

# Application for Initial Funding under the State Fiscal Stabilization Fund Program

CFDA Numbers: 84.394 (Education Stabilization Fund) and  
84.397 (Government Services Fund)



**U.S. Department of Education  
Washington, D.C. 20202**

**OMB Number: 1810-0690  
Expiration Date: 9/30/2009**

## **Paperwork Burden Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 1810-0690. The time required to complete this information collection is estimated to average 17 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, D.C. 20202-4537. If you have comments or concerns regarding the status of your individual submission of this form, write directly to: State Fiscal Stabilization Fund Program, Office of Elementary and Secondary Education, U.S. Department of Education, 400 Maryland Ave., S.W., Room 3E108, Washington, D.C. 20202-3118

**STATE FISCAL STABILIZATION FUND APPLICATION**

**PART 1: APPLICATION COVER SHEET  
(CFDA Nos. 84.394 and 84.397)**

Legal Name of Applicant (Office of the Governor): State of Utah Office of the Governor	Applicant's Mailing Address: Utah State Capitol Complex, Suite 200 PO Box 142220 Salt Lake City, Utah 84114-2220
State Contact for the Education Stabilization Fund (CFDA No. 84.394)  Name: John Nixon  Position and Office : Executive Director, Governor's Office of Planning & Budget Contact's Mailing Address: Utah State Capitol Complex, Suite 150 PO Box 142220 Salt Lake City, Utah 84114-2220  Telephone: 801-538-1555 Fax: 801-538-1547 E-mail address: jnixon@utah.gov	State Contact for the Government Services Fund (CFDA No. 84.397) <i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i>  Name: John Nixon  Position and Office : Executive Director, Governor's Office of Planning & Budget Contact's Mailing Address: Utah State Capitol Complex, Suite 150 PO Box 142220 Salt Lake City, Utah 84114-2220  Telephone: 801-538-1555 Fax: 801-538-1547 E-mail address: jnixon@utah.gov
To the best of my knowledge and belief, all of the information and data in this application are true and correct.	
Governor or Authorized Representative of the Governor (Printed Name): Governor Jon M. Huntsman, Jr.	Telephone: 801-538-1000
Signature of Governor or Authorized Representative of the Governor: 	Date: Amendments Submitted June 11, 2009

Recommended Statement of Support from the Chief State School Officer <i>(Optional)</i> :	
The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): Dr. Patti Harrington	Telephone: 801-538-7517
Signature of the Chief State School Officer: 	Date: June 15, 2009

**PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA**

**SPECIAL NOTES:**

- A State has some flexibility in determining the “levels of State support” for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See* Appendix C – Instructions for Part 4: Maintenance of Effort.

**1. Levels of State support for elementary and secondary education** *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

FY 2006      \$ 1,797,702,300  
FY 2009\*    \$ 2,237,231,200\*\*  
FY 2010\*    \$ 2,211,734,400\*\*  
FY 2011\*    \$ \_\_\_\_\_



(\* Provide data to the extent that data are currently available.)  
(\*\*Amounts as of the end of the 2009 1<sup>st</sup> Special Session (May 20, 2009); subject to change upon future action by the Legislature)

**2. Levels of State support for public institutions of higher education** *(enter amounts for each year):*

FY 2006      \$ 667,550,500  
FY 2009\*    \$ 733,359,600\*\*  
FY 2010\*    \$ 671,133,700\*\*  
FY 2011\*    \$ \_\_\_\_\_

(\* Provide data to the extent that data are currently available.)  
(\*\*Amounts as of the end of the 2009 General Session (March 12, 2009); subject to change upon future action by the Legislature)

**3. Additional Submission Requirements:** In an attachment to the application –

- (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education [See Attachment 2]; - and -
- (b) Identify and describe the data sources used in determining the levels of State support for public IHEs. [See Attachment 2]

**PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND**

**SPECIAL NOTES:**

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term “postsecondary education” refers to public IHEs.

**1. Levels of State Support for Elementary, Secondary, and Postsecondary Education**

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- |   |  |
|---|--|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State’s primary elementary and secondary education funding formulae | <br>\$ <u>2,432,363,600</u> |
| (b) Level of State support for public IHEs in FY 2008   | \$ <u>796,124,500</u>  |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State’s primary elementary and secondary education funding formulae | \$ <u>2,237,231,200*</u><br>\$ <u>2,470,512,600 prior enacted</u>  |
| (d) Level of State support for public IHEs in FY 2009   | \$ <u>733,359,600*</u><br>\$ <u>790,063,600 prior enacted</u>  |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State’s primary elementary and secondary education funding formulae | \$ <u>2,211,734,400*</u>   |
| (f) Level of State support for public IHEs in FY 2010   | \$ <u>671,133,700*</u>   |

\*Amounts as of the end of the 2009 General Session (March 12, 2009); subject to change upon future action by the Legislature

**Additional Information:** Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?\*

Yes                       No

\* See Appendix D Worksheets for further guidance on how such increases affect a State’s “use of funds” calculations.

## 2. State's Primary Education Funding Formulae

**Additional Submission Requirement:** In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education. [See Attachment 3]

## 3. Data on State Support for Postsecondary Education

**Additional Submission Requirement:** In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs. [See Attachment 3]

## 4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

### SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009

  
\$ 233,281,400

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009

\$ 62,764,900

**Restoration Amounts (continued)**



- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$ 65,094,597
- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$ 31,440,924
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$ 0

**5. Process for Awarding Funds to Public IHEs**

**Additional Submission Requirement:** In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

[See Attachment 4]

**PART 5, SECTION B: STATE USES OF THE  
GOVERNMENT SERVICES FUND**

**SPECIAL NOTES:**

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

**Uses of the Government Services Fund**

<b>Category</b>	<b>Estimated Percentage of Funds to Be Used</b>
Public Safety	
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	
Public IHEs (excluding modernization, renovation, or repair of IHEs)	
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	76.5%*
Undetermined	23.5%
<b>TOTAL</b>	<b>100%</b>

**[\*See Attachment 5 for description]**

**Appendices to the  
Application for Initial Funding under the  
State Fiscal Stabilization Fund Program**

**ATTACHMENT 1**  
**Part 3: Initial Baseline Data for Education Reform Assurances, Page 3**  
**Correction to *Improving Standards Assurance* Baseline Data**

***Improving Standards Assurance***

**Baseline Data Review**

**3-1. Standards and Assessments: Enhancing the Quality of Academic Assessments**

*A State must provide baseline data that demonstrate its current status regarding “enhanc[ing] the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of [the ESEA] (20 U.S.C. 7301a(a)).”*

At the request of the Governor, The Utah State Office of Education (USOE) reviewed the baseline data provided for this assurance.

**Letter Review**

USOE received a letter containing detailed information on the specific components of our assessment and accountability system. Our response to Secretary Duncan on March 15, 2009 stated;

“On January 16, 2009, the Utah State Office of Education received a letter from Kerri Briggs in regards to Utah science assessments. A copy of the letter is attached. Utah does not believe there is a need to have a flexibility agreement with the Department. As stated in the letter, “. . . May 8, 2006, the U.S. Department of Education (Department) fully approved Utah’s standards and assessment system under Title I of the Elementary and Secondary Education Act . . . which includes standards and assessment in . . . science.”

Utah has rigorous science standards, curriculum and assessments in place. In the letter, “. . . the department further acknowledges that EOC assessments may be more closely related to the high school course curriculum and may provide a more direct link to course credits and progress toward graduation than do other assessments a state may use to meet the statutory requirement to test students once in high school.” In the letter the department agrees that Utah has demonstrated that the science standards and assessments that are currently in place provide clearly articulated standards, aligned assessments that require student participation, and equal access for all students to the curriculum and assessments.

We believe that because there is no need for a flexibility agreement, there is no need for Utah to provide additional information.

**ATTACHMENT 1 continued**

We respectfully request that no further action be required of Utah in regards to science assessments. “

**State Information Chart Review**

The state information chart at <http://www.ed.gov/policy/elsec/guid/stateletters/ssc.xls> lists the amount for the IES Longitudinal Data Systems Grantees for Utah as \$5.6 million. The correct amount is \$4.6 million. The remainder of the information is correct.

**Achieve Report Review**

With the exception of the cohort graduation rate information listed on page 24, the Achieve Report is correct. Utah does factor this rate into the state accountability Formula.

**ATTACHMENT 2**  
**Part 4, Section C: Maintenance of Effort Baseline Data, Page 6**  
**Data Sources**

**(a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education**

State support is Education Funds appropriated to the Minimum School Program, Utah's primary funding formula for public education. Data for FY 2006 actual funding levels are documented in the Governor's FY 2008 Budget Summary book. Data for FY 2008 actual and FY 2009 previously enacted levels are documented in the Governor's Office of Planning and Budget, Fiscal Year 2009 Budget Summary. Data for current FY 2009 are documented in:

Senate Bill 2, *Minimum School Program Budget Amendments* (General Session 2008)  
Senate Bill 2001, *Current Fiscal Year Budget Adjustments* (2<sup>nd</sup> Special Session, 2008)  
Senate Bill 4, *Current School Year Supplemental Minimum School Program Budget Adjustments* (General Session, 2009)  
House Bill 3, *Current Fiscal Year Supplemental Appropriations Act* (General Session, 2009)  
House Bill 2, *Minimum School Program Budget Amendments* (General Session, 2009)

Data for current FY 2009 and FY 2010 will also be available in the Governor's FY 2010 Budget Summary book. Annual Governor's Budget Summary and Recommendation books are available online at <http://www.governor.utah.gov/budget/archived.html>. Appropriations Bills are available at <http://www.le.utah.gov>.

**(b) Identify and describe the data sources used in determining the levels of State support for public IHEs**

General Fund and Education Fund monies are included for the Utah College of Applied Technology and the Utah System of Higher Education (administrative costs for the State Board of Regents have been excluded from submitted numbers) which includes:

University of Utah  
Utah State University  
Southern Utah University  
Utah Valley University  
Weber State University  
Snow College  
Dixie State College  
Salt Lake Community College  
College of Eastern Utah

State funds for the colleges and universities include General Fund and Education Fund. Although the legislature appropriates student tuition dollars (dedicated credits), these monies have been excluded and are not considered "state funds." Data for FY 2006 actual funding levels

are documented in the FY 2008 Governor's Budget Recommendations book. Data for FY 2008 actual and FY 2009 previously enacted levels are documented in the Governor's FY 2009 Budget Summary book. Data for current FY 2009 and FY 2010 are documented in:

Senate Bill 2001, *Current Fiscal Year Budget Adjustments* (2<sup>nd</sup> Special Session, 2008)

House Bill 3, *Current Fiscal Year Supplemental Appropriations Act* (General Session, 2009)

Senate Bill 3, *Appropriation Adjustments* (General Session, 2009)

Senate Bill 4, *New Fiscal Year Appropriations Act* (General Session, 2009)

Data for current FY 2009 and FY 2010 will also be available in the Governor's FY 2010 Budget Summary book. Annual Governor's Budget Summary and Recommendation books are available online at <http://www.governor.utah.gov/budget/archived.html>. Appropriations Bills are available at <http://www.le.utah.gov>.

**ATTACHMENT 3**

**Part 5, Section A: State Uses of the Education Stabilization Fund, Page 8  
Primary Education Formulae & Support for Postsecondary Education**

**1. State's Primary Education Funding Formulae**

**Additional Submission Requirement:** In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

FY 2009 Level in Part 5, Section A, 1(c) is the previously enacted funding level as of the end of the 2008 September Special Session.

The total contribution of the state toward the cost of the minimum school program is defined in Utah Code as follows:

**Utah Code**

**Title 53A State System of Public Education  
Chapter 17a Minimum School Program Act  
Section 103 Definitions.**

**53A-17a-103. Definitions.**

- (1) "Basic state-supported school program" or "basic program" means public education programs for kindergarten, elementary, and secondary school students that are operated and maintained for the amount derived by multiplying the number of weighted pupil units for each district by \$2,577, except as otherwise provided in this chapter.
- (5) (a) "State-supported minimum school program" or "minimum school program" means public school programs for kindergarten, elementary, and secondary schools as described in this Subsection (5).
  - (d) The program includes the total of the following annual costs:
    - (i) the cost of a basic state-supported school program; and
    - (ii) other amounts appropriated in this chapter in addition to the basic program.
  - (6) "Weighted pupil unit or units or WPU or WPU's" means the unit of measure of factors that is computed in accordance with this chapter for the purpose of determining the costs of a program on a uniform basis for each district.

*The formula calculation for each item are specified in sections 108 through 162 of the Utah Code, Title 53A, State System of Public Education, Chapter 17a Minimum School Program Act. <http://www.le.state.ut.us/UtahCode/section.jsp?code=53A-17a>*

Data for current FY 2009 and FY 2010 will also be available in the Governor's FY 2010 Budget Summary book. Annual Governor's Budget Summary and Recommendation books

Attachments to the State of Utah Application for Initial Funding under the State Fiscal Stabilization Program

are available online at <http://www.governor.utah.gov/budget/archived.html>. Appropriations Bills are available at <http://www.le.utah.gov>

## **2. Data on State Support for Postsecondary Education**

**Additional Submission Requirement:** In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

FY 2009 Level in Part 5, Section A, 1(d) is the previously enacted funding level as of the end of the 2008 September Special Session.

**General Fund and Education Fund monies are included for the Utah College of Applied Technology and the Utah System of Higher Education (administrative costs for the State Board of Regents have been excluded from submitted numbers).** Data for FY 2008 actual and FY 2009 previously enacted levels are documented in the Governor's FY 2009 Budget Summary book. Data for current FY 2009 and FY 2010 are documented in:

Senate Bill 2001, *Current Fiscal Year Budget Adjustments* (2<sup>nd</sup> Special Session, 2008)  
House Bill 3, *Current Fiscal Year Supplemental Appropriations Act* (General Session, 2009)  
Senate Bill 3, *Appropriation Adjustments* (General Session, 2009)  
Senate Bill 4, *New Fiscal Year Appropriations Act* (General Session, 2009)

**ATTACHMENT 4**

**Part 5, Section A: State Uses of the Education Stabilization Fund, Page 9**  
**Process for Awarding Funds to Public IHEs**

In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

The funding is proportional to the State funds the institutions received. Cuts to schools were proportional to the State funds received, so the monies received from ARRA will be distributed in accordance with those same proportions.

**ATTACHMENT 5**  
**Uses of Government Services Fund, Page 10**  
**Description of "Other"**

*All items funded are aimed at creating jobs, reducing unemployment, stabilizing and improving Utah's economy, and averting the need to raise taxes.*

**Home Purchase Grant Program: \$10 Million (11.4%)**

The Home Purchase Grant is a mortgage assistance program that grants \$6,000 to home buyers who purchase a newly-constructed, never-occupied, primary, single-family residence in Utah. The Grant is aimed at helping to clear the oversupply of newly constructed homes on the market and stimulate construction employment. Further information is available at <http://b2b.utahhousingcorp.org/HomeRun.htm>.

**Utah Science Technology and Research Initiative: \$33 Million (37.8%)**

The Utah Science Technology and Research initiative (USTAR) is a state-funded investment to strengthen Utah's "knowledge economy." This initiative invests in world-class innovation teams and research facilities at the University of Utah and Utah State University, to create novel technologies that are subsequently commercialized through new business ventures. Further information is available at <http://www.innovationutah.com/aboutustar.html>.

**Foreclosure Prevention Program: \$1.8 Million (2.1%)**

The Department of Community and Culture is hiring 15 foreclosure prevention consultants to assist homeowners who are having difficulty with their mortgages. Utah presently has a small number of foreclosure prevention specialists but they are not able to handle the increased workload of trying to keep people in their homes and homes out of foreclosure.

**Motion Picture Incentives: \$15 Million (17.2%)**

The Motion Picture incentive program provides state incentives for motion picture producers in the form of cash rebate incentives for small budget productions and tax credits for larger budget productions. Providing these incentives should spur job growth and economic activity. See enrolled copy of Senate Bill 14, *Financial Incentives for Motion Picture Productions* (2009 General Session, Senator Hillyard) at <http://le.utah.gov/~2009/bills/sbillenr/sb0014.pdf> for further information.

**Alternative Energy Project Incentives: \$5 Million (5.7%)**

The Alternative Energy Project Incentive Program provides state incentives to businesses engaged in renewable energy projects in the form of tax credits. Providing these incentives should spur job growth and economic activity. See enrolled copy of House Bill 430, *Economic Development Incentives for Alternative Energy Projects* (2009 General Session, Representative Garn) at <http://le.utah.gov/~2009/bills/sbillenr/sb0014.pdf> for further information.

**Engineering Initiative: \$2 Million (2.3%)**

These funds will be used to further expand the capacity at colleges and universities to train engineers and computer scientists. These funds will be allocated based on recommendations from industry as represented by the Technology Initiative Advisory Board.

Approved Application				
	K-12	IHE	Restoration K-12	Restoration IHE
FY08	\$2,432,363,600	\$796,124,500		
FY09	\$2,331,613,000*	\$733,359,600*	\$ 138,899,600	\$ 62,764,900
	\$2,470,512,600**	\$790,063,600**		
FY10	\$2,117,352,600*	\$671,133,700*		
			\$ 141,010,663	\$ 49,906,658
Revisions				
	K-12	IHE	Restoration K-12	Restoration IHE
FY08	\$2,432,363,600	\$796,124,500		
FY09	\$2,237,231,200*	\$733,359,600*	\$ 233,281,400	\$ 62,764,900
	\$2,470,512,600**	\$790,063,600**		
FY10	\$2,211,734,400	\$671,133,700*	\$ 65,094,597	\$ 31,440,924

\*Amounts as of the end of the 2009 General Session (March 12, 2009); subject to change upon future action by the Legislature.

\*\*Prior enacted

The budget for the State of Utah was passed and finalized during the 2009 General Session, ending March 12, 2009. This was prior to the U.S. Department of Education's release of guidance and application forms for the State Fiscal Stabilization Fund. Utah's legislature relied on the language in the American Recovery and Reinvestment Act regarding State Fiscal Stabilization Funds in order to determine the proportion of Education Stabilization Funds allocated to Public Education and the proportion allocated to Higher Education. The release of U.S. Department of Education guidance necessitated an amendment to Utah's application in order to reconcile Utah's legislation and the Department of Education's instruction regarding the distribution of funds between public and higher education.