

**EDUCATION FUND DESIGNATION RATIO**

2019 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Marsha Judkins**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to the Education Fund.

**Highlighted Provisions:**

This bill:

▶ provides that no more than ~~H~~→ [15%] 20% ←~~H~~ of Education Fund revenue may be designated for

higher education; and

▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**51-5-4**, as last amended by Laws of Utah 2013, Chapter 400

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **51-5-4** is amended to read:

**51-5-4. Funds established -- Titles of funds -- Fund functions.**

(1) (a) (i) The funds enumerated in this section are established as major fund types.

(ii) All resources and financial transactions of Utah state government shall be

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59 (ii) is designated for public and higher education, except that no more than ~~H~~→ [15%]  
59a 20% ←~~H~~ of the  
60 revenue received into the Education Fund in a fiscal year may be designated for higher  
61 education.

62 (b) The Transportation Fund is a Special Revenue Fund that accounts for all revenues  
63 that are required by law to be expended for highway purposes.

64 (c) (i) An Expendable Special Revenue Fund is a Special Revenue Fund created by  
65 legislation or contractual relationship with parties external to the state that:

66 (A) identifies specific revenues collected from fees, taxes, dedicated credits, donations,  
67 federal funds, or other sources;

68 (B) defines the use of the money in the fund for a specific function of government or  
69 program within an agency; and

70 (C) delegates spending authority or authorization to use the fund's assets to a governing  
71 board, administrative department, or other officials as defined in the enabling legislation or  
72 contract establishing the fund.

73 (ii) An Expendable Special Revenue Fund may only be created by contractual  
74 relationship with external parties when the sources of revenue for the fund are donated  
75 revenues or federal revenues.

76 (iii) Expendable Special Revenue Funds are subject to annual legislative review by the  
77 appropriate legislative appropriations subcommittee.

78 (5) (a) Capital Projects Funds account for financial resources to be expended for the  
79 acquisition or construction of capital outlays, including the acquisition or construction of a  
80 capital facility and other capital assets. Capital Projects Funds exclude those types of  
81 capital-related outflows financed by proprietary funds or for assets that will be held in trust for  
82 individuals, private organizations, or other governments.

83 (b) The Transportation Investment Fund of 2005 is a Capital Projects Fund that  
84 accounts for revenues that are required by law to be expended for the maintenance,  
85 construction, reconstruction, or renovation of certain state and federal highways.

86 (6) Debt Service Funds account for the accumulation of resources for, and the payment  
87 of, the principal and interest on general long-term obligations.

88 (7) Permanent Funds account for assets that are legally restricted to the extent that only  
89 earnings, and not principal, may be used for a specific purpose.