

Joint Public Education Appropriations Subcommittee
Major Issue Summary
2004 General Session

In an effort to guide budget discussions, the subcommittee co-chairs directed staff to formulate a summary of major issues before the subcommittee. The following pages detail many of the major issues before the subcommittee that may require additional funding from the Legislature. Further information regarding these major issues, along with other non-funding related issues, may be found in the 2.0 Budget Recommendations prepared by subcommittee staff.

At this time, Executive Appropriations has allocated prior year ongoing appropriations to the appropriations subcommittees. Subcommittees are requested to use their prerogative to reallocate funds within existing budgets for issues that they deem important. In addition, the subcommittees may prepare a priority list of critical issues that they would recommend subject to funding availability.

The following table totals the major issues before the subcommittee. Funding of each item, as well as level of funding, is at the discretion of the subcommittee.

Public Education Appropriations Subcommittee			
Major Funding Issues FY 2005 and FY 2004 Supplemental			
Line Item	FY 2004	FY 2005	Compensation 1%
Utah State Office of Education		\$100,000	
Utah State Office of Rehabilitation		609,500	10,000
Utah Schools for the Deaf and Blind		642,600	
Subtotal - Education Agencies		\$1,352,100	\$10,000
Minimum School Program			
Enrollment Growth		24,477,394	
Board and Voted Leeway		5,813,640	
Foreign Exchange Program		844,465	
Charter Schools	761,973	1,189,468	
Adult Education		2,604,200	
WPU Increase			18,500,000
Health and Dental Increase		18,500,000	
Retirement Rate Increase		20,416,700	
Base Funds Available		2,375,967	
Subtotal - Minimum School Program	\$761,973	\$76,221,834	\$18,500,000
Total Education	\$761,973	\$77,573,934	\$18,510,000

Public Education Agencies

State Board of Education – State Office Education

FY 2005 Base Budget	\$195,284,100
FY 2005 State Funds	20,976,300

1. ISSUE: Charter School Support Specialist\$100,000

The growth in charter schools has a significant impact on the workload of the charter school specialist at the state office.

The Analyst recommends the subcommittee discuss the impact the increasing number of charter schools has on the quantity and quality of service the State Office of Education can provide charter schools at the current staffing levels.

2. ISSUE: Senate Bill 154 Appropriation(\$1,800,000)

The State Board of Education did not anticipate ongoing funding for what it estimated to be a one-time need. The \$1,800,000 has been removed from the State Board of Education base budget and will be used for ongoing state needs.

3. ISSUE: Teacher Licensing Fee Raise from \$15 to \$45

The increasing student population and the addition of alternative routes to licensure have exceeded the current support capacity. Approval will allow for one Specialist and one Secretary and develop an online tracking system.

The Analyst recommends that the subcommittee approve the fee increase and that the subcommittee discuss if state funds should be used to support the Educator Licensing Section or whether operations should be supported by fee revenue only.

State Board of Education – State Office of Rehabilitation

FY 2005 Base Budget	\$49,634,800
FY 2005 State Funds	18,383,100

4. ISSUE: Vocational Rehabilitation\$400,000

Vocational Rehabilitation projects an additional 430 clients above existing caseloads in the next fiscal year.

The Analyst recommends that the subcommittee discuss the impact of caseload size on the VR program and suggests targeting additional resources toward reducing the caseload size.

5. ISSUE: Independent Living \$120,000 - \$150,000

The Independent Living Centers have identified over 1,200 underserved citizens. Not included is the additional stress increased populations have on the Assistive Technology program. The Legislature has provided additional funding for Assistive Technology when revenue is available.

The Analyst recommends that the subcommittee discuss and prioritize the \$20,000 to \$25,000 per Independent Living Center for service growth needs.

6. ISSUE: Independent Living Cost of Living Adjustments\$10,000 (1%)

In many preceding years the Legislature has allocated resources to the Independent Living Centers for employee cost of living adjustments.

The Analyst recommends that the subcommittee direct the Legislative Fiscal Analyst to provide an Independent Living COLA increase similar to that received by state employees when final employee salary and benefit decisions are made.

7. ISSUE: Specialist for the Deaf – Southern Region\$59,500

With rapid population growth in southern Utah, primarily Washington and Iron counties, the Division of Services for the Deaf and Hard of Hearing has difficulty providing needed services from its location in Taylorsville.

The Analyst recommends that the subcommittee prioritize the need for a Southern Region Deaf Specialist, cost would be \$59,500.

State Board of Education – Utah Schools for the Deaf and Blind

FY 2005 Base Budget	\$22,151,600
FY 2005 State Funds	18,406,100

8. ISSUE: Teacher Salary Adjustments\$146,000

UCA 53A-25,111 directs the State Board to adjust salaries for USDB instructors by an amount equal to the average salary adjustment negotiated in school districts.

The Analyst recommends that the subcommittee add the \$146,000 for USDB teacher salary adjustments to its prioritization discussions.

9. ISSUE: Student Growth\$387,300

With growing student populations, USDB indicated a need to increase teaching and interpreting, as well as noting the need for a Spanish language interpreter. The funding would be sufficient to hire 3 additional teachers and 9 interpreters (including the Spanish language interpreter) based on the estimates provided.

The Analyst recommends the subcommittee add the above amount to its discussion of priorities for funding.

10. ISSUE: Pupil Transportation\$109,300

The USDB requests additional funding for increased pupil transportation costs anticipated in FY 2005 as well as the addition of a bus route in the Ogden region. Increased costs for current transportation routes are estimated at \$73,500 and the additional route is estimated at \$35,800 for the total of \$109,300.

The subcommittee may wish to prioritize USDB pupil transportation with the other items before the subcommittee.

11. ISSUE: USDB Audit

The Analyst may make additional recommendations once the Legislative Audit Subcommittee releases the USDB Audit to the public. Any additional recommendations will be made during the USDB budget presentation in February.

State Board of Education – Fine Arts and Sciences

FY 2005 Base Budget\$2,979,000

No issues requiring additional funding from the Legislature. See Tab 17 of the FY 2005 Budget Analysis for Analyst recommendations and budget detail.

State Board of Education – Child Nutrition Programs

FY 2005 Base Budget\$107,875,200
FY 2005 State Funds139,800

No issues requiring additional funding from the Legislature. See Tab 16 of the FY 2005 Budget Analysis for Analyst recommendations and budget detail

State Board of Education – Education Contracts

FY 2005 Base Budget\$3,854,800

No issues requiring additional funding from the Legislature. See Tab 18 of the FY 2005 Budget Analysis for Analyst recommendations and budget detail

Minimum School Program

State Board of Education – Minimum School Program

FY 2005 Base Budget\$2,004,914,420
FY 2005 State Funds1,605,193,274

12. ISSUE: Enrollment Growth\$24,477,397

The funding for FY 2005 estimated student growth of 7,162 students, or 9,276 WPU's has not been included in the funding allocated to the subcommittee. Projections indicate that enrollment may increase by 60,000 to 140,000 over the next decade.

The Analyst recommends that the subcommittee consider student enrollment growth as its highest priority when discussing issue prioritization.

13. ISSUE: Board and Voted Leeway – Mandated Increase\$5,813,640

Increases mandated by statute for the Board and Voted Leeway programs will cost approximately \$5.8 million. The Legislature has postponed these increases for the prior two years. The funding has not been included in the budget as presented by the Analyst.

The growth in the Voted and Board Leeway Programs has increased by \$5,490,086 while the local revenue has increased by \$7,403,287, thereby leaving a balance of \$1,913,201 that can be used to help cover other Minimum School Program costs.

14. ISSUE: Foreign Exchange Student Program\$844,465

The 2003 Legislature eliminated the state subsidy for foreign exchange students in Utah’s public schools. Because student exchanges now require a one for one trade, some school district programs are experiencing difficulties. The funding indicated above equates to 320 WPUs. Prior to elimination, foreign exchange funding was located in the Grades 1-12 funding category.

The subcommittee may wish to discuss the foreign exchange program, and prioritize this issue with the other issues before the subcommittee.

15. ISSUE: Charter Schools – Local Replacement Funding\$1,189,468

Estimates indicate that charter school enrollment will increase from 3,253 to 4,623 in FY 2005. The FY 2004 enrollment of 3,253 is 927 higher than anticipated during the 2003 General Session. The underestimation of charter school enrollment resulted in fewer funds per charter school student than the statutory formula provides. Based on the formula, charter school students should receive approximately \$965/student. Because of the underestimation of enrollments, charter schools receive roughly \$730/student.

The Analyst has included in the FY 2005 base budget sufficient funds to cover the FY 2004 enrollment of 3,253. A total of \$894,555 (927 students x 965) was added to the base. The figure above would provide sufficient funding for the new students enrolling in FY 2005.

16. ISSUE: Charter Schools – Local Replacement Supplemental\$761,973

Because of the underestimation of enrollments detailed above, charter schools receive less funding per student than the formula indicates they should receive. The amount above would provide the formula amount for each charter school student enrolled as of the fall of 2003. The Legislature provided \$2,377,172 in FY 2004, when actual student enrollment is multiplied by \$965 (formula amount) a total of \$3,139,145 is needed in FY 2004. The amount above is the difference between the FY 2004 allocation and the amount needed under the formula.

The Analyst recommends that the subcommittee prioritize the Charter School Local Replacement FY 2004 and FY 2005 amounts.

17. ISSUE: Adult Education\$2,604,200

The Legislature reduced funding for Adult Education during the 2003 General Session. The State Board of Education utilized non-lapsing balance to provide \$2,500,000 for adult education programs as was allowed by Legislative directive. The Legislative reduction would take effect in FY 2005 unless funds are appropriated to restore the program.

18. ISSUE: Weighted Pupil Unit Increase \$16.1 to 18.5 million

For each one-percent in the value of the WPU it would cost approximately \$16.1 to \$18.5 million, depending on final numbers of WPUs approved for funding and any increases that may be made to non WPU driven programs.

19. ISSUE: Health and Dental Increases 1% WPU

Health insurance premiums will increase by approximately 11.27 percent and dental premiums by about 4.25 percent. Based on funding proportions, if the state funded the increase, the Analyst recommends a 1% increase in the WPU.

20. ISSUE: Retirement Rate Increase\$20,416,700

Estimates indicate that the retirement rate will increase by 12.71 percent for those on the contributory system and about 14.35 percent for those on the non contributory system. Based on funding proportions, if the state funded the increase, the Analyst projects the costs to be \$20,416,700 for the Minimum School Program.

21. ISSUE: Base Funds Available\$2,375,967

With new local revenue increases of \$12.8 million, student growth was added to the base and funded in the Analyst's recommendations. In addition, there is \$2,375,967 remaining for use by the subcommittee to fund other priorities.