

Office of the  
Legislative Fiscal Analyst

## **FY 2002 Supplemental**

Joint Appropriations Subcommittee for  
Public Education

### **Supplemental Funding Items**

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## 1.0 Public Education – Committee

### Summary

Supplemental funding is for items in the current fiscal year that were not anticipated in the previous Legislative session. Usually it is additional, one-time funding for an unexpected expense. A projected \$202 million revenue shortfall makes this year's supplemental recommendations different. Instead of additional funding, budget reductions will need to be implemented to balance the FY 2002 State budget.

### *Executive Appropriations Directive: Balance FY 2002 Revised Base Budget without the Rainy Day Fund or Other Cash Reserves*

Legislative leaders have directed appropriations subcommittees to re-examine their budget areas and make reductions to balance the FY 2002 budget. It is the intention of the Executive Appropriations Committee not to use the Rainy Day Fund or other cash reserves to balance the FY 2002 budget. The Executive Appropriations Committee, has revised the FY 2002 budget to account for the needed reductions, and given each subcommittee a revised base budget. They have recommended that the Public Education Appropriations Subcommittee review the FY 2002 education budget for reductions to meet the revised allocation. If reductions are not made sufficient to the revised allocation, the subcommittee may identify other sources of funding to cover the difference.

### *Public Education Identified \$31,786,000 in Holdbacks*

The Governor anticipated a shortfall early in the fiscal year and requested that agencies identify "holdbacks" at an average of 2.5 percent of state funds. It soon became clear that the holdbacks were permanent budget cuts. Public Education's General Fund/Uniform School Fund holdbacks totaled \$31,786,000, including \$20,000,000 for the Growth in Student Population fund that was contingent upon available resources.

Following these holdbacks, the State's revenue shortfall grew even larger. The Governor requested additional reductions from agencies, with the exception of public and higher education, and suggested using the State's Rainy Day Fund to supplement the difference. The current supplemental allocations do not use the Rainy Day Fund or other cash reserves. Therefore, the entire shortfall must be covered with reductions in operating budgets or increases in other revenue sources.

*Analyst Recommends  
Current Holdbacks,  
Plus \$19,893,300 in  
Additional Reductions*

For FY 2002, the Analyst recommends reducing the current General Fund/Uniform School Fund appropriation for education by the original \$31,786,000, plus an additional \$19,893,300 in reductions identified in the following pages. Virtually all of the budgets are impacted to some degree in these proposed reductions. The Analyst has identified specific programs or functions that could be downsized or eliminated. In addition, several across-the-board reductions have been identified. The Analyst has included 10% across-the-board decreases in the General Fund/Uniform School Fund for the following expense categories: Conventions/Workshops, Data Processing, Entertainment/Receptions, Office Supplies/Equipment, and Travel. These reductions do not impact the Minimum School Program or those agencies funded from sources other than the GF/USF. For FY 2002, in most programs, the reduction was limited to eight months of the year to allow for expenditures made prior to the Legislative session.

The following table summarizes recommended budget reductions for Public Education. Impacts are detailed by agency on the pages following this summary.

	<b>Analyst FY 2002 Estimated</b>	<b>Analyst FY 2002 Supplemental</b>	<b>Analyst FY 2002 Revised</b>
<b>Financing</b>			
General Fund	254,900		254,900
Uniform School Fund	1,715,301,216		1,715,301,216
Uniform School Fund, One-time	52,035,000	(51,686,900)	348,100
Federal Funds	236,827,100	(9,700)	236,817,400
Dedicated Credits Revenue	21,591,800	99,500	21,691,300
Federal Mineral Lease	859,300		859,300
Restricted Revenue	80,900		80,900
GFR - Substance Abuse Prevention	400,700		400,700
USFR - Growth in Student Population	(20,000,000)	20,000,000	
Local Property Tax	356,458,360		356,458,360
Transfers - Interagency	4,700,400	561,900	5,262,300
Beginning Nonlapsing	27,273,900		27,273,900
Closing Nonlapsing	(4,649,900)	200,000	(4,449,900)
<b>Total</b>	<b>\$2,391,133,676</b>	<b>(\$30,835,200)</b>	<b>\$2,360,298,476</b>
<b>Programs</b>			
Public Ed Agencies	339,914,756	(2,361,700)	337,553,056
Minimum School Program	2,012,860,920	(18,473,500)	1,994,387,420
School Building Program	38,358,000	(10,000,000)	28,358,000
<b>Total</b>	<b>\$2,391,133,676</b>	<b>(\$30,835,200)</b>	<b>\$2,360,298,476</b>
<b>FTE/Other</b>			
Total FTE		1,007	1,007

**1.0 Minimum School Program**

**Summary**

The Analyst has identified a Uniform School Fund reduction of \$18,473,500, exclusive of the Education Protection Fund, in the Minimum School Program. Of the total, \$8,900,000 is one-time in nature, the remainder to be repeated in FY 2003. The FY 2002 Uniform School Fund appropriation to the Minimum School Program would be \$1,618,373,260, compared to the original appropriation of \$1,656,846,760.

	<b>Analyst FY 2002 Estimated</b>	<b>Analyst FY 2002 Supplemental</b>	<b>Analyst FY 2002 Revised</b>
<b>Financing</b>			
Uniform School Fund	1,607,061,760		1,607,061,760
Uniform School Fund, One-time	49,785,000	(38,473,500)	11,311,500
USFR - Growth in Student Population	(20,000,000)	20,000,000	
Local Property Tax	356,458,360		356,458,360
Beginning Nonlapsing	19,555,800		19,555,800
<b>Total</b>	<u>\$2,012,860,920</u>	<u>(\$18,473,500)</u>	<u>\$1,994,387,420</u>
<b>Programs</b>			
Minimum School Program	<u>2,012,860,920</u>	<u>(18,473,500)</u>	<u>1,994,387,420</u>
<b>Total</b>	<u>\$2,012,860,920</u>	<u>(\$18,473,500)</u>	<u>\$1,994,387,420</u>

**2.0 Issues: Minimum School Program**

The following are summaries of the identified reductions for the Minimum School Program. The summaries represent a reduction of \$18,473,500 in Uniform School Funds, plus \$20,000,000 originally appropriated to the Growth in Student Population restricted account contingent upon available funds.

**2.1 Education Protection Fund**

The 2001 Legislature passed House Bill 273, “Education Protection Funding Program.” This created a Uniform School Fund restricted account to be used to address the anticipated surge in future student growth in Utah school districts. The account receives funds from three basic sources according to the legislation. They include: voluntary contributions, legislative appropriations, and earned interest from the account. For FY 2002 the Legislature provided funds for the account by intent language as follows:

*(1) It is the intent of the Legislature that after allocating all contingent appropriations or designations required by statute for fiscal year 2001-02, all unrestricted, undesignated, and unencumbered surplus remaining in the Uniform School Fund up to \$20,000,000 is appropriated to the Growth in Student Population Restricted Account.....*

When revenues did not materialize as originally estimated and it became necessary to reduce spending and make other adjustments to attempt to balance the FY 2002 budget, the Governor recommended utilizing surplus Uniform School Funds which then eliminated any funding going into the Growth in Student Population Uniform School Fund Restricted Account. Instead, the funds became a hedge against the slowing economic situation.

**Uniform School Fund ..... (\$20,000,000)**

**2.2 FY 2002 “Hold Backs”**

Early in Fiscal Year 2002, the Governor’s Office of Planning and Budget requested that state agencies, including Public Education, identify budget reductions equivalent to 2.5% of what was appropriated. The State Board of Education authorized a cut of \$200,000 for Teacher Supplies. The State Office reports that this amount, appropriated by “Funding for Classroom Supplies” (House Bill 42, 2001 General Session), is in excess of true needs.

**Uniform School Fund, One-time..... (\$200,000)**

### 2.3 Character Education Elimination

The program has been included in the Local Discretionary Block Grant to school districts, allowing for greater funding flexibility. Character/Citizenship development of students is an implicit function of the public education system and should not require additional programs. The continuation of the program would be a district prerogative based on priority and funding capability.

**Uniform School Fund..... (\$397,000)**

### 2.4 Library Media

The reduction represents eight months worth of funding out on an original one-time appropriation of \$3,800,000. This is a one-time appropriation for Library media materials, and does not affect existing funding levels. The reduction would require school districts to re-evaluate some product purchases.

**Uniform School Fund, One-time..... (\$2,500,000)**

### 2.5 Education Technology Initiative

The reduction represents eight months worth of funding out on an original one-time appropriation of \$8,250,000. This is a one-time appropriation for new technology equipment throughout districts, and does not affect existing funding levels. The reduction would require school districts to re-evaluate some product purchases.

**Uniform School Fund, One-time..... (\$5,500,000)**

### 2.6 FACT Restructuring

The “FACT” process of delivering services, while potentially effective, is bureaucratic, cumbersome and expensive. This reduction is aimed at eliminating most of the bureaucracy and streamlining the collaborative method of service delivery. The ongoing reduction should not impact the level or quality of services.

**Uniform School Fund..... (\$176,500)**

## 2.7 1 Day Furlough

Should the Legislature decide to balance the budget without using the Rainy Day Fund or other possible sources of one-time funding, it becomes somewhat necessary for the Minimum School Program to share in the financial burden, since it makes up about forty two percent of state funds. Should state government be asked to reduce funding equal to a one-day furlough, an equivalent cost for the Minimum School Program is approximately \$10,800,000. The recommendation is for an equivalent reduction of \$8,800,000, which primarily excludes the Local Revenue share of the cost. It is also recommended that the equivalent funds come from reductions in block grant programs or other identified areas of expenditure rather than a reduction in the value of the weighted pupil unit.

Such a reduction would have a significant ramification for the FY 2002 school year. A one-day school closure is not expected, however, school districts may cancel a career ladder day, or reduce other expenses and/or increase class size to accommodate such reductions. It would remain a local option for each district to determine how to handle reductions in their districts.

**Uniform School Fund..... (\$8,800,000)**

## 2.8 Applied Technology District Equipment

The reduction represents eight months worth of funding out on an original one-time appropriation of \$1,375,000. This is a one-time appropriation for equipment purchases and ATE program expansion at high schools, and does not affect existing funding levels. The reduction would require school districts to re-evaluate some product purchases or programmatic expansions.

**Uniform School Fund, One-time..... (\$900,000)**

## 2.9 Informational Item: Re-allocation of ATE Funding for Secondary Students

For secondary students attending an Applied Technology College (ATC), the local school district is allowed to keep all WPU funds. The ATC's also receive state support for secondary students. It is being recommended that the budgets of the ATC's be reduced by \$500 per full time secondary student. The funding will be replaced by the school districts paying the ATC's \$500 (approximately 24% of the WPU) for each full time student attending the ATC's. It is recommended that a statutory change be made to implement this change. The recommendation is targeted to address the issue of double funding for applied technology education. A reduction of \$1,062,500 appears in the Commerce and Revenue Appropriations Subcommittee.

**4.0 Additional Information: Minimum School Program**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Difference</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>2001 to 2002</b>
Uniform School Fund	1,413,182,200	1,446,215,683	1,530,144,400	1,607,061,760	76,917,360
Uniform School Fund, One-time		8,450,000	34,840,000	11,311,500	(23,528,500)
Dedicated Credits Revenue	78,800		137,900		(137,900)
USFR - Growth in Student Population					
Local Property Tax	291,449,700	311,574,929	331,712,666	356,458,360	24,745,694
Beginning Nonlapsing	30,300,900		23,789,100	19,555,800	(4,233,300)
Closing Nonlapsing	(16,480,800)		(19,555,800)		19,555,800
Lapsing Balance	(78,800)		(20,437,900)		20,437,900
<b>Total</b>	<u>\$1,718,452,000</u>	<u>\$1,766,240,612</u>	<u>\$1,880,630,366</u>	<u>\$1,994,387,420</u>	<u>\$113,757,054</u>
<b>Programs</b>					
Minimum School Program	<u>1,718,452,000</u>	<u>1,766,240,612</u>	<u>1,880,630,366</u>	<u>1,994,387,420</u>	<u>113,757,054</u>
<b>Total</b>	<u>\$1,718,452,000</u>	<u>\$1,766,240,612</u>	<u>\$1,880,630,366</u>	<u>\$1,994,387,420</u>	<u>\$113,757,054</u>
<b>Expenditures</b>					
Other Charges/Pass Thru	<u>1,718,452,000</u>	<u>1,766,240,612</u>	<u>1,880,630,366</u>	<u>1,994,387,420</u>	<u>113,757,054</u>
<b>Total</b>	<u>\$1,718,452,000</u>	<u>\$1,766,240,612</u>	<u>\$1,880,630,366</u>	<u>\$1,994,387,420</u>	<u>\$113,757,054</u>

**1.0 School Building Program**

**Summary**

The Analyst has included a Uniform School Fund reduction of \$10,462,000 in the School Building Program. Of the total, \$462,000 is a one-time repayment in FY 2002, and \$10,000,000 would repeat in FY 2003. Both changes were approved by the State Board and recommended by the Governor. The FY 2002 Uniform School Fund appropriation for the School Building Program would be \$28,358,000.

	<b>Analyst FY2002 Estimated</b>	<b>Analyst FY2002 Supplemental</b>	<b>Analyst FY2002 Revised</b>
<b>Financing</b>			
Uniform School Fund	38,358,000		38,358,000
Uniform School Fund, One-time		(10,462,000)	(10,462,000)
Transfers - Interagency		462,000	462,000
<b>Total</b>	<u>\$38,358,000</u>	<u>(\$10,000,000)</u>	<u>\$28,358,000</u>
<b>Programs</b>			
School Building Program	<u>38,358,000</u>	<u>(10,000,000)</u>	<u>28,358,000</u>
<b>Total</b>	<u>\$38,358,000</u>	<u>(\$10,000,000)</u>	<u>\$28,358,000</u>

**2.0 Issues: School Building Program**

The following summaries identify the proposed reductions to the School Building Program.

**2.1 Capital Outlay Program - Loan Repayment**

The State Office of Education maintains a loan program under which districts may apply for low cost construction assistance. The program has retained a balance for a number of years. In the first round of “holdbacks”, the State Board of Education authorized repayment from the loan fund to the General Fund.

**Uniform School Fund, One-time..... (\$462,000)**

**2.2 Capital Outlay Program – Equalization**

Reduction represents an increase to the School Building Program made in the 2001 General Session. The increase was held back by the Governor in the first round of holdbacks. Districts that were to receive funding will have to delay construction projects or divert funds from other sources to cover the costs. The impact of the reduction is detailed in the chart located on the following page.

**Uniform School Fund ..... (\$10,000,000)**

The following chart details how the \$10,000,000 reduction to the Capital Outlay Program will impact school districts.

<b>Public Education: Capital Outlay \$10 M</b>			
<b>Impact on School District</b>			
<b>School District</b>	<b>State Guarantee \$38,358,000</b>	<b>State Guarantee \$28,358,000</b>	<b>Districts Impacted by Reduction</b>
1 Alpine	\$7,884,847	\$6,309,586	(1,575,261)
2 Beaver	0	0	0
3 Box Elder	838,339	473,460	(364,880)
4 Cache	2,458,242	2,019,766	(438,477)
5 Carbon	0	0	0
6 Daggett	0	0	0
7 Davis	9,002,084	7,036,562	(1,965,522)
8 Duchesne	802,645	663,360	(139,285)
9 Emery	0	0	0
10 Garfield	0	0	0
11 Grand	0	0	0
12 Granite	0	0	0
13 Iron	194,281	0	(194,281)
14 Jordan	4,029,070	1,594,538	(2,434,532)
15 Juab	56,960	0	(56,960)
16 Kane	0	0	0
17 Millard	0	0	0
18 Morgan	0	0	0
19 Nebo	4,045,231	3,339,034	(706,197)
20 No. Sanpete	333,460	250,727	(82,733)
21 No. Summit	0	0	0
22 Park City	0	0	0
23 Piute	75,498	64,259	(11,238)
24 Rich	0	0	0
25 San Juan	439,908	335,409	(104,499)
26 Sevier	588,801	439,319	(149,481)
27 So. Sanpete	649,596	558,029	(91,567)
28 So. Summit	0	0	0
29 Tintic	85,224	76,174	(9,049)
30 Tooele	1,329,442	1,022,700	(306,742)
31 Uintah	0	0	0
32 Wasatch	0	0	0
33 Washington	0	0	0
34 Wayne	0	0	0
35 Weber	4,231,166	3,287,285	(943,881)
36 Salt Lake	0	0	0
37 Ogden	1,313,218	887,791	
38 Provo	0	0	0
39 Logan	0	0	0
40 Murray	0	0	0
<b>Total:</b>	<b>\$38,358,011</b>	<b>\$28,358,000</b>	<b>(10,000,011)</b>

**4.0 Additional Information: School Building Program**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Difference</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>2001 to 2002</b>
Uniform School Fund	28,358,000	28,358,000	28,358,000	38,358,000	10,000,000
Uniform School Fund, One-time		1,000,000		(10,462,000)	(10,462,000)
Transfers - Interagency	2,500,000			462,000	462,000
<b>Total</b>	<b>\$30,858,000</b>	<b>\$29,358,000</b>	<b>\$28,358,000</b>	<b>\$28,358,000</b>	<b>\$0</b>
<b>Programs</b>					
School Building Program	30,858,000	29,358,000	28,358,000	28,358,000	
<b>Total</b>	<b>\$30,858,000</b>	<b>\$29,358,000</b>	<b>\$28,358,000</b>	<b>\$28,358,000</b>	<b>\$0</b>
<b>Expenditures</b>					
Other Charges/Pass Thru	30,858,000	29,358,000	28,358,000	28,358,000	
<b>Total</b>	<b>\$30,858,000</b>	<b>\$29,358,000</b>	<b>\$28,358,000</b>	<b>\$28,358,000</b>	<b>\$0</b>

**1.0 Public Education – Agencies**

**Summary**

The Analyst has identified Uniform School Fund reductions of \$2,751,400 for Public Education Agencies. Of this amount, \$252,000 is one-time, meaning \$2,491,800 would repeat in FY 2003. The total is augmented by internal service fund cost reductions in other revenue sources, and partially offset with anticipated increases from such sources. The revised FY 2002 state fund appropriation for Public Education agencies would be \$69,634,956.

	<b>Analyst FY 2002 Estimated</b>	<b>Analyst FY 2002 Supplemental</b>	<b>Analyst FY 2002 Revised</b>
<b>Financing</b>			
General Fund	254,900		254,900
Uniform School Fund	69,881,456		69,881,456
Uniform School Fund, One-time	2,250,000	(2,751,400)	(501,400)
Federal Funds	236,827,100	(9,700)	236,817,400
Dedicated Credits Revenue	21,591,800	99,500	21,691,300
Federal Mineral Lease	859,300		859,300
Restricted Revenue	80,900		80,900
GFR - Substance Abuse Prevention	400,700		400,700
Transfers - Interagency	4,700,400	99,900	4,800,300
Beginning Nonlapsing	7,718,100		7,718,100
Closing Nonlapsing	(4,649,900)	200,000	(4,449,900)
<b>Total</b>	<b>\$339,914,756</b>	<b>(\$2,361,700)</b>	<b>\$337,553,056</b>
<b>Programs</b>			
State Office of Education	172,779,856	(1,796,200)	170,983,656
Dist Svcs Comp - Regional Svc Ctrs	58,600		58,600
State Office of Rehabilitation	49,633,700	(331,500)	49,302,200
School for the Deaf and Blind	22,215,300	(115,300)	22,100,000
Child Nutrition	87,745,500	(1,700)	87,743,800
Fine Arts and Sciences	3,544,500	(117,000)	3,427,500
Educational Contracts	3,937,300		3,937,300
<b>Total</b>	<b>\$339,914,756</b>	<b>(\$2,361,700)</b>	<b>\$337,553,056</b>
<b>FTE/Other</b>			
Total FTE	1,007		1,007

## 2.0 Issues: Public Education – Agencies

The following summarizes the identified reductions for the State Office of Education, State Office of Rehabilitation, Schools for the Deaf and Blind, Educational Contracts, and Child Nutrition programs. The entries are separated by agency and program area.

### 2.1 All Public Education Agencies – First Round “Hold-backs”

Early in Fiscal Year 2002, the Governor’s Office of Planning and Budget requested that state agencies, including Public Education Agencies, identify budget reductions equivalent to 2.5% of what was appropriated. Of the total \$1,124,000 for Public Education Agencies, \$52,000 is one-time in FY 2002, with the remainder repeating in FY 2003. The State Board of Education has approved these cuts, identified in detail below.

FY 2002 "Hold-Backs"		FY 2002
Program	Item	Sup'l
Board of Education	Equipment < \$5,000	(3,200)
Board of Education	Read to Me*	(12,000)
Board of Education	Superintendent's Budget	(24,400)
Instructional Services	Advanced Readers at Risk*	(20,000)
Instructional Services	Art Works*	(20,000)
Instructional Services	Assoc. Superintendent for ATE	(75,000)
Instructional Services	Equipment < \$5,000	(26,100)
Instructional Services	Students at Risk	(20,000)
Agency Support	District Computer Services	(100,200)
Agency Support	Equipment < \$5,000	(16,100)
Agency Support	School Finance	(18,000)
Planning and Project Services	Education Specialist - Service Learning	(102,000)
Planning and Project Services	Equipment < \$5,000	(5,900)
Planning and Project Services	Principal's Academy	(5,000)
Planning and Project Services	Teacher Supply & Demand Studies	(100,000)
Applied Technology Education	Apprenticeship	(21,600)
Applied Technology Education	Equipment < \$5,000	(13,700)
Applied Technology Education	Joint Liaison	(11,600)
Applied Technology Education	Printing	(15,000)
District Services	Contingency Fund	(150,000)
USOR Blind and Visually Impaired	Communications Costs at Deaf Center	(3,200)
USOR Blind and Visually Impaired	Vacant Training Positions	(47,800)
USOR Rehabilitation Administration	Assistive Technology	(31,000)
USOR Rehabilitation Administration	Independent Living	(86,400)
USOR Deaf and Hard of Hearing	New Liaison for Low Functioning Deaf	(47,000)
Child Nutrition	Increase Federal Funds	(6,800)
Hansen Planetarium	Professional Outreach Programs in the Schools	(17,800)
Ririe-Woodbury Dance Company	Professional Outreach Programs in the Schools	(3,400)
Repertory Dance Company	Professional Outreach Programs in the Schools	(3,400)
Children's Dance Theater	Professional Outreach Programs in the Schools	(4,000)
Utah Opera Company	Professional Outreach Programs in the Schools	(8,200)
Ballet West	Professional Outreach Programs in the Schools	(15,700)
Utah Symphony	Professional Outreach Programs in the Schools	(32,200)
Springville Arts Museum	Professional Outreach Programs in the Schools	(5,000)
Children's Museum of Utah	Professional Outreach Programs in the Schools	(1,800)
Utah Museum of Natural History	Professional Outreach Programs in the Schools	(10,700)
Utah Festival Opera	Professional Outreach Programs in the Schools	(6,600)
Utah Shakespearean Festival	Professional Outreach Programs in the Schools	(8,200)
USDB Support Services	Building Maintenance/Administration	(25,000)
<b>Total</b>		<b><u>(\$1,124,000)</u></b>

\*One-time reductions in FY 2002

## **2.2 All Public Education Agencies – 1 Day Furlough**

A one-day furlough for public education agencies would save the state \$119,300 in Uniform School Fund revenue. The agencies included in the furlough are the State Office of Education, State Office of Rehabilitation, and the Utah Schools for the Deaf and Blind.

**Uniform School Fund..... (\$119,300)**

## **2.3 All Public Education Agencies – Across-the-Board Administrative Reductions**

The Office of the Legislative Fiscal Analyst is proposing across-the-board reductions in certain administrative expenses for all areas of government. The reductions are equivalent to 10% of state-funded FY 2001 expenditures on conventions and workshops; data processing; entertainment and receptions; supplies and equipment; and travel. For FY 2002, only 2/3 of the 10% is proposed, in recognition that time has passed since the start of the fiscal year. The proposal does not impact expenditures financed with revenues other than the General Fund or Uniform School Fund.

**Uniform School Fund..... (\$221,300)**

## **2.4 All Public Education Agencies – Internal Service Fund Rate Reductions**

Certain services provided to Public Education Agencies are done so using internal service fund organizations of the Department of Administrative Services (DAS). The services are done on a cost recovery basis. In FY 2002, DAS internal service funds have adjusted rates for toll-free telephone service, utilities and rent, voice-mail, and Workers' Compensation. In total, these rate changes will save Public Education Agencies \$25,000. Of that amount, an estimated \$7,600 would flow to the Uniform School Fund.

**Uniform School Fund..... (\$7,600)**

## **2.4 State Office of Education – Contingency Fund**

The USOE Contingency fund was previously used to meet unexpected needs. In FY 2002, it was rolled-into the District Services Block Grant. With advent of such block granting, the State School Board and local districts have much greater flexibility to shift money to meet unexpected needs. This reduction represents the remaining portion of the fund, assuming a cut of \$150,000 from the first round of holdbacks identified in item 2.1 above. As a result of this reduction, school boards will have to more closely weigh priorities in funding allocations.

**Uniform School Fund..... (\$269,200)**

## **2.5 State Office of Education – Charter Schools State Allocation for Local Funding**

Charter schools only receive half of the local revenue, per student, from a school district which has a student attending a given charter school. The funding is targeted to supplement the other half of the local revenue not transferred with the student. The FY 2002 Appropriation assumed the approval of 4 new Charter Schools and a doubling of student enrollment in Charter Schools for the 2001-2002 school year. It is now clear that this will not occur in FY 2002 new charter schools will not be operational until next year.

**Uniform School Fund..... (\$210,000)**

## **2.6 State Office of Education – Superfluous Functions Resulting from Block Grants/ATE**

Block granting in public education and the transfer of responsibility for applied technology colleges to higher education creates an opportunity to streamline functions at the state office of education. The analyst has identified a number of salaries and associated support costs that can be reduced as a result. The analyst believes most of the savings can be accomplished through attrition. These reductions would require the state office to re-examine personnel assignments, eliminate current vacancies, and re-engineer business practices.

**Uniform School Fund..... (\$600,000)**

## **2.7 Utah Schools for the Deaf and Blind – Non-lapsing Balances**

The Schools for the Deaf and Blind have carried-forward a significant non-lapsing balance for the past five years. The balance has been in excess of \$1 million for each year since 1996, with the exception of FY 1998 when it was \$995,000. The agency’s original estimate for FY 2002 was \$1,278,300. Given budgetary pressures, USDB revised that estimate downward to about \$600,000. The Analyst believes a rescission of \$200,000 in non-lapsing balances is prudent and would not have an impact on USDB services.

**Uniform School Fund, One-time..... (\$200,000)**

**Closing Non-lapsing Balances ..... \$200,000**

**4.0 Additional Information: Public Education Agencies**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Difference</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>2001 to 2002</b>
General Fund	280,000			254,900	254,900
Uniform School Fund	47,201,200	51,464,300	55,827,900	69,881,456	14,053,556
Uniform School Fund, One-time				(501,400)	(501,400)
Federal Funds	212,091,800	225,807,800	235,910,100	236,817,400	907,300
Dedicated Credits Revenue	6,834,100	19,731,300	21,446,000	21,691,300	245,300
Federal Mineral Lease	607,900	739,000	1,152,800	859,300	(293,500)
Restricted Revenue		57,500	77,700	80,900	3,200
GFR - Substance Abuse Prevention	307,300	350,800	350,800	400,700	49,900
USFR - Liquor Tax	12,778,000				
USFR - Professional Practices	59,300				
Transfers			3,342,400		(3,342,400)
Transfers - Interagency	3,197,500	3,594,500	3,623,100	4,800,300	1,177,200
Beginning Nonlapsing	6,125,900	5,936,700	5,745,200	7,718,100	1,972,900
Closing Nonlapsing	(5,878,700)	(5,789,500)	(7,718,100)	(4,449,900)	3,268,200
Lapsing Balance	(800,000)	(7,800)			
<b>Total</b>	<b>\$282,804,300</b>	<b>\$301,884,600</b>	<b>\$319,757,900</b>	<b>\$337,553,056</b>	<b>\$17,795,156</b>
<b>Programs</b>					
State Office of Education	123,626,300	146,151,100	160,321,800	170,983,656	10,661,856
Dist Svcs Comp - Regional Svc Ctrs				58,600	58,600
State Office of Rehabilitation	42,338,700	43,402,100	45,367,800	49,302,200	3,934,400
School for the Deaf and Blind	17,017,800	19,020,700	19,942,700	22,100,000	2,157,300
Child Nutrition	93,191,900	86,366,500	87,109,500	87,743,800	634,300
Fine Arts and Sciences	2,193,700	2,293,700	2,687,000	3,427,500	740,500
Educational Contracts	4,435,900	4,650,500	4,329,100	3,937,300	(391,800)
<b>Total</b>	<b>\$282,804,300</b>	<b>\$301,884,600</b>	<b>\$319,757,900</b>	<b>\$337,553,056</b>	<b>\$17,795,156</b>
<b>Expenditures</b>					
Personal Services	42,108,700	45,189,500	47,847,700	50,793,800	2,946,100
In-State Travel	783,400	752,700	771,400	714,700	(56,700)
Out of State Travel	243,000	284,000	267,600	258,800	(8,800)
Current Expense	13,845,900	14,944,100	18,248,800	21,325,400	3,076,600
DP Current Expense	2,120,800	2,038,900	1,995,900	3,022,200	1,026,300
DP Capital Outlay	95,100	461,300	264,000	233,700	(30,300)
Capital Outlay	97,500	39,800	92,000	146,100	54,100
Other Charges/Pass Thru	223,509,900	238,174,300	250,270,500	261,058,356	10,787,856
<b>Total</b>	<b>\$282,804,300</b>	<b>\$301,884,600</b>	<b>\$319,757,900</b>	<b>\$337,553,056</b>	<b>\$17,795,156</b>
<b>FTE/Other</b>					
Total FTE	359		971	1,007	36

**4.0 Additional Information: Public Education – Committee**

	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>Difference</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>2001 to 2002</b>
General Fund	280,000			254,900	254,900
Uniform School Fund	1,488,741,400	1,526,037,983	1,614,330,300	1,715,301,216	100,970,916
Uniform School Fund, One-time		9,450,000	34,840,000	348,100	(34,491,900)
Federal Funds	212,091,800	225,807,800	235,910,100	236,817,400	907,300
Dedicated Credits Revenue	6,912,900	19,731,300	21,583,900	21,691,300	107,400
Federal Mineral Lease	607,900	739,000	1,152,800	859,300	(293,500)
Restricted Revenue		57,500	77,700	80,900	3,200
GFR - Substance Abuse Prevention	307,300	350,800	350,800	400,700	49,900
USFR - Growth in Student Population					
USFR - Liquor Tax	12,778,000				
USFR - Professional Practices	59,300				
Local Property Tax	291,449,700	311,574,929	331,712,666	356,458,360	24,745,694
Transfers			3,342,400		(3,342,400)
Transfers - Interagency	5,697,500	3,594,500	3,623,100	5,262,300	1,639,200
Beginning Nonlapsing	36,426,800	5,936,700	29,534,300	27,273,900	(2,260,400)
Closing Nonlapsing	(22,359,500)	(5,789,500)	(27,273,900)	(4,449,900)	22,824,000
Lapsing Balance	(878,800)	(7,800)	(20,437,900)		20,437,900
<b>Total</b>	<b>\$2,032,114,300</b>	<b>\$2,097,483,212</b>	<b>\$2,228,746,266</b>	<b>\$2,360,298,476</b>	<b>\$131,552,210</b>
<b>Programs</b>					
Public Ed Agencies	282,804,300	301,884,600	319,757,900	337,553,056	17,795,156
Minimum School Program	1,718,452,000	1,766,240,612	1,880,630,366	1,994,387,420	113,757,054
School Building Program	30,858,000	29,358,000	28,358,000	28,358,000	
<b>Total</b>	<b>\$2,032,114,300</b>	<b>\$2,097,483,212</b>	<b>\$2,228,746,266</b>	<b>\$2,360,298,476</b>	<b>\$131,552,210</b>
<b>Expenditures</b>					
Personal Services	42,108,700	45,189,500	47,847,700	50,793,800	2,946,100
In-State Travel	783,400	752,700	771,400	714,700	(56,700)
Out of State Travel	243,000	284,000	267,600	258,800	(8,800)
Current Expense	13,845,900	14,944,100	18,248,800	21,325,400	3,076,600
DP Current Expense	2,120,800	2,038,900	1,995,900	3,022,200	1,026,300
DP Capital Outlay	95,100	461,300	264,000	233,700	(30,300)
Capital Outlay	97,500	39,800	92,000	146,100	54,100
Other Charges/Pass Thru	1,972,819,900	2,033,772,912	2,159,258,866	2,283,803,776	124,544,910
<b>Total</b>	<b>\$2,032,114,300</b>	<b>\$2,097,483,212</b>	<b>\$2,228,746,266</b>	<b>\$2,360,298,476</b>	<b>\$131,552,210</b>
<b>FTE/Other</b>					
Total FTE	359		971	1,007	36