

## Budget Glossary

<u>Term</u>	<u>Definition</u>
Administrative Rules	The detailed procedures established by state agencies to implement statute and programs.
Allocation	The division of an appropriation into parts and the designation of each part for expenditure by specific units or for specific purposes.
American Recovery and Reinvestment Act (ARRA)	The federal stimulus program providing money to states for education, jobs creation, infrastructure, weatherization, and other areas to help move the country out of the economic crisis of 2008
Appropriation	A legislative authorization to make expenditures and incur obligations.
Backfill	The use of one-time funds (state or federal) to replace reductions in ongoing programmatic funding for one year.
Basic School Program	The programs within the Minimum School Program with funding based on the Weighted Pupil Unit. E.g., Kindergarten, Grades 1-12, Necessarily Existent Small Schools, Professional Staff, Administrative Costs.
Bill	A proposed law or statute presented to the Legislature for their consideration.
Bill of Bills (Appropriations Adjustments)	A bill which contains funding for legislation that has fiscal impact and funding for other legislative action. It covers two fiscal years: the current fiscal year and the next.
Board Local Levy	An optional property tax that local school boards may levy to fund their school districts' general funds. Additionally, the state guarantees a specific amount of funding per weighted pupil unit if school districts levy this tax. See Utah Code 53A-17a-164.
Bond	A certificate of indebtedness issued by a government entity as evidence of money borrowed. It is a written promise to pay a specified sum at a specified date or dates together with specific periodic interest at a specified rate. The primary bonds used by the State are General Obligation Bonds, Lease Revenue Bonds, and Revenue Bonds.
Budget	An itemized summary of estimated or intended expenditures for a fiscal year along with estimated revenues.
Building Blocks	Funding increases or decreases to existing programs.
Calendar Year	The year beginning 1 January and ending 31 December.
Capital Outlay	Expenditures which result in the acquisition or replacement of fixed assets other than computers and related hardware.

<u>Term</u>	<u>Definition</u>
Current Expense	An expenditure category which includes general operational expenses of the programs including: consultants, contracts, building maintenance, small office supplies, etc.
Data Processing Capital (DP Capital)	The expenditure category that includes computer hardware, support equipment, systems, and software over \$5,000.
Data Processing Current Expense (DP Current Expense)	An expenditure category which includes costs incurred to operate information technology systems, such as Local Area Network (LAN) connections, software under \$5,000, and supplies.
Debt (General Obligation)	Debt backed by the full faith and credit of the State. Property taxes secure general obligation debt and general tax revenue pays for the debt service.
Debt (Revenue)	A bond that does not carry the "full faith and credit" of the State but rather pledges a revenue or lease stream to pay for debt service.
Debt Limit (Constitutional)	Caps total general obligation debt at 1.5 percent of total fair market value of taxable property.
Debt Limit (Statutory)	UCA 63J-3-402 limits general obligation debt to 45 percent of the allowable spending limit from the General Fund, Uniform School Fund and Transportation Fund less debt service. A two-thirds vote of the Legislature is necessary to exceed this limit.
Debt Service	The money required to pay the current outstanding principle and interest payments on existing obligations according to the terms of the obligations.
Dedicated Credits Revenue	Money that is paid to an agency by other agencies or the public for services or goods. The agency usually uses these dedicated funds to pay for its expenses in the manner it chooses and amounts can be spent up to 125% of the appropriated amount.
Education Fund (EF)	The main funding source for public and higher education. The Education Fund receives all revenues from taxes on intangible property or from income tax.
Encumbrance	An obligation in the form of purchase orders contracts or salary commitments which an agency charges to an appropriation and for which the agency reserves a portion of its appropriation.
Enterprise Fund	Fund established by a governmental unit which operates like a business. Used by governmental units that cover most or all of their operating costs through user charges.
Expenditures	Expense categories for personnel, goods, and services needed by state programs. These include: personnel services, travel, current expense, DP current expense, DP capital, capital outlay, pass-through, and other.

<u>Term</u>	<u>Definition</u>
Federal Funds	Money made available to the State by an act of the Federal Congress. The Governor may accept on behalf of the State any federal assistance funds for programs that are consistent with the needs and goals of the State and its citizens and that are not prohibited by law. Generally, money comes to the State from the federal government with specific requirements. In many cases the State must provide a match in state funds or in-kind services.
Federal Medical Assistance Percentage (FMAP)	FMAPs are used in determining the amount of federal matching funds for state expenditures for assistance payments for certain social services, and state medical and medical insurance expenditures. The United States Department of Health and Human Services calculates and publishes the FMAPs each year.
Fee	A fixed charge for a good or service usually recorded as Dedicated Credit revenue.
Fiscal Note	The estimate by the Legislative Fiscal Analyst of the amount of present or future revenue and/or expenditures resulting from the passage of a given bill.
Fiscal Year (FY)	An accounting period of 12 months at the end of which the organization ascertains its financial conditions. The state fiscal year (FY) runs from July 1 through June 30. The federal fiscal year (FFY) is from Oct. 1 through Sept. 30.
Fixed Assets	Long-term assets which will normally last in excess of one year such as land, buildings, machinery, furniture, etc.
Full Faith and Credit	A pledge of the general taxing power of the government for the payment of a debt obligation.
Full Time Equivalent (FTE)	FTE is the abbreviation for "Full Time Equivalent" position or employee. It is a method of standardizing the personnel count. One person working 40 hours per week for one year is equal to one FTE. Two people working 20 hours each per weeks are equal to one FTE. One FTE is any combination of hours that equals a full-time 40-hour a week employee.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts.

<u>Term</u>	<u>Definition</u>
General Fund (GF)	The primary or catchall fund of a government. It is similar to a firm's general ledger account, and records all assets and liabilities of the entity that are not assigned to a special purpose fund. It provides the resources necessary to sustain the day-to-day activities with State government. When governments or administrators talk about 'balancing the budget' they typically mean balancing the budget for their general fund. The primary source of this revenue in Utah is sales tax, although there are several other taxes that contribute to the General Fund.
General Obligation Bonds (G.O.)	The full faith and credit of the State is the security for G.O. debt. The state Constitution and statute limit the level of G.O. debt that may be issued. G.O. debt is the least expensive tool available to the State for long term borrowing and is usually issued for six-year terms (buildings) or 15-year terms (highways).
Grant	A contribution by one entity to another without expectation of repayment. This is usually made in support of some specified function or goal.
Indirect Charges	Costs that are not directly accountable to a cost object, such as a particular project, function, service, or product. They are also called Overhead Shared Expenses, and are often allocated rather than computed. These can be either fixed or variable.
Initiative	A procedure by which citizens can propose a law and ensure its submission to the electorate.
Intent Language	A statement added to appropriations bills to explain or put conditions on the use of line item appropriations. These statements are part of an Appropriations Act but expire at the end of the fiscal year. Intent language cannot replace or supersede current statutes.
Interim	The period between regular sessions of the Legislature.
Internal Service Fund	A fund established by a governmental unit to provide goods and services primarily to other governmental agencies. User charges usually finance these funds.
Lapse	The automatic termination of an appropriation and the return of the unexpended funds to the base fund.
Lapsing Funds	Unspent money remaining at the end of the year reverts (or lapses) back to the base fund unless otherwise designated.

<u>Term</u>	<u>Definition</u>
Lease Revenue Bonds	The State Building Ownership Authority issues lease revenue bonds as the official owner of state facilities. Debt service (usually paid over 20 years) comes from rents collected from user agencies and carries an interest rate slightly higher than general obligation debt.
Legislative Oversight	The responsibility of the Legislature to review operations of executive and judicial agencies.
Line Item	Each appropriated sum has an item number in an appropriations bill. Each line item appropriation may have several programs. Once the appropriation becomes law, an agency may move funds from program to program within the line item, but not from one line item to another.
Minimum Basic Rate (Basic Levy)	The local property tax that school districts are required to levy to be eligible for state appropriations toward the Minimum School Program. Revenue from this tax is used to fund programs within the Basic School Program of the Minimum School Program. If a district does not generate enough revenue with this tax to fund its entitlement the state makes up the difference. See Utah Code 53A-17a-135.
Minimum School Program (MSP)	The framework for funding school districts and charter schools in Utah. The MSP is composed of multiple programs organized, according to funding source, into the Basic School Program, Related to Basic School Program, and the Voted & Board Local Levy Programs. The MSP funding consists of local property tax funds, state income tax funds, and other state-appropriated tax funds. The MSP funds are distributed according to formulas provided by state law, and State Board of Education rules. See Utah Code 53A-17a.
Nonlapsing Funds	The Legislature can authorize an agency, via statute or intent language, to keep unused funds at the end of a fiscal year. Otherwise unexpended funds return (lapse) to their account of origin.
Obligations	Required amounts that a governmental unit must pay out of its resources.
One-time vs. Ongoing Funding	Both revenue and expenditures may be one-time (short, distinct period of time) or ongoing (lasting from year to year).
Operating Expenses	Those costs which are necessary to the operations of an agency and its program(s).
Operating Surplus	The amount by which annual revenues exceed outlays.
Operations and Maintenance (O&M)	Expenses to clean and maintain facilities on a regular basis.
Pass-through	An expenditure category for funds collected by one program or agency and "passed-through" to another group for services or expenditure.

<u>Term</u>	<u>Definition</u>
Per Diem	Daily allowance for living expenses that is provided to employees when they are required to travel for work.
Personnel Services	An expenditure category which includes all personnel costs, including salary and benefits.
Referendum	A popular vote of the electorate on a measure adopted by the Legislature.
Regulation	A rule or order of an agency promulgated under the authority of a statute.
Related to Basic School Program	A group of programs intended to complement the general education programs of the Basic School Program. These programs are funded by legislative appropriation.
Restricted Funds	Accounts consisting of revenues restricted for use in or for specific programs or purposes. E.g., Transportation Fund, Uniform School Fund, various General Fund-Restricted Funds.
Retained Earnings	The accumulated earnings of an Internal Service Fund (ISF) or Enterprise Fund (EF) still in the fund and not reserved for any specific purpose.
Revenue	The yield of taxes and other sources of income that the State collects.
Revenue Bonds	A bond for which the state guarantees repayment with revenues generated by a specified revenue-generating activity associated with the purpose of the bond. For example, tuition could be dedicated to repay the revenue bond for a new classroom building.
Revenue Surplus	The amount by which annual collections exceed forecasted revenue. The Legislature uses this in the context of Rainy Day Fund deposits.
Shared Revenue	Revenue levied by one governmental unit and distributed to one or more other governmental units.
Short-term Debt	Debt of less than one year.
Statute	A written law enacted by a duly organized and constituted legislative body and approved by the Governor.
Supplemental Appropriation	The adjustment of funds allocated over/under the original appropriation. Generally, an increase in current year appropriations above the original legislative appropriation.
Surety Bond	A written commitment to pay damages for losses caused by the parties named due to non-performance or default.
Tax	A compulsory charge or contribution levied by the government on persons or organizations for financial support.

<u>Term</u>	<u>Definition</u>
Transfers	Movement of money from one governmental unit account to another governmental unit account. (Usually reflects the exchange of funds between line items.)
Transportation Fund	A revenue fund consisting primarily of revenue from the gasoline tax. The Constitution restricts this revenue to road and highway-related issues.
Uniform School Fund (USF)	A source of revenue for purposes of public education. The Uniform School Fund is a special revenue fund within the Education Fund.
Veto	An official action of the Governor to nullify legislative action. The Legislature may override the action by a constitutional two-thirds vote of each house if still in session or if called back into a veto override session.
Voted & Board Local Levy Programs	Optional state-supported property tax programs. School districts may levy a voted or board local levy and receive a guaranteed amount of revenue per weighted pupil unit from the state.
Voted Local Levy	An optional property tax that individual school districts may levy only with voter approval. Additionally, the state guarantees a specific amount of funding per weighted pupil unit if school districts levy this tax. Utah Code 53A-17a-133.
Weighted Pupil Unit (WPU)	The basic unit of measure used to calculate a school's entitlement to funding for specific programs within the Minimum School Program.