



UTAH STATE OFFICE OF EDUCATION BUDGET BRIEF

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
STAFF: THOMAS YOUNG & BEN LEISHMAN

BUDGET BRIEF

SUMMARY

The State Office of Education line item includes the costs associated with regulating and overseeing the State’s public education system. The line item includes costs associated with:

- The State Board of Education;
- USOE Administration;
- Student Achievement;
- Data and Business Services; and
- Law, Legislation, and Educational Services.

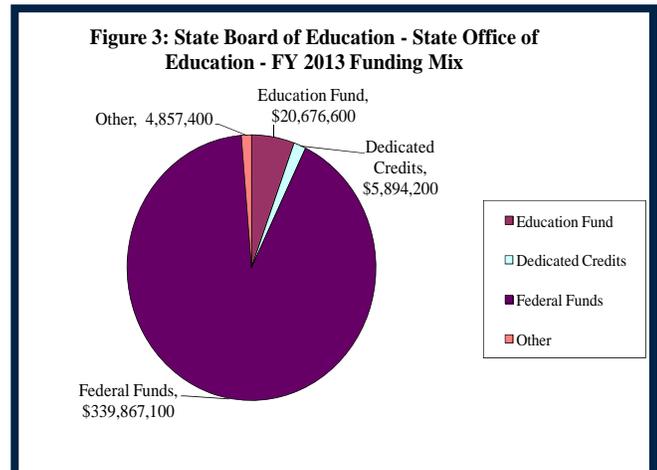
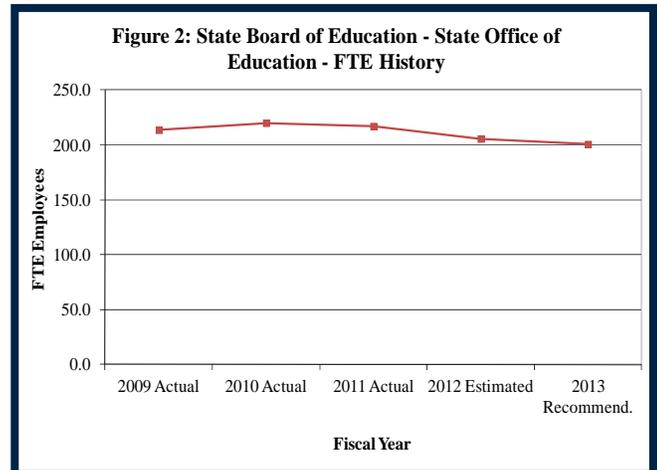
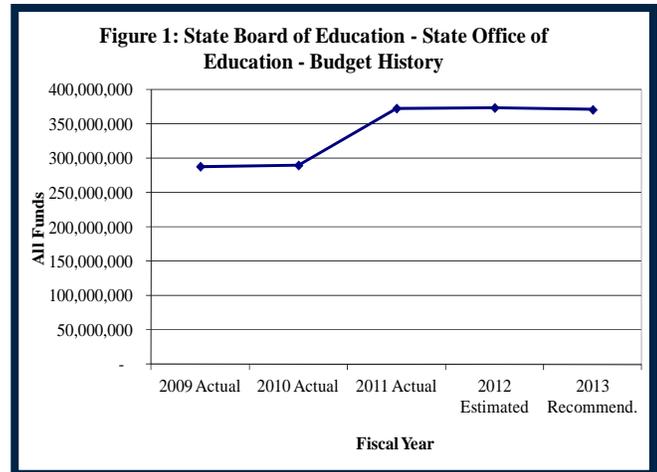
Further budget detail on the State Office of Education line item is available in the annual Compendium of Budget Information:

http://le.utah.gov/lfa/reports/cobi2012/LI_PAA.htm; or in the LFA in-depth budget review: <http://le.utah.gov/asp/interim/Commit.asp?Year=2011&Com=APPEXE>

LEGISLATIVE ACTION

1. **Base Budget Adoption:** Item 5 of House Bill 1 of this session includes a \$371,315,300 base budget appropriation to the State Office of Education line item. The final table of this report shows \$371,295,300 because of one recommended change:

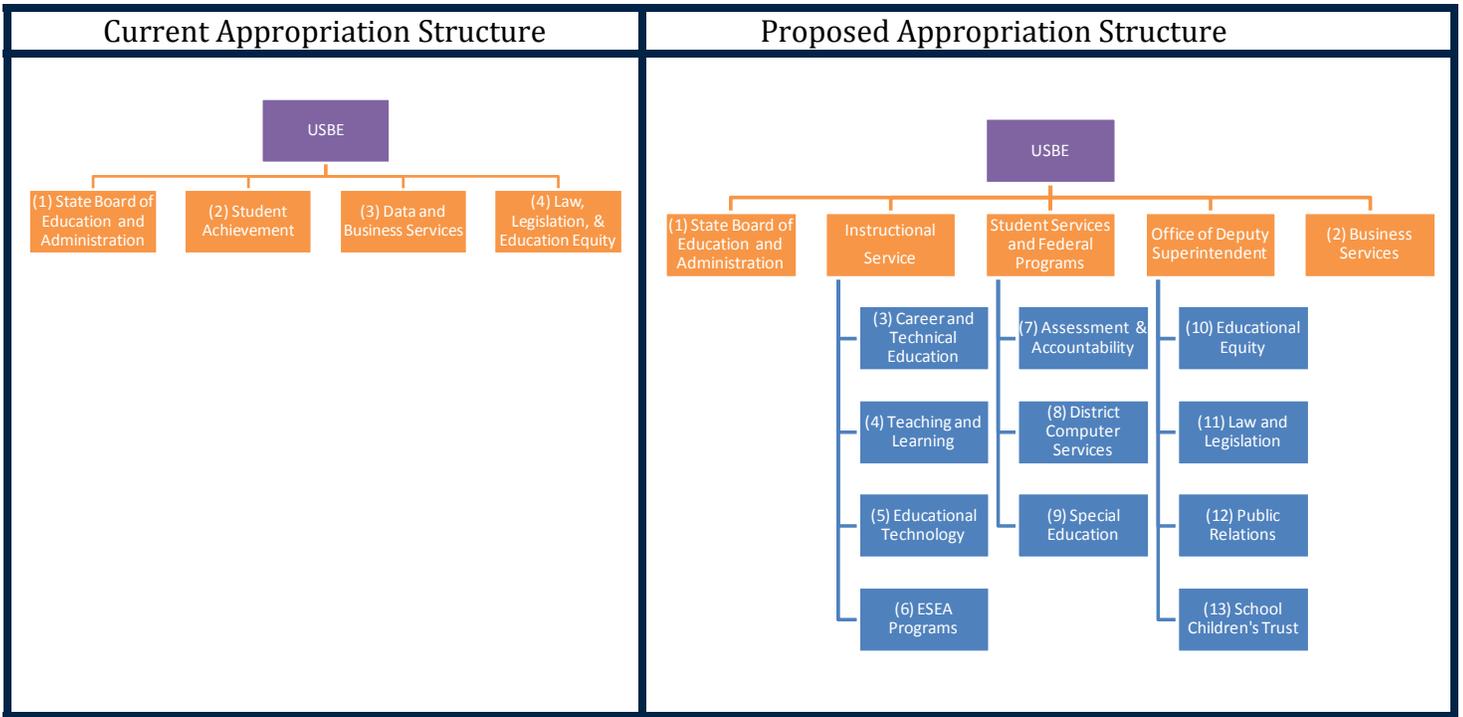
- Senate Bill 305 (2011 G.S.) *Economic Development through Education* required a \$20,000 appropriation to USOE. The Governor vetoed S.B. 305, but not the funding. The recommended change adjusts out the \$20,000 and transfers it to State Board of Regents – Prison Recidivism.



2. **Intent Language:** The Subcommittee may wish to adopt the following intent language:
- *The Legislature intends that the State Office of Education work with the Analyst in performing cost-benefit/ROI analysis on the activities of the programs within the USOE – Administration line item and report the results to the Public Education Appropriations Subcommittee before November 2012.*
 - *The Legislature intends that the State Board of Education address the costs and benefits of its Early Retirement Incentive Pay Plan and its open Other Post Employment Benefits plan that allows individuals to accumulate health insurance benefits at retirement. The State Board should report its findings to the Public Education Appropriations Subcommittee by November 2012.*
 - *The Legislature intends that the State Office of Education work with the Analyst in developing job specific outcome based performance measures and report these measures by November 2012.*
 - *The Legislature intends that the State Office of Education address ways to reduce travel related costs by using electronic equipment and report the results by November 2012.*
 - *The Legislature intends that the State Office of Education and the school districts work with the Analyst in deriving accurate costs comparisons regarding overlapping CTE courses.*
3. **Consider Requests for Spending Increases:** The State Board of Education has asked for the following cost increases that fall within this report's line item:
- **Computer Adaptive Testing:** The total request is for \$21,700,000, which is broken down into \$6,700,000 for USOE infrastructure and \$15,000,000 one-time for a local education agency matching fund. The funding would cover costs associated with providing statewide adaptive testing for grades 3 -12 and for support of online testing. The Governor recommended funding \$12,000,000 one-time.
 - **College Readiness Testing:** The request is for \$2,200,000, which would cover costs associated with college and career readiness assessments for secondary students. The \$2,200,000 is an estimate based upon the costs of providing ACTs to all secondary students. The Governor recommended funding this item.
 - **Utah Common Core:** The request is for \$2,000,000 one-time to cover costs associated with the Utah Common Core (\$6,000,000 over three years). The funding would cover expenditures for consultants and others to review the best practices of other states, and develop best practices for Utah. The agency received \$2,000,000 in the previous General Session. The Governor did not recommend funding this item.

ISSUES

The Legislature currently uses four appropriation units for the 13 programs in this line item. To increase transparency, the Analyst recommends adjusting the increasing the number of appropriation units to 13, as shown in the following two charts.



Current Appropriation Structure		Proposed Appropriation Structure	
Appropriations (Current Structure)		Appropriations (Proposed Structure)	
Appropriations (All funds) FY 2013		Appropriations (All funds) FY 2013	
1 State Board of Education and Administration	\$5,612,500	1 State Board of Education and Administration	\$4,069,900
2 Student Achievement	\$362,697,900	2 Business Services	\$1,666,600
3 Data and Business Services	\$1,666,600	3 Career & Technical Education	\$22,847,400
4 Law, Legislation, & Educational Equity	\$1,318,300	4 Assessment & Accountability	\$13,383,400
		5 Educational Equity	\$365,400
Appropriations (GF/EF) FY 2013		Appropriations (GF/EF) FY 2013	
1 State Board of Education and Administration	\$2,470,600	6 Teaching & Learning	\$31,906,600
2 Student Achievement	\$15,850,900	7 Law & Legislation	\$309,300
3 Data and Business Services	\$1,658,200	8 Educational Technology	\$3,481,800
4 Law, Legislation, & Educational Equity	\$716,900	9 District Computer Services	\$5,231,400
		10 Public Relations	\$130,700
		11 Federal ESEA Programs	\$125,348,100
		12 Special Education	\$162,040,900
		13 School Children's Trust	\$513,800
		1 State Board of Education and Administration	\$2,470,600
		2 Business Services	\$1,658,200
		3 Career & Technical Education	\$1,890,400
		4 Assessment & Accountability	\$6,840,400
		5 Educational Equity	\$365,400
		6 Teaching & Learning	\$3,851,200
		7 Law & Legislation	\$305,200
		8 Educational Technology	\$148,400
		9 District Computer Services	\$2,701,500
		10 Public Relations	\$46,300
		11 Federal ESEA Programs	\$351,500
		12 Special Education	\$47,500
		13 School Children's Trust	\$0

BUDGET DETAIL

The largest source of revenue to the State Board of Education line item is federal funds, most of which is passed through to local education agencies. Of the non-pass-through funding, the largest sources are the Education Fund, Dedicated Credits, and Federal Mineral Lease.

State Board of Education - State Office of Education						
Sources of Finance	FY 2011 Actual	FY 2012 Appropriated	Changes	FY 2012 Revised	Changes	FY 2013* Recommended
Education Fund	21,103,300	20,696,600	0	20,696,600	(20,000)	20,676,600
Education Fund, One-time	7,700	2,377,500	(20,000)	2,357,500	(2,357,500)	0
Federal Funds	339,867,100	162,107,500	177,759,600	339,867,100	0	339,867,100
Dedicated Credits Revenue	5,384,400	5,894,200	0	5,894,200	0	5,894,200
Federal Mineral Lease	3,034,800	2,881,200	0	2,881,200	168,600	3,049,800
Restricted Revenue	799,600	0	799,400	799,400	(799,400)	0
GFR - Land Exchange Distribution A	0	302,400	(302,400)	0	222,500	222,500
GFR - Substance Abuse Prevention	0	497,000	(497,000)	0	497,000	497,000
EFR - Interest and Dividends Accou	410,400	409,400	0	409,400	0	409,400
Transfers	917,600	678,700	0	678,700	0	678,700
Beginning Nonlapsing	12,360,800	12,360,800	(1,725,000)	10,635,800	(400,000)	10,235,800
Closing Nonlapsing	(10,635,800)	(12,360,800)	2,125,000	(10,235,800)	0	(10,235,800)
Lapsing Balance	(50,500)	(3,900)	3,900	0	0	0
Total	\$373,199,400	\$195,840,600	\$178,143,500	\$373,984,100	(\$2,688,800)	\$371,295,300
Programs						
Board of Education - Administration	4,023,400	1,605,900	3,913,900	5,519,800	92,700	5,612,500
Data and Business Services	1,416,600	1,527,600	139,000	1,666,600	0	1,666,600
Law, Legislation and Educational Se	1,389,200	2,075,500	(756,300)	1,319,200	(900)	1,318,300
Student Achievement	366,370,200	190,631,600	174,846,900	365,478,500	(2,780,600)	362,697,900
Total	\$373,199,400	\$195,840,600	\$178,143,500	\$373,984,100	(\$2,688,800)	\$371,295,300
Categories of Expenditure						
Personnel Services	17,558,100	18,751,400	(778,100)	17,973,300	(538,900)	17,434,400
In-state Travel	238,200	232,400	5,800	238,200	0	238,200
Out-of-state Travel	249,400	208,700	40,700	249,400	0	249,400
Current Expense	16,001,100	24,442,900	(5,628,800)	18,814,100	(2,145,700)	16,668,400
DP Current Expense	621,900	618,900	3,000	621,900	0	621,900
DP Capital Outlay	1,818,600	633,400	868,300	1,501,700	0	1,501,700
Other Charges/Pass Thru	336,712,100	150,952,900	183,632,600	334,585,500	(4,200)	334,581,300
Total	\$373,199,400	\$195,840,600	\$178,143,500	\$373,984,100	(\$2,688,800)	\$371,295,300
Other Data						
Budgeted FTE	217.0	205.0	0.7	205.7	(5.0)	200.7
Actual FTE	199.1	0.0	0.0	0.0	0.0	0.0
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.