

**AGENCY ESTIMATE**  
OF THE FISCAL IMPACT OF IMPLEMENTING  
**S.B. 30 -- 2012 General Session**  
**Administrative Rules Reauthorization**

**Sponsor:** Sen. Howard Stephenson  
**Agency Contact:** Dr. Cory Kanth/24 Jan 2012  
**Agency** Utah State Office of Education

**Lead Analyst:** Ben Leishman/Thomas Young  
**Title:** Program Specialist  
**Office:** 801-538-7660 **Cell:** None

**A. Short Form** (For bills that have no impact on the state, local governments, businesses, or individuals.)

If you can check all five boxes to the right, you're almost done. If the bill obviously doesn't have an impact, you're done.

- |                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | State agencies will not require an appropriation to implement the bill. |
| <input type="checkbox"/>            | There is no fiscal impact on local governments.                         |
| <input type="checkbox"/>            | There is no fiscal impact on businesses                                 |
| <input type="checkbox"/>            | There is no fiscal impact on individuals.                               |
| <input checked="" type="checkbox"/> | The bill will not affect revenues.                                      |

If it isn't so obvious, explain what's going on. The most usual explanation is the codification of existing practices.

Attachments welcome.

If necessary, explain why this bill has no fiscal impact.

This bill codifies existing practice and is not associated with addition or subtraction of functions or responsibilities on the part of affected agencies. Reauthorization will not impose costs on public agencies, except where subsections or rule are not reauthorized. Lines excepting from reauthorization Administrative Rules R477-6-5 and R277-419-5, part E, may affect the Utah Department of Human Resources Management and the Utah State Office of Education where amendments and/or additions to existing rule are thereby required. Lines excepting from reauthorization Administrative Rules R477-6-5 and R277-419-5, part E, may affect state agencies, school districts and charter schools if rule is not subsequently reauthorized in its existing form. LEAs will see changes to MSP funding distributions.

**B. What parts of the bill cause fiscal impact?**

Cite specific sections or line numbers.

Lines 25 through 28 excepting certain areas of rule from reauthorization.

**C. Which program gets the appropriation?**

Enter 3 letter Appropriation Unit Code.

**For multiple appropriations**

This is

of

**D. Work Notes: Assumptions, calculations & what are we buying?**

Explain the fiscal impact in plain English, detailing your assumptions, methods, & calculations.

List all direct costs. Identify one-time and ongoing costs. Detail FTE impacts.

Do not say, "\$50,000 in Current Expense." Be very specific about what this \$50,000 will buy.

Attachments encouraged.

Exclusion of R477-6-5 from reauthorization may result in a one-time increase in administrative costs if the Department of Administrative Services must expend resources to authorize new or alternative guidelines for public agencies interested in offering incentives and bonuses to employees to reward or incentivize superior productivity, effectiveness, and efficiency. Exclusion of R277-419-5(E) from reauthorization may result a one-time increase in administrative costs to the state of Board of Education and legislative units authorizing changes to administrative rule. School districts and charter schools would see a redistribution in Minimum School Program funding away from individual LEAs to create a fractional increase in funding available for distribution to all LEAs through an increase in the WPU, or other funding programs encompassed in Minimum School Program. See **Agency Response Tab 2** for further explanation.

## E. REVENUES

Select Fund	Current Budget Year FY 2012	Coming Budget Year FY 2013	Future Budget Year FY 2014
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## F. COSTS by FUND

Select Fund	Current Budget Year FY 2012	Coming Budget Year FY 2013	Future Budget Year FY 2014
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## G. COSTS by EXPENDITURE CATEGORY.

Expenses by Category	Current Budget Year FY 2012	Coming Budget Year FY 2013	Future Budget Year FY 2014
Personal Services			
Travel			
Current Expense			
DP Current Expense			
DP Capital Outlay			
Capital Outlay			
Other/Pass Thru			
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

## H. Non-State Impacts

Your estimate of how will the bill affect:

### Local Governments

Where rules are reauthorized, implementation of this legislation will not result in increases or decreases in expenditures by local governments or governmental units. Enactment of this bill may result in one-time costs to Utah Department of Administrative Services, Division of Finance, and to the Utah State Office of Education. Funding redistribution among school districts and charter schools may also occur.

### Businesses

Businesses may be affected marginally by decreases in compensation paid to public sector employees who may be considering alternative private sector employment.

### Individuals

Individuals may see decreases in compensation and incentive awards.

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***A. Short Form - continued from first tab...***

Utah Department of Human Resource Management Rule R477-6-5 governs agency incentive awards and bonuses to public employees, subject to availability of funds within an agency; and (b) State Board of Education Administrative Rule R277-419-5 governs pupil accounting for funding and other purposes within the K12 public education system. Non-reauthorization of R277-419-5 can be expected to alter the distribution of Minimum School Program funding among LEAs.

**B. What parts of the bill cause fiscal impact?**

**C. Which program gets the appropriation?**

**D. Work Notes: *continued from first tab...***

Data is reported to USOE for only a small portion of affected varieties of release-time membership hours. It is clear, however, that decreases in portions of MSP appropriations allocated to *individual* LEAs will result from withdrawal of MSP funding for Release Time, transportation to a UCAT facility, Concurrent Enrollment taught on a USHE campus or by a USHE instructor (95% of concurrent enrollment courses are taught in the high school with high school teachers; "Concurrent enrollment" is s catch all term regardless who teaches it, and is different from the "released time" model of off-campus religious instruction, UCAT, etc. wherein the LEA does not pay for instruction with MSP funding, but counts the student ADM for enrollment purposes), participation in Electronic High School and UCAT courses having Counselor approval, and attendance, under an IEP administered by an LEA, at schools operated by the USDB. These amounts would be available for *general* distribution through other elements of MSP funding. As such, the overall effect for LEAs is distributional only, and does not represent decreases in necessary expenditure overall. While (a) LEAs having *few* students participating in release time for which membership is no longer allowable will see an increase in funding with no associated change in costs, (b) LEAs having *many* students participating in affected varieties of release-time will see *both* an increase and a decrease in funding, with the decrease being larger in value so as to create an overall fall in funding among these LEAs, with no associated change in costs.

Non-reauthorization of R277-419-5(E) may influence LEA willingness to release students during the school day for activities associated with an SEOP, but provided outside of the LEA; this release will no longer be covered by MSP funding sources, which will increase distributions flowing to support of the WPU generally but will result in loss of funding specifically attributed to membership associated with release-time attendance at activities excepted in R277-419-5(E). Without reauthorization of R277-419-5(E), LEAs are not authorized to count a student in membership and thus be funded through the Minimum School Program for the equivalent in membership hours of up to:

- (1) One period each school day, if the student is engaged in Release Time consistent with the student's SEOP.
- (2) Two periods each school day for time spent in bus travel during the regular school day to and from UCAT facilities, if the student is enrolled in CTE instruction consistent with the student's SEOP;
- (3) All periods each school day, if the student is enrolled in:
  - (a) A concurrent enrollment program.
  - (b) A private school under a contract initiated by the LEA.
  - (c) Electronic High School or UCAT classes consistent with the student's SEOP and following written school counselor approval.
  - (d) A school operated by an LEA under a Utah Schools for the Deaf and the Blind, under an IEP.

53A-17a-103(3) defines "Pupil in average daily membership (ADM)" as a full-day equivalent pupil, and it is not clear that the student does not remain in Membership as a full-day equivalent pupil at the LEA when the student is engaged in an external activity aligned with an SEOP administered by the LEA. Non-reauthorization of this portion of R277-419-5 may thus require USOE and legislative units responsible for development and authorization of administrative rules to develop an alternative set of rules specifying how voluntary release of a student for the above activities consistent with an SEOP and/or an IEP administered by the LEA is treated for determination of what constitutes a full-day equivalent in membership. The State Board of Education plans to look at R277-419 at their February 3rd Board Meeting and may amend it at that time. The most recent conversation is to delete sections that are inconsistent with the Utah Code (most likely the parts dealing with UCAT attendance).

R277-419-5(E) also references the foreign exchange student program governed by 53A-2-206(2)(i)(B), which includes students enrolled in a school district or charter school on October 1 of the previous fiscal year and sponsored by an agency approved by the district's local school board or charter school's governing board. Such students are non-U.S.-residents enrolled as J1 Foreign Exchange students who receive a WPU through the state Student Exchange Program. 52A-2-206(1) allows a school district to continue to count these students in membership and attendance counts subject to the provisions of this chapter.

## E. REVENUES

## F. COSTS by FUND

## G. COSTS by EXPENDITURE CATEGORY

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This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

Attachments welcome.