



# UTAH STATE OFFICE OF EDUCATION INDIRECT COST POOL

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE  
STAFF: THOMAS YOUNG & BEN LEISHMAN

## BUDGET BRIEF

### SUMMARY

The Utah State Office of Education operates one Internal Service Fund (ISF) program: The Office of the Superintendent-Indirect Cost Pool (ICP). The ICP funds those programs and individuals who administer the USOE. It supports administrative, accounting, budgeting, purchasing, and government liaison functions.

Internal Service Funds are not funded directly through a state fund appropriation, but rather operate by charging the programs of the Utah State Office of Education, Utah State Office of Rehabilitation, and Child Nutrition a rate to derive revenues to support the pool. Under Utah Code (63-38-3.5), an ISF may not bill another program unless the Legislature reviews the ISF's budget and authorizes its revenue, rates, and FTE level.

The ICP operates by taking a proportion of all federal and state funds that support personal services in the operating sections of USOE and some operating sections of USOR and the Child Nutrition Programs. The rates reflect the percentage amounts allowed by the U.S. Department of Education to support the state administration of federal grants. The ICP rates are negotiated with the federal government – the rate approved by the legislature provides a ceiling. The Utah State Office of Education anticipates concluding the rate negotiation process in April. Further budget detail is available in the Compendium of Budget Information:

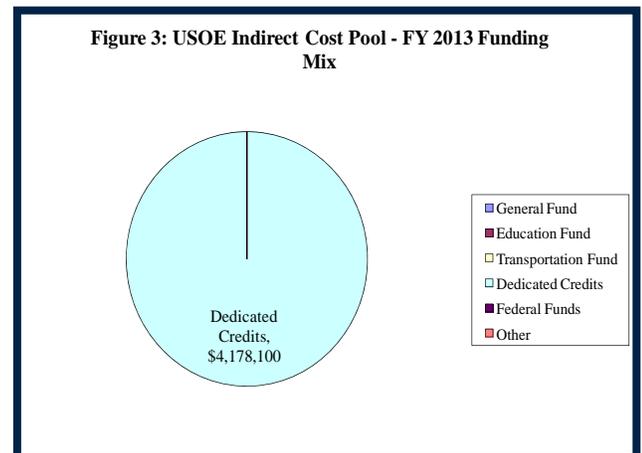
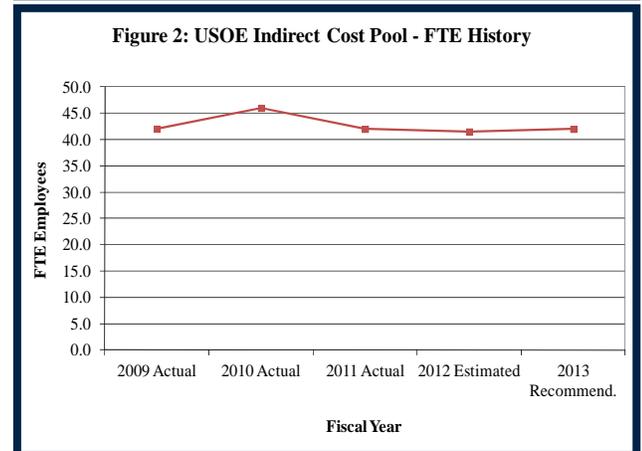
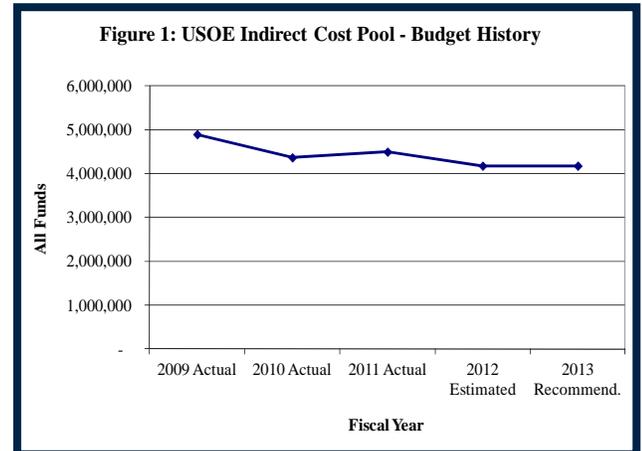
[http://le.utah.gov/lfa/reports/cobi2012/LI\\_PNB](http://le.utah.gov/lfa/reports/cobi2012/LI_PNB); or in the LFA in-depth budget review:

<http://le.utah.gov/asp/interim/Commit.asp?Year=2011&Com=APPEXE>.

### LEGISLATIVE ACTION

**Base Budget Adoption:** Item 14 of House Bill 1 of this session includes a \$4,178,100 base budget appropriation to the Indirect Cost Pool line item. Should the Subcommittee wish to approve the \$4,178,100, the following Indirect Cost Pool rate ceilings for FY 2013 are applicable:

- 10 percent of personnel service costs supported by restricted funds. The final negotiated rate for FY 2012 is 8.0 percent.
- 14 percent of personnel service costs supported by unrestricted funds. The final negotiated rate for FY 2012 is 12.8 percent.



**BUDGET DETAIL**

Federal and state appropriations make up the source of revenue shown below – Dedicated Credits – Intragvt Rev. The revenue covers the overhead costs for administration of federal grants and the State’s public education system.

<b>USOE Indirect Cost Pool</b>						
<b>Sources of Finance</b>	<b>FY 2011 Actual</b>	<b>FY 2012 Appropriated</b>	<b>Changes</b>	<b>FY 2012 Revised</b>	<b>Changes</b>	<b>FY 2013* Recommended</b>
Dedicated Credits - Intragvt Rev	4,309,100	4,178,100	0	4,178,100	0	4,178,100
Beginning Nonlapsing	0	0	(188,200)	(188,200)	0	(188,200)
Closing Nonlapsing	188,200	0	188,200	188,200	0	188,200
<b>Total</b>	<b>\$4,497,300</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>
<b>Programs</b>						
Superintendent Indirect Cost Pool	4,497,300	4,178,100	0	4,178,100	0	4,178,100
<b>Total</b>	<b>\$4,497,300</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>
<b>Categories of Expenditure</b>						
Personnel Services	3,370,600	3,558,100	(17,500)	3,540,600	(1,500)	3,539,100
In-state Travel	9,400	19,000	(9,600)	9,400	0	9,400
Out-of-state Travel	4,800	9,900	(5,100)	4,800	0	4,800
Current Expense	855,900	352,400	37,400	389,800	0	389,800
DP Current Expense	217,700	207,500	(12,900)	194,600	1,500	196,100
DP Capital Outlay	38,900	31,200	7,700	38,900	0	38,900
<b>Total</b>	<b>\$4,497,300</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>	<b>\$0</b>	<b>\$4,178,100</b>
<b>Other Data</b>						
Budgeted FTE	42.0	41.5	0.0	41.5	0.5	42.0
Actual FTE	38.4	0.0	0.0	0.0	0.0	0.0
Retained Earnings	(1,606,800)	(1,251,500)	0	(1,251,500)	0	(1,251,500)
Vehicles	1.0	1.0	0.0	1.0	0.0	1.0

\*Does not include amounts in excess of subcommittee’s state fund allocation that may be recommended by the Fiscal Analyst.