

# Budget Brief – Utah State Office of Education

## 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, and the USOE operating divisions. Further information on the USOE and its operating divisions may be found in chapter 11 of the Compendium of Budget Information (COBI) for Public Education.

## ISSUES AND RECOMMENDATIONS

Below, a discussion of major budget issues affecting the State Office of Education is offered to consider while prioritizing budget items.

### *Carson Smith Special Needs Scholarship*

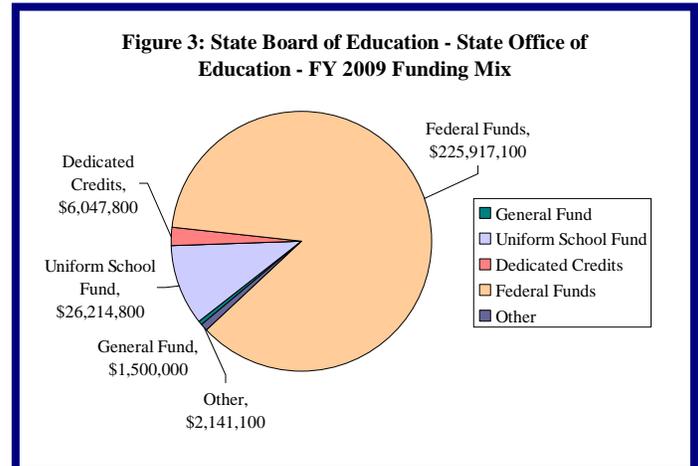
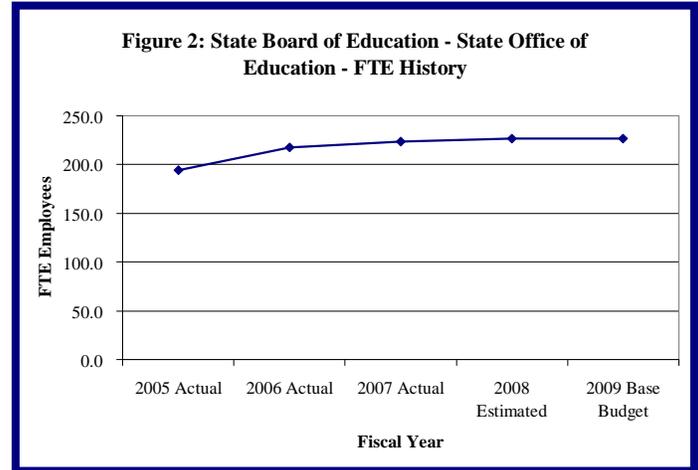
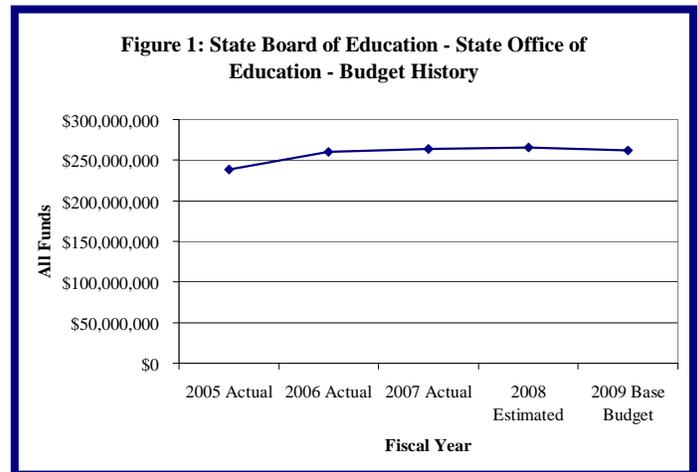
During the 2005 General Session, the Legislature appropriated \$2,570,900 in one-time monies from the General Fund to support the provisions of H.B. 249 “Carson Smith Special Needs Scholarships”. The USOE received \$2,470,900 to provide for the student scholarships and \$100,000 to support program administration.

In the 2006 General Session, non-lapsing authority was granted for \$1,780,900 of remaining funds in the program; authority was also granted to use \$100,000 of the funds for program administration. FY2008 the Legislature authorized \$1,500,000 in ongoing and \$900,000 one-time funds for the scholarship program. FY2009, the State Board of Education is requesting \$3,500,000 from the General Fund to continue providing special needs scholarships.

*Recommendation:* The Analyst recommends the Legislature include in the priority list \$1,500,000 ongoing from the General Fund to support the Carson Smith Scholarship Program. This would bring the program total to \$3,000,000. As part of this total, it is recommended that \$100,000 be authorized as administrative expenses for the program.

### *Parent Choice in Education Act*

The “Parent Choice in Education Act” (H.B. 148, 2007 General Session) appropriated \$3,000,000 one-time and \$9,400,000 ongoing monies from the General Fund. See the budget detail table on page two for these appropriations.



*Recommendation:* Due to the outcome of Referendum 1 in November 2007, the Analyst recommends that the Legislature remove \$3,000,000 one-time and \$9,400,000 ongoing funds appropriated to implement the Parent Choice in Education Act from the base budget.

State Board of Education - Parent Choice in Education Act						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
General Fund	0	9,400,000	0	9,400,000	0	9,400,000
General Fund, One-time	100,000	3,000,000	0	3,000,000	(3,000,000)	0
Lapsing Balance	(100,000)	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>(\$3,000,000)</b>	<b>\$9,400,000</b>
<b>Programs</b>						
Administration	0	200,000	0	200,000	0	200,000
Scholarships	0	12,200,000	0	12,200,000	(3,000,000)	9,200,000
<b>Total</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>(\$3,000,000)</b>	<b>\$9,400,000</b>
<b>Categories of Expenditure</b>						
Personal Services	0	12,400,000	(12,400,000)	0	0	0
Other Charges/Pass Thru	0	0	12,400,000	12,400,000	(3,000,000)	9,400,000
<b>Total</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>\$0</b>	<b>\$12,400,000</b>	<b>(\$3,000,000)</b>	<b>\$9,400,000</b>
<b>Other Data</b>						
Budgeted FTE	0.0	2.0	(2.0)	0.0	0.0	0.0

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

## **BUDGET DETAIL**

The USOE acts as the fiscal agent for most federal support programs and grants received for public education. Federal revenue contributes approximately 86% of the total USOE budget. The Uniform School Fund provides just over \$26.2 million to the support of USOE, or 10% of the total budget. The Budget Detail Table on page 3 provides detail on the remaining revenue sources for USOE, as well as the major expenditure categories and operating division budgets.

Although the total FY2009 base budget for USOE totals \$261,820,800, the actual operating budget of USOE is approximately \$38.5 million. Of the total revenue appropriated to the State Office of Education, approximately 85% is passed on to local school districts and charter schools. The remaining 15% supports the operations, divisions and programs at the Utah State Office of Education.

On page 4, base budget allocations for the State Office of Education are shown in the budget detail table. The co-chairs of the EAC have recommended that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

### ***Budget and Issue Briefs***

Two separate Briefs provide the subcommittee with additional information on the following areas: Budget Brief for Indirect Cost Pool (USOE-2) and Issue Brief for Federal Funds (PED-1).

**BUDGET DETAIL TABLE**

State Board of Education - State Office of Education						
Sources of Finance	FY 2007	FY 2008	Changes	FY 2008	Changes	FY 2009*
	Actual	Appropriated		Revised		Base Budget
General Fund	0	1,500,000	0	1,500,000	0	1,500,000
General Fund, One-time	7,500,000	900,000	0	900,000	(900,000)	0
Uniform School Fund	21,674,900	26,214,800	0	26,214,800	0	26,214,800
Uniform School Fund, One-time	8,702,300	1,432,000	0	1,432,000	(1,432,000)	0
Federal Funds	228,319,900	234,913,100	(8,996,000)	225,917,100	0	225,917,100
Dedicated Credits Revenue	5,232,400	5,932,000	115,800	6,047,800	0	6,047,800
Federal Mineral Lease	912,100	1,110,500	1,159,800	2,270,300	(1,454,600)	815,700
Restricted Revenue	0	0	494,500	494,500	(494,500)	0
GFR - Substance Abuse Prevention	494,500	495,900	(495,900)	0	494,500	494,500
USFR - Interest and Dividends Account	81,900	83,300	(1,400)	81,900	0	81,900
USFR - Professional Practices	0	2,000	(2,000)	0	0	0
Transfers	800	0	800	800	0	800
Transfers - Interagency	725,500	359,800	388,400	748,200	0	748,200
Transfers - State Office of Education	0	31,300	(31,300)	0	0	0
Beginning Nonlapsing	12,003,800	5,303,300	16,657,200	21,960,500	0	21,960,500
Closing Nonlapsing	(21,960,500)	(5,303,300)	(16,657,200)	(21,960,500)	0	(21,960,500)
<b>Total</b>	<b>\$263,687,600</b>	<b>\$272,974,700</b>	<b>(\$7,367,300)</b>	<b>\$265,607,400</b>	<b>(\$3,786,600)</b>	<b>\$261,820,800</b>
<b>Programs</b>						
Board of Education	2,396,900	1,484,700	517,000	2,001,700	0	2,001,700
Student Achievement	243,864,000	236,380,400	12,283,300	248,663,700	(1,146,700)	247,517,000
Data and Business Services	5,008,600	9,767,200	(8,502,200)	1,265,000	0	1,265,000
Law, Legislation and Education Services	12,418,100	25,342,400	(11,665,400)	13,677,000	(2,639,900)	11,037,100
<b>Total</b>	<b>\$263,687,600</b>	<b>\$272,974,700</b>	<b>(\$7,367,300)</b>	<b>\$265,607,400</b>	<b>(\$3,786,600)</b>	<b>\$261,820,800</b>
<b>Categories of Expenditure</b>						
Personal Services	16,973,700	18,617,800	(770,600)	17,847,200	(68,200)	17,779,000
In-State Travel	263,900	270,500	6,400	276,900	0	276,900
Out of State Travel	269,200	228,300	33,100	261,400	0	261,400
Current Expense	17,837,400	15,680,200	3,532,500	19,212,700	171,500	19,384,200
DP Current Expense	747,900	1,432,000	(700,900)	731,100	0	731,100
DP Capital Outlay	70,300	69,200	1,100	70,300	0	70,300
Capital Outlay	9,500	0	9,500	9,500	0	9,500
Other Charges/Pass Thru	227,515,700	236,676,700	(9,478,400)	227,198,300	(3,889,900)	223,308,400
<b>Total</b>	<b>\$263,687,600</b>	<b>\$272,974,700</b>	<b>(\$7,367,300)</b>	<b>\$265,607,400</b>	<b>(\$3,786,600)</b>	<b>\$261,820,800</b>
<b>Other Data</b>						
Budgeted FTE	223.5	223.9	2.4	226.3	0.0	226.3
Vehicles	7.0	7.0	0.0	7.0	0.0	7.0

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

**LEGISLATIVE ACTION**

Below, recommendations are summarized for the Legislature to consider. The Analyst recommends:

1. Reallocate within the base budget to meet subcommittee priorities as detailed in the table above and in recommendations within this brief.
2. Reduce the base budget by \$9,400,000 ongoing and \$3,000,000 one-time (reference the table on the Parent Choice in Education Act, page 2).
3. Prioritize \$1,500,000 from the General Fund to the Carson Smith Scholarship Program for a total budget of \$3,000,000.
4. Review the recommendation given in the USDB budget brief regarding the Utah State Instructional Materials Access Center for an ongoing request of \$505,200.