



UTAH STATE BOARD OF EDUCATION COMPENSATION FUNDING MIX EXCEPTIONS

PUBLIC EDUCATION
STAFF: BEN LEISHMAN & EMILY WILLIS

ISSUE BRIEF

SUMMARY

During the 2017 General Session, the Legislature passed S.J.R. 1, creating new Joint Rule 4-2-406, which outlines how the Legislative Fiscal Analyst (LFA) should determine funding mixes when preparing budgets for state employee compensation adjustments and internal service fund (ISF) rate impacts. A funding mix is the proportional contribution of various funding sources that comprise the total appropriated amount.

LEGISLATIVE RULE

Legislative rule directs that funding mixes be proportionate to an agency’s base budget for the budget year, determined at the appropriation unit level. It allows for certain exceptions, including those that are based on state statute, federal regulation, or the terms of a federal grant. The State Board of Education requests an exception to certain revenue sources being used in the compensation funding mix for select programs. The Public Education Appropriations Subcommittee may review a requested exception and recommend the change to the Executive Appropriations Committee. The rule directs the subcommittee to review approved exceptions each year.

REQUESTED EXCEPTION TO THE FUNDING MIX

This brief includes the exceptions requested by the Board for Fiscal Year 2020. Table A provides a summary of the requested changes. Because the changes shift revenue sources paying for compensation to the Education Fund, subcommittee review, approval, and recommendation to the Executive Appropriations Committee is required. Once approved, the changes will be made in the compensation bill presented to the Legislature for approval.

The attached sheet provides additional detail for the requested changes. The amounts in Table A and the attached sheet sum to zero across all funding sources.

RECOMMENDATION

The Analyst recommends adoption of the changes as detailed in Table A. If the Public Education Appropriations Subcommittee agrees with these changes, the Analyst further recommends that the subcommittee add \$33,400 from the Education Fund to its list of funding priorities.

<i>Line Items and Programs</i>	Education Fund	Federal Funds	Restricted Funds	Dedicated Credits	Transfers	Mineral Lease	Total
<i>State Administrative Office</i>							
Data and Statistics	\$7,100	(\$7,100)					\$0
Student Advocacy Services	\$22,600	(\$24,100)	\$1,500				\$0
Board and Administration	\$2,500					(\$2,500)	\$0
School Trust			\$500			(\$500)	\$0
Financial Operations	(\$900)	\$900					\$0
<i>Teaching and Learning</i>							
High Quality School Readiness	\$1,500				(\$1,500)		\$0
<i>Child Nutrition Programs</i>							
Child Nutrition	\$200	\$6,900	(\$7,100)				\$0
<i>Educator Licensing</i>							
Educator Licensing	\$400			(\$400)			\$0
Total	\$33,400	(\$23,400)	(\$5,100)	(\$400)	(\$1,500)	(\$3,000)	\$0

Appendix A: Compensation Funding Mix Changes as Requested by the Utah State Board of Education

2019 General Session

Approp. Unit	Program Title	Funding Source	Comp. Bill Draft %	Comp Bill (HB8) Funding Total	USBE %	USBE Requested		Agency Justification for change
						Comp. Funding Total\$	Difference	
PAD	State Administrative Office - Data and Statistics	School Readiness Restricted Account	0.59	\$0	0	\$0	\$0	
PAD	State Administrative Office - Data and Statistics	Education Fund	39.38	\$5,600	0.89	\$12,727	\$7,127	
PAD	State Administrative Office - Data and Statistics	Federal Funds	60.03	\$8,700	0.11	\$1,573	(\$7,127)	OMB Uniform Guidance 200.430 Compensation- Personnel Services
				\$14,300		\$14,300	\$0	
PAE	State Administrative Office - Student Advocacy Services	General Fund	0.01	\$0	0	\$0	\$0	
PAE	State Administrative Office - Student Advocacy Services	Mineral Lease	0.14	\$0	0	\$0	\$0	
PAE	State Administrative Office - Student Advocacy Services	Substance Abuse Prevention Account	0.42	\$300	0.029	\$1,543	\$1,243	
PAE	State Administrative Office - Student Advocacy Services	Underage Drinking Prevention Account	1.45	\$800	0.0192	\$1,021	\$221	
PAE	State Administrative Office - Student Advocacy Services	Education Fund	2.48	\$1,300	0.4498	\$23,929	\$22,629	
PAE	State Administrative Office - Student Advocacy Services	Federal Funds	95.42	\$50,800	0.502	\$26,706	(\$24,094)	OMB Uniform Guidance 200.430 Compensation- Personnel Services
PAE	State Administrative Office - Student Advocacy Services	Dedicated Credits	0.08	\$0	0	\$0	\$0	
				\$53,200		\$53,200	\$0	

Approp. Unit	Program Title	Funding Source	Comp. Bill Draft %	Comp Bill (HB8) Funding Total	USB %	USB Requested		Agency Justification for change
						Comp. Funding Total\$	Difference	
PAK	State Administrative Office - Board and Administration	General Fund	0.34	\$0	0	\$0	\$0	
PAK	State Administrative Office - Board and Administration	Mineral Lease	12.38	\$2,500	0	\$0	(\$2,500)	Federal Mineral Lease funds are only used for FTEs if a Research and Experimentation project has been identified as needing staff. Staff in ongoing established programs are not paid with Federal Mineral Lease funds. (Utah Code 59-21-2 2e)
PAK	State Administrative Office - Board and Administration	Land Exchange Distribution Account	0.36	\$0	0	\$0	\$0	
PAK	State Administrative Office - Board and Administration	Education Fund	86.92	\$17,400	1	\$19,900	\$2,500	
				\$19,900		\$19,900	\$0	
PAS	State Administrative Office Office - School Trust	Mineral Lease	8.19	\$500	0	\$0	(\$500)	Federal Mineral Lease funds are only used for FTEs if a Research and Experimentation project has been identified as needing staff. Staff in ongoing established programs are not paid with Federal Mineral Lease funds. (Utah Code 59-21-2 2e)

Approp. Unit	Program Title	Funding Source	Comp. Bill Draft %	Comp Bill (HB8) Funding Total	USB E %	USB E Requested		Agency Justification for change
						Comp. Funding Total\$	Difference	
PAS	State Administrative Office Office - School Trust	Trust Distribution Account	90.41	\$4,200	1	\$4,700	\$500	
PAS	State Administrative Office Office - School Trust	Land Grant Management Fund	0.25	\$0	0	\$0	\$0	
PAS	State Administrative Office Office - School Trust	Dedicated Credits	1.15	\$0	0	\$0	\$0	
				\$4,700		\$4,700	\$0	
PAT	State Administrative Office Office - Special Education	Education Fund	0.04	\$0	0	\$0	\$0	
PAT	State Administrative Office Office - Special Education	Federal Funds	99.96	\$50,100	1	\$50,100	\$0	
				\$50,100		\$50,100	\$0	
PAY	State Administrative Office Office - Financial Operations	Education Fund	94.7	\$48,100	0.93	\$47,244	(\$856)	
PAY	State Administrative Office Office - Financial Operations	Federal Funds	5.3	\$2,700	0.07	\$3,556	\$856	OMB Uniform Guidance 200.430 Compensation- Personnel Services
				\$50,800		\$50,800	\$0	
PCA	Teaching and Learning - Student Access to High Quality School Readiness Program	Education Fund	1.35	\$0	0.486	\$1,507	\$1,507	
PCA	Teaching and Learning - Student Access to High Quality School Readiness Program	Transfers	98.65	\$3,100	0.514	\$1,593	(\$1,507)	OMB Uniform Guidance 200.430 Compensation- Personnel Services
				\$3,100		\$3,100	\$0	
PDA	Child Nutrition - Child Nutrition	Education Fund	0.07	\$0	0.0061	\$219	\$219	
PDA	Child Nutrition - Child Nutrition	Federal Funds	80.2	\$28,800	0.9939	\$35,681	\$6,881	OMB Uniform Guidance 200.430 Compensation- Personnel Services

Approp. Unit	Program Title	Funding Source	Comp. Bill Draft %	Comp Bill (HB8) Funding Total	USBE %	USBE Requested		Agency Justification for change
						Comp. Funding Total\$	Difference	
PDA	Child Nutrition - Child Nutrition	Liquor Tax	19.73	\$7,100	0	\$0	(\$7,100)	This is currently 100% flow through to LEAs, it does not support FTEs.
				\$35,900		\$35,900	\$0	
PJA	Educator Licensing - Educator Licensing	Education Fund	98.7	\$28,600	1	\$29,000	\$400	
PJA	Educator Licensing - Educator Licensing	Dedicated Credits	1.3	\$400	0	\$0	(\$400)	This appropriation no longer receives Dedicated Credits