**SUMMARY**

During the 1991 General Session, the Legislature collapsed fifteen programs into one funding item called Special Purpose Optional Programs. The following year, the Legislature repealed the consolidated Special Purpose Optional Program and passed uncodified statute allowing school districts to Basic School Program funding to continue these programs based on local need. A small number of school districts continue to rely on this language to transfer funding from the restricted Special Education and Career & Technical Education programs into the general education budget.

**ISSUE & RECOMMENDATIONS**

The Analyst questions the current interpretation of this language given that the language refers to obsolete programs and fund sources. The Analyst recommends that the Legislature consider the following:

1. Repeal the found in Chapter 53, Section 52 “Special Purpose Optional Programs” of the Laws of Utah, 1992.

2. Evaluate if the Legislature would like to continue to allow local education agencies this, or similar, authority. If so, a bill file will need to be opened and appropriate statutory language drafted.

**SUPPORTING INFORMATION**

The following subsections provide additional information on the Special Purpose Optional Programs, the uncodified statutory language, and the current interpretation.

**Special Purpose Optional Programs**

During the 1990s, the Legislature made a series of structure changes to the Minimum School Program that resulted in the creation and eventual elimination of the Special Purpose Optional Programs. During this time, the number of programs within the Minimum School Program fell from 47 to around 30.

The fifteen programs consolidated into the program included: Instructional Media Centers; Extended-Year, Day & Summer; Compensatory Education; Elementary School Guidance; Community Education; Career Education; Education Field Trips; Elementary Music; Textbooks & Lab Fees; Responsible Parenthood; Bilingual Education; Class Size Reduction; Special Needs; Advanced Placement; and, Concurrent Enrollment.

Local school districts were allowed to spend program allocations on any one, or combination, of these programs to best meet local needs. Statutory language at the time stated that “whenever a district chooses to spend money on an optional program, it shall observe all standards adopted by the State Board of Education for that program” (Chapter 72, Section 22, Laws of Utah, 1991).

In many cases, statutory or State Board of Education standards no longer exist for the listed programs. Other programs may still exist, but likely in a different form and/or receive funding through other current mechanisms established by the Legislature.

**Uncodified Language**

The language passed by the Legislature reads “a school district may utilize Uniform School Fund monies from the total Basic School Program to support special purpose optional programs authorized under Section 53A-17a-110, even though that section is repealed effective July 1, 1992” (Chapter 53, Section 52,

In 1992, the Special Purpose Optional Programs were repealed and the program funding was absorbed into the WPU Value.

Since this language was enacted, the Legislature no longer uses the Uniform School Fund as the primary funding source for appropriations to the Basic School Program. In FY 2011, the Legislature switched appropriations to the Education Fund.

While the Income Tax remains the primary revenue source for appropriations to the Basic School Fund, the Uniform School Fund is now a sub-fund of the Education Fund. The Uniform School Fund is classified as a special revenue fund and receives only certain revenues designated by the state constitution or statute.

Of the $2.3 billion appropriated to the Basic School Program in FY 2014, only $21.0 million came from the Uniform School Fund. This represents less than 10 percent of state funding appropriated to the program.

**Current Interpretation**

This language is used by a few remaining school districts as authorization to transfer up to 2 percent of the funding appropriated to the restricted Special Education and Career & Technical Education programs into the unrestricted general education program. Indicators suggest that there is no longer a direct link between the funds transferred and one of the original special purpose optional programs referred to in the language. It is unknown exactly where the 2 percent limit comes from, however, statutes governing special education funding contain the following: “money in any of the other restricted line item appropriations may not be reduced more than 2% to be used for purposes other than those specified by the appropriation, unless otherwise provided by law” (53A-17a-112).

Currently, two school districts report transferring $410,100 and $463,800 respectively in funding to the unrestricted general education budget. These transfers represent nearly 4.2 percent of the total statewide appropriation from the Uniform School Fund. As a result, these school districts are likely using Education Fund appropriations to facilitate this transfer.

**Conclusion**

Many things have changed in the intervening years since 1992 that have rendered this uncodified language obsolete. Because the Uniform School Fund is no longer the primary funding source to the Basic School Program and the currently undefined nature of “Special Purpose Optional Programs”, the Analyst recommends that the Legislature repeal the uncodified statutory language found in Chapter 53, Section 52 “Special Purpose Optional Programs” of the Laws of Utah, 1992.