital Outlay	15,100	105,300	(90,200)	15,100	0	15,100
Capital Outlay	20,700	0	0	0	0	0
Other Charges/Pass Thru	182,078,500	169,706,100	15,798,600	185,504,700	(2,600)	185,502,100
<b>Total</b>	<b>\$209,295,100</b>	<b>\$197,243,200</b>	<b>\$16,684,800</b>	<b>\$213,928,000</b>	<b>(\$151,500)</b>	<b>\$213,776,500</b>
<b>Other Data</b>						
Total FTE	192.0	192.0	12.0	204.0	0.0	204.0
Vehicles	7	7	0	7	0	7

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**LEGISLATIVE ACTION**

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. A total base budget appropriation of \$213,776,500, as detailed in the table above, for the State Office of Education. As well as the Federal Funds detailed in the Federal Funds Issue Brief number PEDIB-05-04.
2. Prioritize the recommended one-time USF increase of \$300,000 for the National Geographic Endowment Match to be included in the subcommittee's recommendations to the Executive Appropriations Committee.
3. Adopt the Educator Licensing Fee plan as detailed in the Issue Brief titled "Educator Licensing Fees" (PEDIB-05-05).



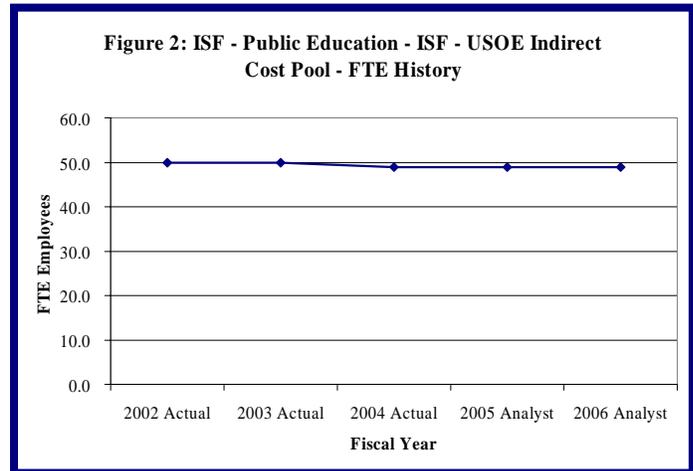
The rates approved by the federal government at the end of FY 2005 are 13.5 percent for restricted funds and 16 percent for unrestricted funds. These rates expire at the end of FY 2005. The FY 2006 rates are expected to be within 2 percent of the current rates. Rate adjustments must meet several federal regulations and require final approval by the federal government before the final rates are established.

Because these rates could increase or decrease by approximately 2 percent, the Legislature may wish to approve the FY 2005 rates plus 2 percent, as detailed below:

1. 15.5 percent of personal service costs supported by restricted funds.
2. 18 percent of personal service costs supported by unrestricted funds.

### **BUDGET DETAIL**

The following tables provide budget detail for the USOE Internal Service Fund and Indirect Cost Pool.



<b>ISF - Public Education - ISF - USOE Internal Service Fund</b>						
	<b>FY 2004</b>	<b>FY 2005</b>		<b>FY 2005</b>		<b>FY 2006</b>
<b>Sources of Finance</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Changes</b>	<b>Revised</b>	<b>Changes</b>	<b>Analyst*</b>
Dedicated Credits - Intragvt Rev	914,700	960,000	75,800	1,035,800	(4,200)	1,031,600
<b>Total</b>	<b>\$914,700</b>	<b>\$960,000</b>	<b>\$75,800</b>	<b>\$1,035,800</b>	<b>(\$4,200)</b>	<b>\$1,031,600</b>
<b>Programs</b>						
ISF - State Board ISF	914,700	960,000	75,800	1,035,800	(4,200)	1,031,600
<b>Total</b>	<b>\$914,700</b>	<b>\$960,000</b>	<b>\$75,800</b>	<b>\$1,035,800</b>	<b>(\$4,200)</b>	<b>\$1,031,600</b>
<b>Categories of Expenditure</b>						
Personal Services	261,000	312,100	9,100	321,200	(3,600)	317,600
Current Expense	647,100	571,800	75,300	647,100	0	647,100
DP Current Expense	100	2,200	(2,100)	100	0	100
Capital Outlay	11,600	22,100	(10,500)	11,600	0	11,600
Other Charges/Pass Thru	43,300	51,800	4,000	55,800	(600)	55,200
<b>Total</b>	<b>\$963,100</b>	<b>\$960,000</b>	<b>\$75,800</b>	<b>\$1,035,800</b>	<b>(\$4,200)</b>	<b>\$1,031,600</b>
<b>Profit/(Loss)</b>	<b>(\$48,400)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Other Data</b>						
Total FTE	8.0	8.3	(0.3)	8.0	0.0	8.0
Authorized Capital Outlay	17,300	22,100	(4,800)	17,300	72,700	90,000
Retained Earnings	135,100	41,500	45,200	86,700	0	86,700

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

## ISF - Public Education - ISF - USOE Indirect Cost Pool

Sources of Finance	FY 2004 Actual	FY 2005 Appropriated	Changes	FY 2005 Revised	Changes	FY 2006 Analyst*
Dedicated Credits - Intragvt Rev	3,236,100	3,867,100	39,700	3,906,800	(21,000)	3,885,800
<b>Total</b>	<b>\$3,236,100</b>	<b>\$3,867,100</b>	<b>\$39,700</b>	<b>\$3,906,800</b>	<b>(\$21,000)</b>	<b>\$3,885,800</b>
<b>Programs</b>						
ISF - Superintendant Indirect Cost Pool	3,236,100	3,867,100	39,700	3,906,800	(21,000)	3,885,800
<b>Total</b>	<b>\$3,236,100</b>	<b>\$3,867,100</b>	<b>\$39,700</b>	<b>\$3,906,800</b>	<b>(\$21,000)</b>	<b>\$3,885,800</b>
<b>Categories of Expenditure</b>						
Personal Services	3,034,300	3,100,900	250,400	3,351,300	(24,200)	3,327,100
In-State Travel	5,500	3,300	2,200	5,500	0	5,500
Out of State Travel	9,100	4,200	4,900	9,100	0	9,100
Current Expense	366,700	380,300	(13,600)	366,700	0	366,700
DP Current Expense	100,000	131,000	(31,000)	100,000	0	100,000
DP Capital Outlay	0	14,800	(14,800)	0	0	0
<b>Total</b>	<b>\$3,515,600</b>	<b>\$3,634,500</b>	<b>\$198,100</b>	<b>\$3,832,600</b>	<b>(\$24,200)</b>	<b>\$3,808,400</b>
<b>Profit/(Loss)</b>	<b>(\$279,500)</b>	<b>\$232,600</b>	<b>(\$158,400)</b>	<b>\$74,200</b>	<b>\$3,200</b>	<b>\$77,400</b>
<b>Other Data</b>						
Total FTE	49.0	49.0	0.0	49.0	0.0	49.0
Authorized Capital Outlay	75,000	14,800	60,200	75,000	0	75,000
Retained Earnings	(289,400)	(315,800)	100,600	(215,200)	77,400	(137,800)
Vehicles	1	1	0	1	0	1

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

**LEGISLATIVE ACTION**

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations in this brief. The Analyst recommends the Legislature consider adopting:

- The revenue, capital outlay, and FTE levels detailed in the table titled "USOE Internal Service Fund," as well as the following rates:
  - Printing: \$17.00 per hour labor
  - .04 per copy
  - Cost plus 35 percent on printing supplies
  - Mail Room: Cost plus 25 percent on postage
- The revenue, capital outlay, and FTE levels detailed in the table titled "USOE Indirect Cost Pool," as well as the following rates:
  - 15.5 percent of personal service costs supported by restricted funds
  - 18 percent of personal service costs supported by unrestricted funds

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## Issue Brief – Public Education Agencies Federal Funds

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NUMBER PEDIB-05-04

### **SUMMARY**

During the 2004 General Session, the Legislature amended the Budgetary Procedures Act directing appropriations subcommittees to review certain federal funds received by state agencies. The attached spreadsheets detail the federal funds received by public education agencies, namely, Utah State Office of Education, Utah State Office of Rehabilitation, and the Child Nutrition Programs.

### **LEGISLATIVE ACTION**

Statute requires the Legislative Fiscal Analyst to submit a federal funds request summary to each appropriations subcommittee pursuant to the agencies under their purview. The appropriations subcommittees shall review the federal funds request and may:

1. Recommend that the agency accept the federal funds or participate in the federal program for the fiscal year under consideration.
2. Recommend that the agency not accept the federal funds or not participate in the federal program for the fiscal year under consideration.
3. Submit a recommendation of accepted federal funds to the Executive Appropriations Committee.

The following pages detail the federal funds compiled by the Governor's Office of Planning and Budget pursuant to 63-38e-201(2)(a). The Analyst submits the federal funds requests for the Utah State Office of Education, Utah State Office of Rehabilitation, and the Child Nutrition Programs.

**CHILD NUTRITION PROGRAMS**

**Federal Assistance Applications for State Fiscal Year 2006**

July 1, 2005 through June 30, 2006

Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement										Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perm - or other)	
			General Fund		Dedicated Credits	Restricted Fund	Maintenance of Effort	In-Kind	Other	Total State Match	Local/Other	% Share To Local Agencies					
			General Fund	Match													
<b>Submitted with Agency Budget</b>																	
1 Emerg. Food Assist. Progn. Comm.	USDA	\$373,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
2 State Admin Expenses (SAE)	USDA	\$1,335,976	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
3 Special Milk Program	USDA	\$33,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
4 National School Lunch Program	USDA	\$8,638,900	\$0	\$1,451,939	\$0	\$0	\$0	\$0	\$0	\$0	\$1,451,939	\$0	\$0	\$0	No	0	
5 National School Lunch Program	USDA	\$34,206,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
6 School Breakfast Program	USDA	\$7,244,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
7 Summer Food Service Program	USDA	\$51,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
8 Child and Adult Care Food Program	USDA	\$250,300	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
9 Child and Adult Care Food Program	USDA	\$15,117,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
10 Summer Food Service Program	USDA	\$622,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	
11 Child and Adult Care Food Program	USDA	\$275,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	No	0	

UTAH STATE OFFICE OF EDUCATION & UTAH STATE OFFICE OF REHABILITATION

Federal Assistance Applications for State Fiscal Year 2006  
July 1, 2005 through June 30, 2006

12	Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement							% Share To Local Agencies	Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perm - or other)	
				General Fund	Dedicated Credits	Restricted Fund	Matching State Funds			Total State Match						Local/Other
							Maintenance of Effort	In-Kind	Other							
	Math and Science Partnerships	Dept of Education	\$769,004	*	*	*	*	*	*	*	*	*	*			
	Tech Literacy Challenge	Dept of Education	\$3,304,308	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	No		
	Title I Grants to LEA	Dept of Education	\$50,780,122	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	99%	No		
	Drug-free Schools	Dept of Education	\$2,187,322	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	No		
	FIE Earmark Award	Dept of Education	\$994,100	*	*	*	*	*	*	*	*	*	*	No		
	Title I Neglected and Delinquent	Dept of Education	\$664,394	*	*	*	*	*	*	*	*	*	*	No		
	FIE Earmark	Dept of Education	\$646,165	*	*	*	*	*	*	*	*	*	*	No		
	NCLB-Migrant Education	Dept of Education	\$1,750,021	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	93%	No		
	NCLB-Migrant Education Coordination	Dept of Education	\$120,657	*	*	*	*	*	*	*	*	*	*	No		
	Robert C. Bryd Honors Scholarship	Dept of Education	\$369,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0%	No		
	NCLB-Even Start State Grant	Dept of Education	\$1,113,439	*	*	*	*	*	*	*	*	*	*	No		
	IDEA Disabilities Educ Act	Dept of Education	\$93,688,425	*	*	*	*	*	*	*	*	*	*	No		
	Voc Educ Basic Grant	Dept of Education	\$658,478	\$1,651,425	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	*	No		
	Voc Educ Basic Grant	Dept of Education	\$12,731,083	\$0	\$0	\$0	\$213,861,969	\$0	\$0	\$0	\$0	\$0	85%	No		
	Workplace and Community Transition Training for Incarcerated Youth Offenders Program	Dept of Education	\$91,121	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	100%	No		
	Refugee School Impact Grant	Dept of Health & Human Services	\$147,247	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	75%	No		
	Voc Ed Tech Prep	Dept of Education	\$1,196,451	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	*	No		
	NCLB-Comprehensive School Reform	Dept of Education	\$1,605,905	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	95%	No		
	NCLB-Educ for Homeless Children	Dept of Education	\$244,549	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	75%	No		
	State Improvement Grant-IDEA	Dept of Education	\$607,478	*	*	*	*	*	*	*	*	*	*	No		
	Adult Education	Dept of Education	\$3,282,640	*	*	*	*	*	*	*	*	*	*	No		
	Univ of Oregon Pass-through (reimb)	*	Reimbursement	*	*	*	*	*	*	*	*	*	*	No		

UTAH STATE OFFICE OF EDUCATION & UTAH STATE OFFICE OF REHABILITATION

Federal Assistance Applications for State Fiscal Year 2006  
July 1, 2005 through June 30, 2006

Grant Title	Federal Agency	Federal Annual Award	Annual Match Requirement						Add'l Funding Req.	Expectation when funds expire	# of Add'l Staff	Notes (Define match & FTE as Temp/perm - or other)
			Matching State Funds		Local/Other		% Share To Local Agencies					
			Dedicated Credits	Restricted Fund	Maintenance of Effort	In-Kind		Other				
General Fund												
34	Preschool Special Educ IDEA	Dept of Education	\$3,626,961	*	*	*	*	*	*	No	*	
35	Service Learning	Corporation for National and Community Service	\$134,145	\$0	\$0	\$0	\$0	\$0	\$0	84%	No	0
36	Public Charter Schools	Dept of Education	\$5,311,347	*	*	*	*	*	*	No	*	
37	Safe & Drug-free State Data Grant	Dept of Education	\$335,183	\$0	\$0	\$0	\$0	\$0	\$0	94%	No	0
38	Alter School 21st Cnt.Learning Center	Dept of Education	\$4,895,445	\$0	\$0	\$0	\$0	\$0	\$0	95%	No	0
39	Reading First	Dept of Education	\$5,451,240	\$0	\$0	\$0	\$0	\$0	\$0	80%	No	0
40	English Language Acq-Formula	Dept of Education	\$3,396,597	\$0	\$0	\$0	\$0	\$0	\$0	98%	No	0
41	Improving Teacher Quality-State	Dept of Education	\$18,251,890	\$0	\$0	\$0	\$0	\$0	\$0	97%	No	0
42	State Assessments	Dept of Education	\$5,181,942	*	*	*	*	*	*	No	*	
43	Public Charter School Facilities	Dept of Education	\$2,379,392	*	*	*	*	*	*	No	*	
44	Education Statistics (reimb)	Dept of Education	Reimbursement	*	*	*	*	*	*	No	*	
45	Adv Placement-Test Fee Program	Dept of Education	\$59,800	*	*	*	*	*	*	No	*	
46	Adv Placement - Incentive Program	Dept of Education	\$517,530	*	*	*	*	*	*	No	*	
47	Rehab Basic Support Grant	Dept of Education	\$25,714,429	\$6,935,795	\$0	\$9,888,188	\$0	\$0	\$16,823,983	*	No	*
48	Indept Living	Dept of Education	\$293,902	\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
49	Rehab Inservice	Dept of Education	\$91,583	\$10,176	\$0	\$0	\$0	\$0	\$10,176	*	No	90/10 match with state funds
50	Social Security	Social Security Administration	Reimbursement	\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
51	Disability Determination Services	Social Security Administration	\$7,500,000	\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
52	Migrant Workers w/Disabilities	Dept of Education	\$170,000	\$18,889	\$0	\$0	\$0	\$0	\$18,889	*	No	90/10 match with state funds
53	Utah Work Incentive Project	Social Security Administration	\$83,307	\$4,385	\$0	\$0	\$0	\$0	\$4,385	*	No	95/05 match with state funds
54	Benefits Planning & Outreach USU	Reimbursement		\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
55	Rehab Supported Employment	Dept of Education	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
56	Work Incentive Prog Dept Health	Dept of Education	\$25,000	\$0	\$0	\$0	\$0	\$0	\$0	*	No	*
Grant Application Totals			\$328,823,978	\$8,620,670	\$1,451,939	\$0	\$223,750,157	\$0	\$233,822,766	\$0		

Notes:  
 1) Grants for Child Nutrition, primarily from the USDA, are based on actual need in accordance with a formula from the USD. Also the amounts are estimates and will change.  
 2) Districts may have match requirements for federal grants as a sub-recipient of funds.  
 3) Grants noted as (reimb) are grants that are based on actual amounts generated in accordance with a formula. This is not to be confused with the draw of federal funds, since in general, grants are only paid once the expenditure has been incurred, reimbursement basis of funding.  
 4) \* Will provide data as it becomes available

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## Issue Brief – Educator Licensing Fees

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NUMBER PEDIB-05-05

### **SUMMARY**

The Legislature, through the Educator Licensing and Professional Practices Act, established that “the high quality of teachers is absolutely essential to enhance student achievement and to assure education excellence in each classroom in the state’s public schools.” The Legislature has established a method of charging licensing fees for educators, ensuring that educators meet and maintain “high standards both as to qualifications and fitness for service as educators.”<sup>1</sup>

### **OBJECTIVE**

This brief addresses statutory changes and intent language passed during the 2004 General Session. In addition, a Educator Licensing Fee Plan is provided for Legislative approval.

### **DISCUSSION AND ANALYSIS**

Prior to the 2004 General Session, the State Board of Education recommended an increase in the fees charged to educators to receive a license. The Legislature approved the recommended educator licensing fees in the 2004 Appropriations Act (S.B. 1, 2004 General Session.) This was the first increase in the educator licensing fee in approximately 17 years. Due to the relatively low fee charged to obtain a license, Uniform School Fund revenues have subsidized the operations of the USOE – Educator Licensing section.

#### ***Statute Requires Fees:***

The Educator Licensing and Professional Practices Act states that “the board shall levy a fee for each new, renewed, or reinstated license or endorsement”<sup>2</sup> issued in the state. During the 2004 General Session, the Legislature amended statute to include charging fees for renewed licenses. The statute was amended to ensure that the State Office of Education could charge for renewed licenses. The statutory clarification for renewal fees provides the fee capacity necessary for the USOE to operate educator licensing without the use of Uniform School Funds.

#### ***Statute Requires Fee Revenue Cover Expenses:***

Educator licensing is the only professional fee charged by the state to be subsidized by state revenue. The Budgetary Procedures Act requires that “Each fee agency shall: (a) adopt a schedule of fees assessed for services provided by the fee agency that are: (i) reasonable, fair and reflect the cost of services provided.”<sup>3</sup> Due to this statute, the current subsidy of Educator Licensing may be in conflict with state law. Educator licensing fee revenue is credited to the Professional Practices Restricted Subfund in the Uniform School Fund. The State Board of Education “shall pay the expenses of issuing licenses and of UPPAC (Utah Professional Practices Advisory Commission) operations, and the costs of collecting license fees from the restricted subfund.”<sup>4</sup>

#### ***2004 General Session Intent Language:***

Through intent language found in the “Appropriations Act” (S.B. 1, 2004 General Session), 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 support the costs of the USOE – Educator Licensing Section. By passing this intent language, the Legislature reaffirmed the statutes requiring educator licensing, fee collection, and the sufficient generation of revenue to cover costs.

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<sup>1</sup> UCA 53A-6-102(2) – Legislative findings on teacher quality.

<sup>2</sup> UCA 53A-6-105(1) – Licensing fees.

<sup>3</sup> UCA 63-38-3.2(2)(a)(i) – Fees – Adoption, procedure, and approval.

<sup>4</sup> UCA 53A-6-105(3) – Licensing fees.

***FY 2006 Educator Licensing Fees:***

The State Office of Education has submitted the following fee schedule for consideration by the Legislature. The State Board of Education has not formally recommended the attached fee schedule. The following schedule increases every fee, except Duplicates/Replacements. This is necessary to generate enough revenue to support USOE – Educator Licensing efforts.

<b>Fees for Law, Legislation and Education Services:</b>	<b>Old Fee</b>	<b>New Fee</b>	<b>Change</b>	<b>Quantity</b>	<b>Revenue</b>
Teacher Licensure Fees					
Level I					
Utah Institutionally Recommended	45.00	80.00	35.00	2,593	90,755
Out of State	45.00	130.00	85.00	406	34,510
District/Charter License		80.00	80.00	50	4,000
Renewal					
Inactive Educators	45.00	130.00	85.00	20	1,700
Active Educators		80.00	80.00	3,460	276,800
Alternative Licensure					
Application	45.00	100.00	55.00	421	23,155
Evaluation	100.00	455.00	355.00	187	66,385
Career and Technology Education					
Level Upgrade		80.00	80.00	1,286	102,880
Underqualified Educators					
Letter of Authorization Request		50.00	50.00	987	49,350
State Approved Endorsement Program		55.00	55.00	445	24,475
Endorsements					
Individual Application		65.00	65.00	100	6,500
Institutionally or District Approved		50.00	50.00	1,429	71,450
Duplicates/Replacements	15.00	15.00		100	
Finger Printing Fees					
FBI & BCI		49.00	49.00	8,821	432,229
Utah Professional Practices Advisory Commission		20.00	20.00	8,821	176,420
<b>Total</b>					<b>\$1,367,994</b>

**RECOMMENDATION**

The Analyst recommends adopting the fee schedule detailed above. Further, the Analyst recommends that the Legislature reduce the ongoing Uniform School Fund appropriation to the Utah State Office of Education – Law, Legislation, and Education Services Division by \$416,000. This will remove the Uniform Schools Funds identified by the State Office of Education currently supporting Educator Licensing. The Analyst also recommends that the Legislature appropriate \$416,000 in one-time Uniform School Fund revenue to replace the ongoing revenue. This will enable the USOE to operate the Educator Licensing section entirely from fee revenue beginning in FY 2007.

**LEGISLATIVE ACTION**

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations of this brief. The Analyst recommends the Legislature consider adopting:

1. The schedule for Educator Licensing Fees detailed above.
2. Reduce the ongoing USOE Uniform School Fund appropriation by \$416,000.
3. Consider appropriating \$416,000 in one-time Uniform School Fund revenue to allow the USOE to collect fee revenue for one year prior to expenditure.

## Issue Brief – School LAND Trust Program

NUMBER PEDIB-05-06

### SUMMARY

The School LAND Trust Program (Learning And Nurturing Development) provides revenue direct to individual schools. Each school has a School Community Council that establishes a school “Trust Lands” plan that identifies a given need at the school. Program revenues implement this plan. The program was established by the Legislature during the 1999 General Session.

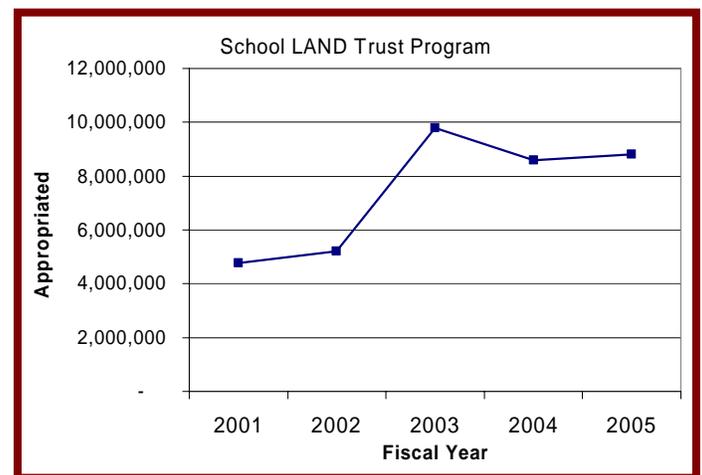
The State has approximately 3 million acres of school trust lands that were set aside at statehood to support Utah’s schools. Revenue generated from these lands is saved in the State School Fund. The interest and dividends earned off the investment of this fund are distributed to the schools. Legislation passed during the 2004 General Session places these revenues into a Uniform School Fund restricted account called the “Interest and Dividends Account.”

### OBJECTIVE

This brief provides information on budgetary impacts associated with changing the revenue source of the School LAND Trust program from the Uniform School Fund to the Uniform School Fund Restricted – Interest and Dividends Account.

### DISCUSSION AND ANALYSIS

Prior to the 2004 General Session, the interest and dividends derived from the investment of monies in the permanent State School Fund plus the interest generated on those monies while they are being held were deposited into the Uniform School Fund at the beginning of July.



The State Treasurer deposits the interest and dividends, plus the interest earned off of them during the year, into the Uniform School Fund. State financial transactions require deposits to be accepted into the account by the entity overseeing the account. This may result in a time lapse from the actual deposit and the accepting of the deposit – in which more interest is earned and deposited into the General Fund. The Attorney General provided an opinion stating that this revenue should be deposited into the Uniform School Fund not the General Fund. The School LAND Trust Program Restricted Account (H.B. 78, 2004 General Session) provided statutory provisions for actions taken by the Division of Finance in accordance with the Attorney General opinion.

The Legislation created the restricted “Interest and Dividends” account within the Uniform School Fund. This action requires all School LAND Trust revenue to be appropriated from the USF-Restricted account and not the Uniform School Fund.

### RECOMMENDATION

The Analyst has adjusted the revenue source associated with the School LAND Trust Program from the Uniform School Fund to the Uniform School Fund Restricted – Interest and Dividends Account. This action is reflected in the FY 2006 Analyst Recommendation and can be seen in two budgets:

1. The USF revenue for the Minimum School Program was reduced by \$8,820,000 and replaced with \$8,820,000 in USFR-Interest and Dividends Revenue.
2. USF revenue allocated to the Utah State Office of Education was reduced by \$80,000 and replaced with \$80,000 in USFR-Interest and Dividends Revenue. This revenue supports the administration of the School LAND Trust program at USOE.