

| MINIMUM SCHOOL PROGRAM |    |  |                   |                        |                   |                        |                                   |                         |                |
|------------------------|----|--|-------------------|------------------------|-------------------|------------------------|-----------------------------------|-------------------------|----------------|
| 1                      | 2  | FY 2004 Revised  |                   | FY 2005 Analyst        |                   | Analysis Page #        | FY 2004/ FY 2005 Diff. Difference | Percent % Diff. 04 Rev. |                |
|                        |    | WPU's 2003-04  | Funding @ \$2,150 | WPU'S 2004-05          | Funding @ \$2,150 |                        |                                   |                         |                |
| 3                      | 4  | <b>I. Local Revenue</b>                                  |                   |                        |                   |                        |                                   |                         |                |
| 5                      | 6  | A. Basic Tax Levy  | 0.001813          | \$212,110,681          | 0.001754          | \$217,590,703          | 8                                 | \$5,480,022             | 2.6%           |
| 6                      | 7  | B. Voted Leeway  |                   | 136,088,319            |                   | 144,222,425            | 60                                | 8,134,106               | 6.0%           |
| 7                      | 8  | C. Board Leeway  |                   | 38,638,837             |                   | 40,677,673             | 61                                | 2,038,836               | 5.3%           |
| 8                      | 9  | <b>Local Contribution (A, B, &amp; C) Subtotal</b>       |                   | <b>386,837,837</b>     |                   | <b>402,490,801</b>     | 60                                | <b>15,652,964</b>       | <b>4.0%</b>    |
| 9                      | 10 | <b>II. State Revenue</b>                                 |                   |                        |                   |                        |                                   |                         |                |
| 10                     | 11 | A. Uniform School Fund                                   |                   | 1,606,343,274          |                   | 1,605,193,274          | 10                                | (1,150,000)             | -0.1%          |
| 11                     | 12 | B. Uniform School Fund - One Time                        |                   | 5,000,000              |                   |                        |                                   | (5,000,000)             | -100.0%        |
| 12                     | 13 | C. Beginning Non-lapsing Balance                         |                   | 5,055,800              |                   | 5,055,800              |                                   |                         |                |
| 13                     | 14 | D. Closing Non-lapsing Balance                           |                   | (5,055,800)            |                   | (5,055,800)            |                                   |                         |                |
| 14                     | 15 | <b>State Revenue Subtotal</b>                            |                   | <b>1,611,343,274</b>   |                   | <b>1,605,193,274</b>   | 10                                | <b>(6,150,000)</b>      | <b>-0.4%</b>   |
| 15                     | 16 | <b>REVENUE (I &amp; II) TOTAL</b>                        |                   | <b>1,998,181,111</b>   |                   | <b>2,007,684,075</b>   | 16                                | <b>9,502,964</b>        | <b>0.5%</b>    |
| 16                     | 17 | <b>I. Basic Program</b>                                  |                   |                        |                   |                        |                                   |                         |                |
| 17                     | 18 | <b>A. Regular Basic School Programs</b>                  |                   |                        |                   |                        |                                   |                         |                |
| 18                     | 19 | 1. Kindergarten  | 20,433            | 43,930,950             | 20,879            | 44,889,850             | 16                                | 958,900                 | 2.2%           |
| 19                     | 20 | 2. Grades 1-12   | 432,649           | 930,195,350            | 432,774           | 930,464,100            | 17                                | 268,750                 | 0.0%           |
| 20                     | 21 | 3. Necessarily Existent Small Schools                    | 7,532             | 16,193,800             | 7,605             | 16,350,750             | 23                                | 156,950                 | 1.0%           |
| 21                     | 22 | 4. Professional Staff                                    | 41,548            | 89,328,200             | 42,281            | 90,904,150             | 25                                | 1,575,950               | 1.8%           |
| 22                     | 23 | 5. Administrative Costs                                  | 1,655             | 3,558,250              | 1,657             | 3,562,550              | 26                                | 4,300                   | 0.1%           |
| 23                     | 24 | <b>Regular Basic School Programs (1-5) Subtotal</b>      | <b>503,817</b>    | <b>1,083,206,550</b>   | <b>505,196</b>    | <b>1,086,171,400</b>   |                                   | <b>2,964,850</b>        | <b>0.3%</b>    |
| 24                     | 25 | <b>B. Restricted Basic School Programs</b>               |                   |                        |                   |                        |                                   |                         |                |
| 25                     | 26 | 1. Special Education-Regular Program                     |                   |                        |                   |                        |                                   |                         |                |
| 26                     | 27 | a. Special Education add-on WPU's                        | 53,489            | 115,001,350            | 53,570            | 115,175,500            | 26                                | 174,150                 | 0.2%           |
| 27                     | 28 | b. Self-Contained Regular WPU's                          | 12,417            | 26,696,550             | 12,452            | 26,771,800             | 28                                | 75,250                  | 0.3%           |
| 28                     | 29 | 2. Special Education - Pre-School                        | 6,269             | 13,478,350             | 6,408             | 13,777,200             | 28                                | 298,850                 | 2.2%           |
| 29                     | 30 | 3. Extended Year Program for Severely Disabled           | 321               | 690,150                | 341               | 733,150                | 29                                | 43,000                  | 6.2%           |
| 30                     | 31 | 4. Special Education-State Programs                      | 1,358             | 2,919,700              | 1,358             | 2,919,700              | 29                                |                         |                |
| 31                     | 32 | <b>Special Education (1-4) Subtotal</b>                  | <b>73,854</b>     | <b>158,786,100</b>     | <b>74,129</b>     | <b>159,377,350</b>     |                                   | <b>591,250</b>          | <b>0.4%</b>    |
| 32                     | 33 | 5. Applied Technology Education - District               | 23,348            | 50,198,200             | 23,348            | 50,198,200             | 30                                |                         |                |
| 33                     | 34 | 6. Applied Tech. Education-District Set Aside            | 995               | 2,139,250              | 995               | 2,139,250              | 31                                |                         |                |
| 34                     | 35 | <b>Applied Technology Ed. (5 - 6) Subtotal</b>           | <b>24,561</b>     | <b>52,337,450</b>      | <b>24,343</b>     | <b>52,337,450</b>      |                                   |                         |                |
| 35                     | 36 | 7. Class Size Reduction                                  | 29,757            | 63,977,550             | 29,757            | 63,977,550             | 32                                |                         |                |
| 36                     | 37 | <b>Basic School Programs (A - B) TOTAL</b>               | <b>631,989</b>    | <b>1,358,307,650</b>   | <b>633,425</b>    | <b>1,361,863,750</b>   |                                   | <b>3,556,100</b>        | <b>0.3%</b>    |
| 37                     | 38 | <b>C. Related to Basic Programs</b>                      |                   |                        |                   |                        |                                   |                         |                |
| 38                     | 39 | 1. Interventions for Student Success Block Grant         |                   | 15,308,708             |                   | 15,308,708             | 56                                |                         |                |
| 39                     | 40 | 2. Quality Teaching Block Grant                          |                   | 57,426,623             |                   | 57,426,623             | 56                                |                         |                |
| 40                     | 41 | 3. Local Discretionary Block Grant Program               |                   | 21,824,448             |                   | 21,824,448             | 57                                |                         |                |
| 41                     | 42 | 4. Social Security & Retirement                          |                   | 232,739,964            |                   | 233,345,816            | 33                                | 605,852                 | 0.3%           |
| 42                     | 43 | 5. Pupil Transportation                                  |                   | 56,245,567             |                   | 56,245,567             | 34                                |                         |                |
| 43                     | 44 | 6. Garantee Transportation Levy                          |                   | 500,000                |                   | 500,000                | 52                                |                         |                |
| 44                     | 45 | 7. Math/Science - Beginning Teacher Recruitment          |                   | 600,000                |                   | 600,000                | 53                                |                         |                |
| 45                     | 46 | <b>Related to Basic Programs Subtotal</b>                |                   | <b>384,645,310</b>     |                   | <b>385,251,162</b>     |                                   | <b>605,852</b>          | <b>0.2%</b>    |
| 46                     | 47 | <b>D. Special Populations</b>                            |                   |                        |                   |                        |                                   |                         |                |
| 47                     | 48 | 1. Highly Impacted Schools                               |                   | 5,123,207              |                   | 5,123,207              | 59                                |                         |                |
| 48                     | 49 | 2. At Risk Programs                                      |                   | 24,778,484             |                   | 24,778,484             | 60                                |                         |                |
| 49                     | 50 | 3. Adult Education                                       |                   | 5,826,865              |                   | 5,826,865              | 61                                |                         |                |
| 50                     | 51 | 4. Accelerated Learning Programs                         |                   | 8,695,104              |                   | 8,695,104              | 64                                |                         |                |
| 51                     | 52 | <b>Special Populations Subtotal</b>                      |                   | <b>44,423,660</b>      |                   | <b>44,423,660</b>      |                                   |                         |                |
| 52                     | 53 | <b>E. Other</b>  |                   |                        |                   |                        |                                   |                         |                |
| 53                     | 54 | 1. Discretionary Program Funding                         |                   |                        |                   | 4,129,536              | 10                                | 4,129,536               |                |
| 54                     | 55 | 2. Electronic High School                                |                   | 400,000                |                   | 400,000                | 70                                |                         |                |
| 55                     | 56 | 3. School Land Trust Program                             |                   | 10,050,000             |                   | 8,900,000              | 71                                | (1,150,000)             | -11.4%         |
| 56                     | 57 | 4. Charter School Local Replacement Funding              |                   | 2,377,172              |                   | 3,271,727              | 78                                | 894,555                 | 37.6%          |
| 57                     | 58 | 5. U of U Reading Clinic                                 |                   | 375,000                |                   | 375,000                | 81                                |                         |                |
| 58                     | 59 | <b>Other Subtotal</b>                                    |                   | <b>13,202,172</b>      |                   | <b>17,076,263</b>      |                                   | <b>3,874,091</b>        | <b>29.3%</b>   |
| 59                     | 60 | <b>Related, Special, &amp; Other (C,D,&amp; E) TOTAL</b> |                   | <b>442,271,142</b>     |                   | <b>446,751,085</b>     |                                   | <b>4,479,943</b>        | <b>1.0%</b>    |
| 60                     | 61 | <b>II. Board and Voted Leeway Programs:</b>              |                   |                        |                   |                        |                                   |                         |                |
| 61                     | 62 | A. Voted Leeway Program                                  |                   | 149,234,487            |                   | 154,715,325            | 83                                | 5,480,838               | 3.7%           |
| 62                     | 63 | B. Board Leeway Program                                  |                   | 43,367,832             |                   | 44,353,915             | 85                                | 986,083                 | 2.3%           |
| 63                     | 64 | <b>Voted and Board Leeway Programs TOTAL</b>             |                   | <b>192,602,319</b>     |                   | <b>199,069,240</b>     |                                   | <b>6,466,921</b>        | <b>3.4%</b>    |
| 64                     | 65 | <b>Minimum School Program - I - II Subtotal</b>          |                   | <b>1,993,181,111</b>   |                   | <b>2,007,684,075</b>   |                                   | <b>14,502,964</b>       | <b>0.7%</b>    |
| 65                     | 66 | <b>III. One Time Appropriations TOTAL</b>                |                   | <b>5,000,000</b>       |                   |                        |                                   | <b>(5,000,000)</b>      | <b>-100.0%</b> |
| 66                     |    | <b>MINIMUM SCHOOL PROGRAM (I - III) TOTAL</b>            |                   | <b>\$1,998,181,111</b> |                   | <b>\$2,007,684,075</b> |                                   | <b>\$9,502,964</b>      | <b>0.5%</b>    |
|                        |    | <b>School Building Program</b>                           |                   | <b>\$29,288,900</b>    |                   | <b>\$27,288,900</b>    | 97                                | <b>(\$2,000,000)</b>    | <b>-6.8%</b>   |

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Office of the  
Legislative Fiscal Analyst

**FY 2005 Budget Recommendations**

Joint Appropriations Subcommittee for  
Public Education

Utah State Office of Education  
**Minimum School Program**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information

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**Summary of  
Appropriations**

The total Minimum School Program illustrated in the table on page 3 provides a comparison with the prior 2004 fiscal year appropriations. The funding representations for FY 2005 are for base budget only. Allocations for additional funding have not been made at this time. This budget for the Minimum School Program does not include appropriations recommended for agencies governed by the Board of Education. These include the Utah State Office of Education, Utah State Office of Rehabilitation, Applied Technology Centers and Applied Technology Education Service Regions, Utah Schools for the Deaf and the Blind, Fine Arts and Sciences, Educational Contracts, Child Nutrition, and School Building Programs.

## 1.0 Minimum School Program

### Summary

The Minimum School Program is codified in statute in section 53A-17a. It supports public school programs for kindergarten, elementary, and secondary schools. The Basic state-supported school program provides support to public schools in each of forty local school districts to enable education for all children in the State. Distribution of State money is made on a formula basis to equalize wealth between "poorer" districts and "richer" districts. The basis for the distribution of the basic program is the Weighted Pupil Unit (WPU). A weighted pupil unit, in general, is one full time student. Specific programs may have other formulas to define a "Weighted Pupil Unit; i.e., one kindergarten student equals .55 of a weighted pupil unit.

The Minimum School Program Act was established to: ". . . provide a minimum school program for the State of Utah in accordance with constitutional mandate." It is the purpose of the Act to describe the manner in which the State and the school districts shall jointly pay for the costs. While the program is designed to be a distribution methodology of funds to school districts, the local boards of education have discretion and responsibility to allocate funding based on the unique circumstances of the district. Compensation issues are determined through local contract negotiations regardless of Legislative funding decisions.

The Act specifies the manner by which school districts may qualify for participation in the Minimum School Program and of making tax levies that provide additional school services and programs. The state Legislature sets a basic tax levy required of all school districts in order for them to participate in the Minimum School Program.

The Minimum School Program Act is unique in comparison with other budgetary acts in that it is amended and revised each year by the Legislature. The specifics of the bill are adjusted each year bringing relevant laws into review each Legislative Session.

Included in the School Finance Act are other provisions that outline Legislative intent and one time funding appropriations. In addition, a final section of the act includes Legislative funding for participation in the School Building Program for facility construction.

## 2.0 Issues: Minimum School Program

### Executive Committee Guidelines

The Analyst's recommendations represented in this report are developed within guidelines established by the Executive Appropriations Committee of the Legislature.

The *Analyst FY 2005 Base* budget recommendation includes the *Revised Estimate* from FY 2004 as approved by the Executive Appropriations Committee and adjustment for FY 2004 one-time programs.

## 2.1 Enrollment Growth is computed at an average of 1.47 percent increase

*Student growth costs = \$24,477,397. Funds not yet allocated.*

The funding for FY 2005 estimated student growth of 7,162 students or 9,276 weighted pupil units has not been included in the funding allocated to the committee by the Executive Appropriation Committee at this time. The estimated cost of growth is \$24,477,397.

The method utilized to project student enrollment has historically provided a relatively accurate basis for Legislative appropriations. Representatives from the Legislative Analyst Office, Governor's Office, and the State Office of Education, develop independent projections. They each use methodologies which may include historical trends, district reporting, birth statistics, mortality rates, and any number of other factors. They then meet to try and agree on a projection that will be used by each entity. If agreement is not reached, legislative recommendations cannot be comparable.

The enrollment trends for the next decade are predicted to increase anywhere from 60,000 to 140,000 new students. This will not only require resource allocation for new growth but could dramatically affect facility costs.

*Student growth averages 1.47 percent increase*

The actual fall enrollment count for FY 2004 is 486,938 compared to the committee estimate a year ago of 485,944 or an underestimate of 994, and represents a 1.20 percent variance from the prior year enrollments of 481,143. The fall enrollment estimate for FY 2005 is 494,100, an increase of 7,162 for a growth of 1.47 percent. Costs resulting from growth for FY 2005 are calculated to be \$24,477,400.

*FY 2004 growth was estimated low by 994 Costs added in base*

The October 1<sup>st</sup> fall enrollment count indicated that the prior year estimate was low by 994 students. The increased costs for the current fiscal year will be covered by ending balances available to the USOE. For FY 2005, the Analyst has funded the additional students in the base budget at a cost of \$4,165,422.

## 2.2 Voted and Board Leeway's mandated increase; and local revenues provide additional funds

*Current statutes mandate leeway increases*

The mandated increases for the Board and Voted Leeway will cost an estimated \$5,522,230. The Legislature has postponed these increases for the prior two years because of economic difficulties with revenue shortfalls.

The funding has not been included in the budget as presented by the Analyst at this time as there have not been additional funds allocated to the Committee.

*Program growth  
is \$5.4 million*

The growth in the Voted and Board Leeway Programs has increased by \$6,466,921 while the local revenue has increased by \$10,172,942, thereby leaving a balance of \$3,706,021 that can be used to help cover other Minimum School Program costs.

### **2.3 Basic Levy Tax from New Construction Growth provides new funds of \$5.4 million**

Assessed valuations on new construction growth in the state applied against the Basic School Tax Levy provide new local revenue for the Minimum School Program of \$5,480,022 for FY 2005. This is an increase of \$59,919 from last year's amount of \$5,420,103.

### **2.4 Health and Dental Insurance increases – equate to approximately a 1% increase in the Weighted Pupil Unit Value.**

It is estimated that health insurance premiums will increase approximately 11.27 percent and Dental insurance premiums at about 4.25 percent. Based on funding proportions, if the state were to fund the increase, the Analyst recommends an increase in the Weighted Pupil Unit value of one percent.

### **2.5 Retirement rate increase**

It is estimated that the retirement rate will increase approximately 12.71 percent for those on the contributory retirement system and about 14.35 percent for those on the noncontributory retirement system. Based on funding proportions, if the state were to fund the increase, the cost is projected at \$20,416,700 for the Minimum School Program.

### **2.6 Foreign Exchange Student Program**

The subsidy for supporting foreign exchange students was eliminated by the 2003 Legislature at the request of the Utah State Board of Education. This has apparently caused difficulties for some school districts programs because of the requirement to exchange on a student for student basis with Utah schools. Costs to restore the program would require an appropriation of \$844,465 or the equivalent of 320 weighted pupil units to the Grades 1 through 12 funding category.

### **2.7 Charter Schools – Growth and Replacement Funding**

*Program growth  
1,370 students*

The enrollment for Charter Schools increased from 3,253 to 4,623 for an increase of 1,370 students. The funding for this growth is included in the full school enrollment growth cost referenced in the 2.1 section above. This growth also creates an increase in the replacement funding discussed below.

*Replacement funding growth cost Is \$1.2 million*

The Charter School Local Replacement Funding program was established to provide revenue to charter schools to assist in capital facility needs. Charter Schools do not have bonding authority or the ability to tax their patrons to cover facility costs.

The program originated with local school districts and the state sharing in the cost of the program. When a student enrolled in a charter school, the student's home district transferred half of the local expenditure per pupil in excess of state funding to the charter school. The state would then provide to the charter school an amount equal to half the statewide average expenditure per pupil in excess of state funding. This amount was computed at \$403 per student. The program resulted in funding inequities among the charter schools because only half of the revenue was equalized by the state.

With the change in legislation, the school districts no longer transfer funds to the charter school. The state provides an equalized amount directly to the charter school. The amount of funding is currently \$965 per student. For the new growth additional funding of \$1,189,468 would be needed.

## **2.8 School Trust Land Program – Projected revenue and Appropriation Limit**

*Projected Fund Level at \$8.9 million*

The School Trust Land program is projected at \$8,900,000 for FY 2005. This is \$1,150,000 less than the projected amount of \$10,050,000 for FY 2004.

The 2003 Legislature limited the amount of interest revenue for distribution to schools to \$12,000,000. While this limit is not being reached there has been concern as to limiting the amount that can flow to individual schools for their discretionary use.

## **2.9 Adult Education– Restore funding level**

*Restoration cost is \$2.6 million*

The 2003 Legislature reduced funding for Adult Education by \$2,604,200 for the 2004 fiscal year appropriation. The Utah State Board of Education utilized non-lapsing balances to provide \$2,500,000 for adult education programming as was allowed by Legislative directive. Therefore, for FY 2005 the legislative reduction would take effect unless funds are made available for the program.

## 2.10 Senate Bill 154, “Public Education Amendments,” No Child Left Behind, Performance Plus

*Possible \$200 million needed*

Senate Bill 154 passed by the 2003 Legislature and “No Child Left Behind” as passed by congress in 2001 and imposed upon the states, have many components in common that relate to funding issues for Utah’s education system. In an attempt to address these issues, the State Board of Education held various public meetings and Education Summits throughout the state this past summer on their “Performance Plus” proposal. From the public comment and feedback the Board has pulled back from the proposal and is in the process of continued development and refinement. The original proposal of nearly \$400,000,000 with \$200,000,000 being new funding has been put on hold. There are some areas that appear to have more conclusive evidence of funding priority that could be considered for investment in Utah’s educational progress. At issue are current mandates enacted in Senate Bill 154. The Bill may need reconsideration in light of needed resources to accomplish the mandates.

*NCLB problem areas*

No Child Left Behind, as imposed by Congress, is causing considerable concern in being able to meet requirements. Particular concerns noted are requirements for “Highly Qualified Teachers,” “Average Yearly Progress,” “Interventions,” and Special Education assessment and inclusion in AYP.

*Possible Fed Fund loss, \$103 million*

In many areas, the Utah education system is already in sync with meeting federal guidelines. Others need resources and time. If Utah were to not participate in No Child Left Behind, they could loose an estimated \$103,000,000 in federal funds.

## 2.11 Weighted Pupil Unit Increase

*One Percent WPU is \$18.5 million*

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

## 2.12 Base Funds Available

The base budget for the Minimum School Program included a beginning base budget of \$1,605,193,274. With new local revenue increases of \$15,652,964 the base increased student growth was funded in the Analyst’s recommendations. In addition, there are \$4,129,536 dollars left for the use of the committee to fund other priorities.

### 3.0 Minimum School Program

#### Executive Committee Guidelines

The Analyst's recommendations represented in this report are developed within the guidelines established by the Legislative Executive Appropriations Committee. While the Executive Committee identifies an appropriation amount for the Public Education budget, the Appropriations subcommittee is directed to allocate within the various agencies and departments of Public Education as they deem most appropriate. The Analyst's recommendations are developed within the same restrictions. **These recommendations, while representing the best advice based on current data and information available, acknowledge that the subcommittee on Public Education, and ultimately, the Legislature has the final authority and responsibility to allocate the resources based on all factors contributed during the Legislative process.**

#### Funding

*Distribution basis is the Weighted Pupil Unit*

The Minimum School Program provides State support to public schools in each local school district enabling them to provide education for all children from kindergarten through grade 12. Distribution of State money is made on a formula basis in order to equalize wealth between "poorer" districts and "richer" districts. The basis for the distribution of State funds is the Weighted Pupil Unit (WPU). A weighted pupil unit, in general, is one full time student. Specific programs may have other formulas to define a "Weighted Pupil Unit; i.e., one kindergarten student equals .55 of a weighted pupil unit.

*Student growth averages 1.47 percent increase*

The actual fall enrollment count for FY 2004 is 486,938 compared to the committee estimate a year ago of 485,944 or an underestimate of 994, and represents a 1.20 percent variance from the prior year enrollments of 481,143. The fall enrollment estimate for FY 2005 is 494,100, an increase of 7,162 for a growth of 1.47 percent. Costs resulting from growth for FY 2005 are calculated to be \$24,477,400. The increase in enrollment translates into an increase in weighted pupil units of 9,276.

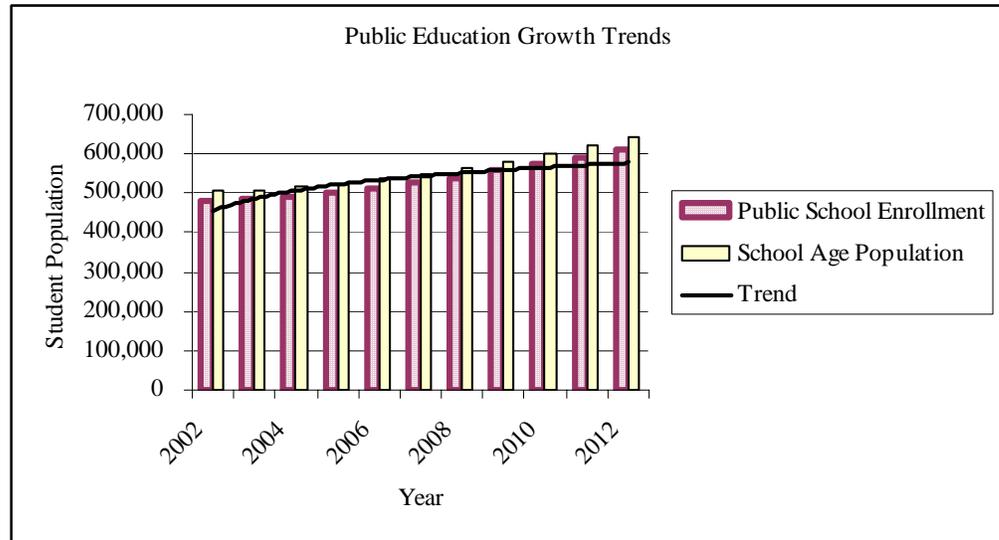
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The base budget for the Minimum School Program included a beginning base budget of \$1,605,193,274. With new local revenue increases of \$15,652,964 the base increased student growth was funded in the Analyst's recommendations. In addition, there are \$4,129,536 dollars left for the use of the committee to fund other priorities.

Enrollment projections through the year 2015 have been prepared by the Utah State Office of Education as follows:

|                  | USOE<br>Public School<br>Enrollment | Annual Change |         | GOPB<br>School<br>Age<br>Population |
|------------------|-------------------------------------|---------------|---------|-------------------------------------|
|                  |                                     | Count         | Percent |                                     |
| <b>October 1</b> |                                     |               |         |                                     |
| 1976             | 314,471                             |               |         |                                     |
| 1977             | 317,308                             | 2,837         | 0.90%   |                                     |
| 1978             | 324,468                             | 7,160         | 2.26%   |                                     |
| 1979             | 332,575                             | 8,107         | 2.50%   |                                     |
| 1980             | 342,885                             | 10,310        | 3.10%   |                                     |
| 1981             | 354,540                             | 11,655        | 3.40%   |                                     |
| 1982             | 369,338                             | 14,798        | 4.17%   |                                     |
| 1983             | 378,208                             | 8,870         | 2.40%   |                                     |
| 1984             | 390,141                             | 11,933        | 3.16%   |                                     |
| 1985             | 403,305                             | 13,164        | 3.37%   |                                     |
| 1986             | 415,994                             | 12,689        | 3.15%   |                                     |
| 1987             | 423,386                             | 7,392         | 1.78%   |                                     |
| 1988             | 429,551                             | 6,165         | 1.46%   |                                     |
| 1989             | 435,762                             | 6,211         | 1.45%   |                                     |
| 1990             | 444,732                             | 8,970         | 2.06%   |                                     |
| 1991             | 454,218                             | 9,486         | 2.13%   |                                     |
| 1992             | 461,259                             | 7,041         | 1.55%   |                                     |
| 1993             | 468,675                             | 7,416         | 1.61%   |                                     |
| 1994             | 471,402                             | 2,727         | 0.58%   |                                     |
| 1995             | 473,666                             | 2,264         | 0.48%   |                                     |
| 1996             | 478,028                             | 4,362         | 0.92%   |                                     |
| 1997             | 479,151                             | 1,123         | 0.23%   |                                     |
| 1998             | 477,061                             | -2,090        | -0.44%  |                                     |
| 1999             | 475,974                             | -1,087        | -0.23%  |                                     |
| 2000             | 475,269                             | -705          | -0.15%  |                                     |
| 2001             | 477,801                             | 2,532         | 0.53%   |                                     |
| 2002             | <b>481,143</b>                      | 3,342         | 0.70%   | 507,992                             |
| <b>CDC 2003</b>  | 485,944                             | 4,801         | 1.00%   | 508,160                             |
| 2004             | 493,058                             | 7,114         | 1.46%   | 515,599                             |
| 2005             | 501,529                             | 8,472         | 1.72%   | 524,458                             |
| 2006             | 513,196                             | 11,667        | 2.33%   | 536,658                             |
| 2007             | 526,567                             | 13,371        | 2.61%   | 550,640                             |
| 2008             | 540,664                             | 14,098        | 2.68%   | 565,382                             |
| 2009             | 556,876                             | 16,212        | 3.00%   | 582,335                             |
| 2010             | 574,758                             | 17,882        | 3.21%   | 601,034                             |
| 2011             | 592,738                             | 17,980        | 3.13%   | 619,836                             |
| 2012             | 612,348                             | 19,610        | 3.31%   | 640,343                             |
| 2013             | 630,878                             | 18,530        | 3.03%   | 659,720                             |
| 2014             | 649,036                             | 18,158        | 2.88%   | 678,708                             |
| 2015             | 666,126                             | 17,090        | 2.63%   | 696,579                             |



*Enrollment growth could be \$785 million by FY 2017*

The cost of enrollment growth over an extended period of time becomes problematic since the unknowns have the potential to vary. In the out years it is especially difficult since the live births have not been realized and migration rates are only an educated guess at best. However, with those caveats, the attempt is made to give some kind of an idea of what potential costs may be. The chart on the next page assumes the growth rate based on school age population converted to fall enrollment and then to weighted pupil units (WPU). These units, in turn, have been put into the model to calculate the minimum school program costs which take into consideration all of the factors that are driven by growth and weighted pupil unit value increases. Some of these factors include associated social security and retirement costs, transportation, and some inflation driven programs not WPU driven. A two percent inflation factor applied to the WPU value per year is used as an example of increasing costs.

*Enrollment growth plus 2% WPU inflation could be \$1.4 billion by FY 2017*

The costs for growth only are represented as well as the cost of growth plus a two percent inflation rate. As indicated in the chart on page 14, there is a potential of close to an additional \$1,400,000,000 need by FY 2017 to cover an additional enrollment of 197,151 students plus average yearly inflation of two percent. This does not include funds for any other education needs or initiatives that may be considered and is well below historic increases for public education over comparable time periods.

| Public Education                |                          |                   |                              |                    |  |                                |
|---------------------------------|--------------------------|-------------------|------------------------------|--------------------|--|--------------------------------|
| Enrollment and Cost Projections |                          |                   |                              |                    |  |                                |
| FY 2004 Through FY 2017         |                          |                   |                              |                    |  |                                |
| Fiscal Year                     | Fall Enrollment Increase | Increase in WPU's | Projected Cost - Growth Only | WPU Value Increase | Projected Cost- Growth Plus WPU @ 2%/Yr. | WPU Value Incremental Increase |
|                                 |                          |                   |                              | \$2,132            |  |                                |
| 2,004                           | 5,795                    | 5,630             | \$15,726,018                 | 2,150 *            | \$50,590,229                             | \$18                           |
| 2,005                           | 7,162                    | 9,276             | 24,477,397                   | 2,193              | 60,206,433                               | 43                             |
| 2,006                           | 8,471                    | 11,097            | 29,842,866                   | 2,237              | 66,894,690                               | 44                             |
| 2,007                           | 11,667                   | 15,284            | 41,889,924                   | 2,281              | 79,728,817                               | 44                             |
| 2,008                           | 13,371                   | 17,516            | 49,090,714                   | 2,327              | 89,439,996                               | 46                             |
| 2,009                           | 14,097                   | 18,467            | 53,708,584                   | 2,374              | 95,877,876                               | 47                             |
| 2,010                           | 16,212                   | 21,238            | 63,435,212                   | 2,421              | 106,772,752                              | 47                             |
| 2,011                           | 17,882                   | 23,425            | 71,344,957                   | 2,470              | 117,727,194                              | 49                             |
| 2,012                           | 17,980                   | 23,554            | 73,104,129                   | 2,519              | 120,837,144                              | 49                             |
| 2,013                           | 19,610                   | 25,689            | 81,209,030                   | 2,569              | 131,350,969                              | 50                             |
| 2,014                           | 18,158                   | 23,787            | 76,588,339                   | 2,621              | 130,049,353                              | 52                             |
| 2,015                           | 17,090                   | 22,387            | 73,556,379                   | 2,673              | 128,379,848                              | 52                             |
| 2,016                           | 16,061                   | 21,040            | 70,563,980                   | 2,727              | 128,696,676                              | 54                             |
| 2,017                           | 13,595                   | 17,809            | 60,853,371                   | 2,781              | 120,111,592                              | 54                             |
| <b>Total</b>                    | <b>197,151</b>           | <b>256,199</b>    | <b>\$785,390,900</b>         | <b>\$34,343</b>    | <b>\$1,426,663,569</b>                   | <b>\$649</b>                   |

\* Actual Cost was only \$38 million due to budget reductions. With no reductions the \$50 million is very close.

**NOTES:**

1. The fall enrollment figure for FY 2005 is the Common Data Committee (CDC) projection to FY 2015. (The CDC consists of representatives of the Legislative Fiscal Analyst, Governor's Office of Planning and Budget [GOPB], and the Utah State Office of Education, [USOE].)
2. The accuracy of the figures for 2005 through 2017 depends on; (a) the accuracy of the school age population projection by the GOPB, and (b) the assumption that change in public school enrollment will correspond perfectly to change in the school age population as a whole.
3. The GOPB school age population (persons age 5 to 17) data as of July 1 serve as the "2002 Baseline Projections" in the state's UPED Model. The data are available at:  
<http://www.governor.state.ut.us/projections/R012B30.pdf>  
<http://www.governor.state.ut.us/projections/R012B30.pdf>  
 [See page 37 in that report for state totals].
4. Each year's public school enrollment projection is derived by applying a recursive "prior year plus growth" model, with the prior year being the prior year enrollment and growth being the projected percentage increase in school age population from the prior year.

5. While change in enrollment and population will certainly not be perfectly correlated, the assumption seems adequate under present circumstances because of the state's traditionally low and stable private school enrollment rate (estimated at 2.8% ). The adequacy of the assumption could be affected by any innovation in policy which would make private schooling relatively more attractive and bring about a shift of students from public schools to the private sector. If that scenario is anticipated, these projections may be interpreted as an upper boundary under current policy, and the model would have to be revised to account for a new variable.

| <b>UTAH</b>   |              |             |
|---|--------------|-------------|
| Table 1<br>Economic and Demographic Summary<br>School Age Population (Ages 5-17)<br>2000 to<br>2017 |              |             |
| <u>Year</u>   | <u>Total</u> | <u>AARC</u> |
| 2000  | 509,320      | N/A         |
| 2001  | 510,937      | 0.3%        |
| 2002  | 507,992      | -0.6%       |
| 2003  | 508,160      | 0.0%        |
| 2004  | 515,599      | 1.5%        |
| 2005  | 524,458      | 1.7%        |
| 2006  | 536,658      | 2.3%        |
| 2007  | 550,640      | 2.6%        |
| 2008  | 565,382      | 2.7%        |
| 2009  | 582,335      | 3.0%        |
| 2010  | 601,034      | 3.2%        |
| 2011  | 619,836      | 3.1%        |
| 2012  | 640,343      | 3.3%        |
| 2013  | 659,720      | 3.0%        |
| 2014  | 678,708      | 2.9%        |
| 2015  | 696,579      | 2.6%        |
| 2016  | 713,375      | 2.4%        |
| 2017  | 727,592      | 2.0%        |

Source: 2002 Baseline Projections,  
Governor's Office of Planning and Budget,  
UPED Model System

| <b>School Age Population<br/>Component Estimates, Fall 2002</b> |                 |                |                  |
|---|-----------------|----------------|------------------|
|   | <b>Reported</b> | <b>Implied</b> | <b>Estimated</b> |
| <b>Public</b>   | 481,143         |                |                  |
| <b>Regular LEA</b>  | 479,617         |                |                  |
| <b>Charter LEA</b>  | 1,526           |                |                  |
| <b>NonPublic</b>  |                 | 26,849         |                  |
| <b>Private School</b>   | 13,959          |                |                  |
| <b>Home School</b>  |                 |                | 9,347            |
| <b>Dropout</b>  |                 | 3,543          |                  |
| <b>SCHOOL AGE</b>   |                 |                | 507,992          |

**MSP Recommendation**

*The Analyst recommends a total of \$2Billion*

The Analyst's Minimum School Program budget for FY 2005 was prepared with the 2004 appropriated budget as a base and adjustments made for base enrollment changes and other adjustments as necessary. The Analyst's total recommendation is \$2,007,684,075 with \$1,605,193,274 recommended from the Uniform School Fund and \$402,490,801 in local revenues. The Uniform School Funding represents ongoing funding equal to FY 2004 appropriations less \$1,150,000 decrease in the School Trust Land program. The Local Revenue is a 4.0 percent increase over FY 2004 revenue and represents 20.0 percent of the total budget.

*Each 1 percent increase in the Weighted Pupil Unit value costs approximately \$16.1 to 18.5 million.*

Each one percent increase in the value of the Weighted Pupil Unit will cost approximately \$16,800,000 to \$18,500,000 depending on the number weighted pupil units approved by the Legislature and possible increases for non WPU driven programs.

The Analyst recommends that funding for student growth of \$24,477,397 be a first priority consideration. Funding for the Voted and Board Leeway programs are required to be increased by statute. This will need an appropriation of \$5,522,230 or a statutory change if the increase is to be postponed. The analyst has not included this amount in the budget at this time. Retirement rate increases are estimated to require an additional \$20.4 million for FY 2005. Health and dental premium increases are estimated at \$18 million.

One time funding appropriated for FY 2004 is removed from the budget for FY 2005. As a result, \$5,000,000 for teacher supplies and materials of is reduced from the beginning base budget for FY 2005.

**3.1 Kindergarten**

**Recommendation**

The Analyst recommends 20,879 Weighted Pupil Units, which represent an increase in kindergarten enrollment of 446 Weighted Pupil Units to fund the current base.

**Purpose**

Section 53A-17a-106 of the State System of Public Education reads in part:

*Kindergarten WPUs computed by multiplying ADM by 0.55*

(2) The number of units is computed by adding the average daily membership of all pupils of the district enrolled in kindergarten and multiplying the total by .55.

### 3.2 Grades 1 through 12

**Recommendation**

*Enrollment growth based on agreement using varied statistical methods and analysis*

The Analyst recommends 432,774 Weighted Pupil Units, which is an increase of 125 Weighted Pupil Units over the FY 2004 appropriated number of 432,649. The process of projecting student growth is based on actual and projected birth statistics, the multiple year survival cohort statistical analysis method, and the preceding year's average survival rates of children enrolling in the next grade level. In addition, migration factors were incorporated into the formulas and computation process. The State Office of Education, the Analyst's Office and the Governor's Office do independent growth projections and then attempt to come to a consensus prior to budget presentations before the Legislature. The Analyst, the State Board of Education, and the Governor have utilized the same estimates for FY 2005.

Grades one through twelve generates 86 percent of the regular basic school programs.

### 3.3 Foreign Exchange Student Program

**Recommendation:**

*Eliminate State Subsidy, \$700,000 in savings.*

The State Board of Education recommended eliminating the state subsidy to educate children from other countries in the FY 2003 General Session of the Legislature. The justification for that recommendation was stated as follows:

“This is a recommendation to eliminate the subsidy to districts sponsoring J-1 visa foreign exchange students. Districts would have the choice of continuing the sponsorship but would have to pay for the students out of local funds or require tuition payments.”

“Since 1985, Utah Code 53-A-2-207 permits high schools that enroll J-1 visa foreign exchange students to report those students on the end-of-year enrollment count. This triggers the transfer of a Weighted Pupil Unit for each student to the appropriate district. The legislation permitted up to 250 WPU's to be paid during the first year of the subsidy for a total of \$295,000 and instructed the Utah State Office of Education to establish rules for overseeing the program. R277-615 governs the placement of these students and includes the terminology which governs the increase or decrease of exchange students. Over the years, the number of WPU's authorized has increased from 250 to 328. At the end of the 2003-2004 school year, high schools may submit enrollment counts which will be equivalent to nearly \$700,000, (318 students @ \$2,132 \$699,296). In addition, 25 percent of a specialist FTE and 25 percent of a secretary FTE are occupied with overseeing the program.”

“Justification: State resources may be better spent on the direct education of Utah's children rather than subsidizing the education of children from other countries. Local districts may be in a better position to determine the educational value of sponsoring international students.”

This has apparently caused difficulties for some school districts programs because of the requirement to exchange on a student for student basis with Utah schools. Costs to restore the program would require an appropriation of \$844,465 or the equivalent of 320 weighted pupil units to the Grades 1 through 12 funding category.

The current statute provides the guidelines for hosting a foreign student as follows:

**53A-2-206. Exchange and interstate compact students -- Inclusion in attendance count -- Annual report -- Requirements for exchange student agencies.**

(1) A school district may include membership and attendance of students for the purpose of apportionment of state monies if:

- (a) (i) the student is a foreign exchange student sponsored by an agency approved by the State Board of Education; and
- (ii) the agency sponsoring the foreign exchange student is also sponsoring a resident student of the district who is enrolled in a school in a foreign country;
- (b) the student is enrolled under an interstate compact, established between the State Board of Education and the state education authority of another state, under which a student from one compact state would be permitted to enroll in a public school in the other compact state on the same basis as a resident student of the receiving state; or
- (c) the student is receiving services under the Compact on Placement of Children.

(2) The board shall make an annual report to the Legislature on the number of exchange students and the number of interstate compact students sent to or received from public schools outside the state.

(3) (a) The board shall require each approved exchange student agency to provide it with a sworn affidavit of compliance prior to the beginning of each school year.

(b) The affidavit shall include the following assurances:

- (i) that the agency has complied with all applicable rules of the board;
- (ii) that a household study, including a background check of all adult residents, has been made of each household where an exchange student is to reside, and that the study was of sufficient scope to provide reasonable assurance that the

exchange student will receive proper care and supervision in a safe environment;

(iii) that host parents have received training appropriate to their positions, including information about enhanced criminal penalties under Subsection **76-5-406(10)** for persons who are in a position of special trust;

(iv) that a representative of the exchange student agency shall visit each student's place of residence at least once each month during the student's stay in Utah;

(v) that the agency will cooperate with school and other public authorities to ensure that no exchange student becomes an unreasonable burden upon the public schools or other public agencies;

(vi) that each exchange student will be given in the exchange student's native language names and telephone numbers of agency representatives and others who could be called at any time if a serious problem occurs; and

(vii) that alternate placements are readily available so that no student is required to remain in a household if conditions appear to exist which unreasonably endanger the student's welfare.

(4) (a) The board shall provide each approved exchange student agency with a list of names and telephone numbers of individuals not associated with the agency who could be called by an exchange student in the event of a serious problem.

(b) The agency shall make a copy of the list available to each of its exchange students in the exchange student's native language.

Amended by Chapter 320, 2003 General Session

The number of foreign students by district and by country representation is included in the following charts as provided by the Utah State Office of Education. The data is for a three period that includes fiscal years 2000, 2001, and 2002. Note that the greatest participation is from Germany followed by Brazil. Alpine has the most foreign students followed by Jordan, Granite, Davis and Provo. There are thirty five school districts represented and sixty nine countries.

| <b>J-1 Students<br/>by Host<br/>District</b> | <b>FY<br/>2000</b> | <b>FY<br/>2001</b> | <b>FY<br/>2002</b> |
|--|--------------------|--------------------|--------------------|
| Alpine                                       | 72                 | 66                 | 43                 |
| Beaver                                       | 1                  | 0                  | 1                  |
| Box Elder                                    | 4                  | 10                 | 8                  |
| Cache  | 16                 | 11                 | 9                  |
| Carbon                                       | 6                  | 6                  | 6                  |
| Davis  | 32                 | 30                 | 34                 |
| Duchesne                                     | 5                  | 6                  | 1                  |
| Emery  | 3                  | 0                  | 2                  |
| Garfield                                     | 0                  | 0                  | 4                  |
| Granite                                      | 35                 | 18                 | 30                 |
| Iron   | 1                  | 2                  | 0                  |
| Jordan                                       | 46                 | 38                 | 55                 |
| Juab   | 4                  | 4                  | 0                  |
| Logan  | 3                  | 6                  | 5                  |
| Millard                                      | 1                  | 3                  | 2                  |
| Morgan                                       | 0                  | 1                  | 1                  |
| Murray                                       | 1                  | 3                  | 5                  |
| Nebo   | 21                 | 23                 | 25                 |
| North Sanpete                                | 0                  | 0                  | 4                  |
| North Summit                                 | 0                  | 2                  | 0                  |
| Ogden  | 1                  | 4                  | 4                  |
| Park City                                    | 2                  | 4                  | 2                  |
| Provo  | 16                 | 11                 | 6                  |
| Rich   | 2                  | 0                  | 0                  |
| Salt Lake                                    | 4                  | 10                 | 8                  |
| San Juan                                     | 1                  | 0                  | 0                  |
| Sevier                                       | 0                  | 3                  | 3                  |
| South Sanpete                                | 7                  | 6                  | 10                 |
| South Summit                                 | 0                  | 4                  | 0                  |
| Tintic                                       | 4                  | 3                  | 2                  |
| Tooele                                       | 8                  | 6                  | 10                 |
| Uintah                                       | 6                  | 6                  | 4                  |
| Wasatch                                      | 3                  | 2                  | 5                  |
| Washington                                   | 6                  | 7                  | 7                  |
| Weber  | 18                 | 19                 | 14                 |
| <b>Total</b>                                 | <b>329</b>         | <b>314</b>         | <b>310</b>         |

| <b>Country</b>      | <b>FY<br/>2000</b> | <b>FY<br/>2001</b> | <b>FY<br/>2002</b> | <b>Country</b> | <b>FY<br/>2000</b> | <b>FY<br/>2001</b> | <b>FY<br/>2002</b> |
|---------------------|--------------------|--------------------|--------------------|----------------|--------------------|--------------------|--------------------|
| Albania             | 2                  | 3                  | 3                  | Japan          | 35                 | 30                 | 27                 |
| Argentina           | 1                  | 3                  | 1                  | Kazakstan      | 1                  | 0                  | 2                  |
| Armenia             | 1                  | 1                  | 0                  | Korea          | 1                  | 3                  | 5                  |
| Australia           | 3                  | 2                  | 2                  | Kyrgyzstan     | 0                  | 0                  | 1                  |
| Austria             | 4                  | 4                  | 3                  | Latvia         | 0                  | 1                  | 1                  |
| Azerbaijan          | 0                  | 0                  | 2                  | Lithuania      | 0                  | 0                  | 1                  |
| Belarus             | 3                  | 0                  | 0                  | Macedonia      | 0                  | 1                  | 0                  |
| Belgium             | 1                  | 3                  | 3                  | Mexico         | 4                  | 7                  | 4                  |
| Bolivia             | 0                  | 0                  | 1                  | Moldova        | 1                  | 1                  | 0                  |
| Brazil              | 41                 | 38                 | 40                 | Mongolia       | 0                  | 1                  | 3                  |
| Bulgaria            | 2                  | 1                  | 1                  | Norway         | 4                  | 8                  | 6                  |
| Canada              | 0                  | 3                  | 1                  | Paraguay       | 0                  | 2                  | 1                  |
| Chile               | 1                  | 2                  | 4                  | Peru           | 1                  | 1                  | 0                  |
| China               | 3                  | 6                  | 2                  | Philippines    | 1                  | 1                  | 2                  |
| Columbia            | 5                  | 4                  | 5                  | Poland         | 10                 | 2                  | 2                  |
| Costa Rica          | 0                  | 1                  | 0                  | Romania        | 1                  | 2                  | 1                  |
| Croatia             | 0                  | 0                  | 1                  | Russia         | 8                  | 9                  | 14                 |
| Czech Republic      | 2                  | 2                  | 5                  | Scotland       | 2                  | 1                  | 2                  |
| Denmark             | 7                  | 7                  | 5                  | Slovakia       | 1                  | 1                  | 0                  |
| Ecuador             | 2                  | 3                  | 6                  | South Africa   | 0                  | 0                  | 1                  |
| Egypt               | 0                  | 0                  | 1                  | South Korea    | 0                  | 0                  | 1                  |
| Finland             | 8                  | 5                  | 5                  | Spain          | 4                  | 8                  | 5                  |
| France              | 13                 | 3                  | 3                  | Sweden         | 7                  | 8                  | 6                  |
| Georgia             | 0                  | 3                  | 2                  | Switzerland    | 10                 | 9                  | 7                  |
| Germany             | 104                | 69                 | 73                 | Taiwan         | 1                  | 0                  | 0                  |
| Greenland           | 3                  | 0                  | 0                  | Tajikistan     | 1                  | 1                  | 1                  |
| Holland/Netherlands | 6                  | 5                  | 6                  | Thailand       | 5                  | 10                 | 9                  |
| Hong Kong           | 3                  | 3                  | 5                  | Turkey         | 1                  | 1                  | 1                  |
| Hungary             | 1                  | 6                  | 3                  | Ukraine        | 4                  | 5                  | 3                  |
| India               | 0                  | 0                  | 1                  | Uzbekistan     | 1                  | 0                  | 1                  |
| Indonesia           | 0                  | 1                  | 1                  | Venezuela      | 2                  | 4                  | 9                  |
| Ireland             | 0                  | 0                  | 1                  | Vietnam        | 0                  | 7                  | 0                  |
| Israel              | 0                  | 1                  | 1                  | Yugoslavia     | 1                  | 3                  | 2                  |
| Italy               | 6                  | 8                  | 5                  | <b>Total</b>   | <b>329</b>         | <b>314</b>         | <b>310</b>         |

The Board of Education rules specify the following for Foreign Exchange Students:

**R277-615. Foreign Exchange Students.**

**R277-615-1. Definitions.**

A. "Board" means the Utah State Board of Education.

B. "USOE" means the Utah State Office of Education.

C. "J-1 foreign exchange student" means a foreign national secondary student who has entered the United States for up to one year for a cultural and educational experience and whose placement is sponsored by a Board-approved agency.

**R277-615-2. Authority and Purpose.**

A. This rule is authorized under Utah Constitution Article X, Section 3 which vests general control and supervision of public education in the Board, Section 53A-1-401(3) which allows the Board to adopt rules in accordance with its responsibilities, Section 53A-2-206 which requires the Board to approve agencies sponsoring J-1 exchange students, and Section 53A-1-402(1)(b) which directs the Board to adopt rules regarding attendance.

B. This rule sets standards by which districts may include J-1 exchange students in the student membership count required for the apportionment of state funds.

**R277-615-3. Board Approved Participation.**

Each year the Board determines the number of J-1 exchange students whose participation in public education programs will be funded by the state appropriation. The number approved is based on available funds and the percentage of increase or decrease of the K-12 student population statewide.

**R277-615-4. Student and Agency Eligibility.**

A. Students approved for funded participation shall be:

(1) Sponsored by an agency approved by the United States Information Agency.

(a) The USOE maintains a current list of approved sponsoring organizations. The list is available from the USOE specialist for international education.

(b) The sponsoring agency must be working toward a one-to-one exchange.

(c) Requests for exceptions to USOE approved organizations are reviewed and approved by the USOE on an individual basis using the criteria for approval established in "Regulations Governing Exchange Visitor Programs," 1993, published by the United States Information Agency. This publication is available from all foreign student exchange group representatives, all host families, all schools attended by foreign exchange students, and the Specialist for International Education at the Utah State Office of Education; and

(2) Approved for enrollment by the district of attendance prior to the student's arrival in the United States.

B. Approved agencies are allotted a specific number of placements annually. This number is specified, after negotiation with the sponsoring agency, by USOE staff based on outgoing exchange students placed by an agency. Placements are approved by the Board or its designee.

C. Allotted placements not completed by designated placement agencies by July 15 may be reallocated.

**R277-615-5. District Reports.**

A. A school district shall annually report to the USOE the number of J-1 exchange students accepted, the sponsoring agencies, and the J-1 exchange students' entry and exit dates.

B. A school district shall maintain the names of all J-1 exchange students accepted, the exchange students' local addresses, the sponsoring agencies, dates of acceptance by the local boards, and dates on which the USOE was notified of the acceptance.

**R277-615-6. Representation.**

The USOE works with sponsoring agencies and districts to assure an equitable representation of countries in individual schools.

**R277-615-7. Foreign Exchange Student Promotion or Graduation.**

A. Each district participating in the J-1 foreign exchange student program shall adopt a written policy outlining and explaining high school graduation and diploma options for J-1 exchange students.

B. All J-1 foreign exchange students shall provide a translated transcript to school officials as required by United State Information Agency regulations.

C. A J-1 foreign exchange student who desires to earn a graduation diploma shall provide an evaluated, translated transcript of courses to the assigned counselor prior to the student's registration at the school.

D. The USOE International Specialist shall develop and provide to school districts a list of approved individuals qualified to evaluate foreign transcripts.

E. Any costs associated with evaluation of foreign transcripts shall be the responsibility of the foreign exchange student or the host family.

F. Districts shall include in their policies, procedures and criteria for receiving "certificates of completion" or "promotion."

### 3.4 Necessarily Existent Small Schools

#### Summary

The Analyst recommends 7,605 Weighted Pupil Units for Necessarily Existent Small Schools. This includes an increase of 20 weighted pupil units to accommodate base growth.

For every child in the school system, the minimum school program provides a certain amount based on funding criteria established by either the Legislature or by Board rule.

*Extra funding provided for small schools where WPU funding formula would be inadequate*

In smaller schools there may not be enough children in one class to provide funds for even one teacher. For example, in a second-grade class of 25, the school might receive \$53,750 (based on a WPU value equal to \$2,150). However, in a smaller community where there are fewer students and smaller schools, there might only be eight students of second-grade age. The school would receive only \$17,200 - not enough for a teacher for the class or other expenditures associated with teaching those students. The Necessarily Existent Small Schools program provides extra funds for those schools.

*Qualifying requirements differ according to grade level*

The requirements for Necessarily Existent Small Schools classification are outlined in **53A-17a-109** of the Utah Code as follows:

(1) Upon application by each school district, the State Board of Education shall, in consultation with local school boards, classify particular schools in each district as necessarily existent small schools.

(a) Applications must be submitted to the state board before April 2, and the board must report a decision to each school district before June 2.

(b) The state board shall adopt standards and make rules to:

(i) govern the approval of these schools consistent with principles of efficiency and economy and which shall serve the purpose of eliminating schools where consolidation is feasible by participation in special school units; and

(ii) ensure that districts are not building secondary schools in close proximity to one another where economy and efficiency would be better served by one school meeting the needs of secondary students in a designated geographical area.

(c) A one or two-year secondary school that has received necessarily existent small school money under this section prior to July 1, 2000, may continue to receive such money in subsequent years under state board rule.

(2) The state board shall prepare and publish objective standards and guidelines for determining which small schools are necessarily existent after consultation with local school boards.

(3) The additional units for schools classified as necessarily existent small schools are computed using regression formulas adopted by the state board.

- (a) The regression formulas establish the following maximum sizes for funding under the necessarily existent small school program:
  - (i) Elementary 160
  - (ii) One or two-year secondary 300
  - (iii) Three-year secondary 450
  - (iv) Four-year secondary school 1500
  - (v) Six-year secondary school 600
- (b) Schools with fewer than ten students shall receive the same add-on weighted pupil units as schools with ten students.
- (c) The state board shall prepare and distribute an allocation table based on the regression formula to each school district.
- (4) (a) To avoid penalizing a district financially for consolidating its small schools, additional units may be allowed a district each year, not to exceed two years.
- (b) The units may not exceed the difference between what the district receives for a consolidated school and what it would have received for the small schools had they not been consolidated.
- (c) A district may use the monies allocated under this subsection for maintenance and operation of school programs or for other school purposes as approved by the state board.

Amended by Chapter 221, 2003 General Session

### 3.5 Professional Staff

**Recommendation** The Analyst recommends 42,281 Weighted Pupil Units for the base budget. This represents an increase of 733 weighted pupil units from the prior year due to base growth increases.

**Purpose** Professional Staff costs are determined according to the Professional Staff Cost Formula detailed in the Utah Code in Section 53A-17a-107as follows:

(1) Professional staff weighted pupil units are computed and distributed in accordance with the following schedule:

(a) Professional Staff Cost Formula

| Years of Experience | Bachelor's Degree | Bachelor's +30 Qt. Hr | Master's Degree | Master's Degree +45 Qt. Hr | Doctorate |
|---------------------|-------------------|-----------------------|-----------------|----------------------------|-----------|
| 1                   | 1.00              | 1.05                  | 1.10            | 1.15                       | 1.20      |
| 2                   | 1.05              | 1.10                  | 1.15            | 1.20                       | 1.25      |
| 3                   | 1.10              | 1.15                  | 1.20            | 1.25                       | 1.30      |
| 4                   | 1.15              | 1.20                  | 1.25            | 1.30                       | 1.35      |
| 5                   | 1.20              | 1.25                  | 1.30            | 1.35                       | 1.40      |
| 6                   | 1.25              | 1.30                  | 1.35            | 1.40                       | 1.45      |
| 7                   | 1.30              | 1.35                  | 1.40            | 1.45                       | 1.50      |
| 8                   | 1.35              | 1.40                  | 1.45            | 1.50                       | 1.55      |
| 9                   |                   |                       | 1.50            | 1.55                       | 1.60      |
| 10                  |                   |                       |                 | 1.60                       | 1.65      |
| 11                  |                   |                       |                 |                            | 1.70      |

(b) Multiply the number of full-time or equivalent professional personnel in each applicable experience category in (a) by the applicable weighting factor.  
 (c) Divide the total of (b) by the number of professional personnel included in (b) and reduce the quotient by 1.00.

(d) Multiply the result of (c) by 1/4 of the weighted pupil units computed in accordance with Sections 53A-17a-106 and 53A-17a-109.

(2) The State Board of Education shall enact rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, which require a certain percentage of a district's professional staff to be certified in the area in which they teach in order for the district to receive full funding under the schedule.

(3) If an individual's teaching experience is a factor in negotiating a contract of employment to teach in the state's public schools, then the local school board is encouraged to accept as credited experience all of the years the individual has taught in the state's public schools.

Amended by Chapter 268, 1994 General Session

### 3.6 Administrative Costs

**Recommendation** The Analyst recommends 1,659 Weighted Pupil Units for Administrative Costs. This is an increase of 2 WPU’s for increased base.

**Purpose** The following section of the School Finance Act (53A-17a-108) governs this appropriation:

*Utah’s statute requires a plan to keep administrative costs low* “The State Board of Education shall develop a statewide plan to increase the proportion of funds allocated to instruction and decrease the proportion of funds allocated to general district administration and business administration.”

Administrative costs in Utah Schools represent between 8 and 9 percent of the total Maintenance and Operation costs.

*Distribution of Administrative Cost funds reward smaller districts* Administrative costs weighted pupil units are computed and distributed to districts in accordance with the following schedule:

|                          |          |
|--------------------------|----------|
| 1 - 2,000 students       | 53 WPU’s |
| 2,001 - 10,000 students  | 48 WPU’s |
| 10,001 - 20,000 students | 25 WPU’s |
| 20,001 and above         | 16 WPU’s |

### 3.7 Special Education Add-On Weighted Pupil Units

**Recommendation** The Analyst recommends 53,651 WPU's for the add-on Special Education Program. This is an increase of 81 WPU’s from the FY 2004 appropriation.

**Purpose of Special Education** More than 50,000 Students in the State of Utah, ages 5 through 21, are identified as being eligible for special education. These students must receive a free, appropriate education consistent with state and federal mandates.

*Funds are allocated on the basis of Services delivered* Services needed are determined based on individual needs by a team comprised of parents, teachers, support personnel, and administrators. These services can range from a 15-minute per-week session to one-on-one instruction for six hours each day. Related services, such as physical therapy and occupational therapy, must be delivered if these services are needed for the student to benefit from special education. It generally costs 1.5 to 6.2 times as much to educate a disabled student as to educate a non-disabled student. Costs can go higher for prescriptive speech therapy, physical and occupational therapy, psychological and behavioral management, and adaptive physical education for the more severely disabled

*State and Federal mandates govern Special Education programs*

State and federal statute mandate special education. The State Board of Education is required to provide proper education and training for all students with disabilities in this State. The Individuals with Disabilities Education Act (IDEA), Part B, requires that a free and appropriate public education be provided all eligible students with disabilities and provides federal financial assistance to carry out the mandate. Utah's Special Education Legislation, passed in 1953 and amended in 1959, predated the federal law (IDEA) which was signed in 1975.

*Funds are allocated using base year and adding growth*

The allocation of special education dollars to the individual districts is accomplished by using the prior year's base WPU's for each district and increasing by growth only. The increase is multiplied by 1.53 weighted pupil units for each new student and added to the foundation allocation to determine each district's total allocation.

The Utah Code section governing the special education add-on funding is as follows:

**53A-17a-111. Weighted pupil units for programs for students with disabilities -- District allocation.**

- (1) The number of weighted pupil units for students with disabilities shall reflect the direct cost of programs for those students conducted in accordance with rules established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
- (2) Disability program monies allocated to districts are restricted and shall be spent for the education of students with disabilities but may include expenditures for approved programs of services conducted for certified instructional personnel who have students with disabilities in their classes.
- (3) The State Board of Education shall establish and strictly interpret definitions and provide standards for determining which students have disabilities and shall assist districts in determining the services that should be provided to students with disabilities.
- (4) Each year the board shall evaluate the standards and guidelines that establish the identifying criteria for disability classifications to assure strict compliance with those standards by the districts.
- (5) (a) Monies appropriated to the State Board of Education in Section **53A-17a-104** for add-on WPUs for students with disabilities enrolled in regular programs shall be allocated to school districts as provided in this Subsection
- (5) (b) Beginning on July 1, 2003, the State Board of Education shall:
  - (i) use a district's average number of special education add-on weighted pupil units determined by the previous five year's average daily membership data as a foundation for the special education add-on appropriation; and
  - (ii) implement a hold harmless provision for up to three years as needed to accomplish a phase-in period for school districts to accommodate the change in the special education add-on WPUs foundation formula.
- (c) A district's special education add-on WPUs for the current year may not be less than the foundation special education add-on WPUs.

- (d) Growth WPUs shall be added to the prior year special education add-on WPUs, and growth WPUs shall be determined as follows:
  - (i) The special education student growth factor is calculated by comparing S-3 total special education ADM of two years previous to the current year to the S-3 total special education ADM three years previous to the current year, not to exceed the official October total district growth factor from the prior year.
  - (ii) When calculating and applying the growth factor, a district's S-3 total special education ADM for a given year is limited to 12.18% of the district's S-3 total student ADM for the same year.
  - (iii) Growth ADMs are calculated by applying the growth factor to the S-3 total special education ADM of two years previous to the current year.
  - (iv) Growth ADMs for each district are multiplied by 1.53 weighted pupil units and added to the prior year special education add-on WPU to determine each district's total allocation.
- (6) If monies appropriated under this chapter for programs for students with disabilities do not meet the costs of districts for those programs, each district shall first receive the amount generated for each student with a disability under the basic program.

Amended by Chapter 320, 2003 General Session

### **3.8 Special Education Self-Contained Program**

**Recommendation**      The Analyst recommends 12,487 WPU's for the Self-Contained Special Education Program. This is an increase of 35 WPUs from the FY 2004 appropriated level.

**Purpose**                      The Self-Contained WPU's are the standard full WPU for every student (average daily membership) that qualifies as a Self-Contained Special Education student. The Add-On is the additional service needed to fund programs for them and for other children who do not qualify as a self-contained special education student. Costs are formula driven as they represent charges for actual services provided.

### **3.9 Special Education - Preschool**

**Recommendation**      The Analyst recommends 6,408 Weighted Pupil Units for the Preschool program. This is an increase of 139 WPUs for growth over the appropriated WPU level for FY 2004.

**Funding Formula**

A weighting factor of 1.47 of the value of the weighted pupil unit is utilized for computing the funding requirements for Preschool Special Education children. This is based on actual per child costs for service and takes into account all federal and state revenue sources and expenditures. Growth is defined as the actual increase in the number of children, age three through preschool aged five, reported between December 1st child counts. This excludes children served by the Utah Schools for the Deaf and the Blind. A statewide cap of 8 percent is to be used in the formula for budget requests and fund distribution. If this growth is not realized, the budget request will be reduced to equate to the actual growth realized.

The formula is:

"A factor of 1.47 times the current December 1st child count of eligible preschool aged 3,4 and 5 year olds times the WPU value"; (with a limit of 8 percent growth over the prior year December 1st count)

**Purpose**

*Public Law 99-457 requires education for disabled children ages three to five*

The Preschool Special Education Program was implemented to help meet the educational needs of children with disabilities who are three to five years of age. Public Law 99-457 requires that children with disabilities three to five years be given an appropriate free public education. A Federal mandate required the state to have this program in full operation by 1992. FY 2005 will be the twelfth year the state of Utah has had this program in operation.

**3.10 Extended Year Program for Severe Disabled**

**Purpose**

*Program allows continued education during summer*

The Fiscal Analyst recommends a total of 341 WPU's for the Extended Year Program. This is an increase of 40 WPU's for base growth. Extended School Year Program for severely disabled is limited to students with disabilities who, because of the severity of their disability will not be able to maintain skills gained in the regular school year unless they receive education during the summer months. For these students a maintenance program will be provided to ensure that these students maintain the skills gained in the regular school year. Without this program many of these students would spend much of the next year regaining the skills they had learned in the previous school year.

**3.11 Special Education - State Programs**

**Recommendation**  
*1,350 WPU's*

The Fiscal Analyst recommends 1,358 WPU's for Special Education - State Programs. This is the same number WPU's as was appropriated for FY 2004.

This allocation provides funding for special education programs in state institutions as well as for district impact aid. Impact aid is provided to districts for new students and for students with disabilities whose services cost significantly more to the district.

### 3.12 Applied Technology Education – ATE District

The Analyst recommends 23,348 WPU's for ATE District funding for FY 2005. This is the same as was appropriated for by 2004.

The governing statutes for this appropriation are included as they show specifications for funding distributions for various aspects of ATE programs.

#### **53A-17a-113. Weighted pupil units for applied technology education programs -- Funding of approved programs -- Performance measures -- Qualifying criteria.**

- (1) (a) Money appropriated to the State Board of Education in Section **53A-17a-104** for approved applied technology programs and the comprehensive guidance program:
  - (i) shall be allocated to eligible recipients as provided in Subsections (2), (3), and (4); and
  - (ii) may not be used to fund programs below the ninth grade level.
- (b) Subsection (1)(a)(ii) does not apply to the following programs:
  - (i) comprehensive guidance;
  - (ii) Technology-Life-Careers; and
  - (iii) work-based learning programs.
- (2) (a) Weighted pupil units are computed for pupils in approved programs.
- (b) (i) The board shall fund approved programs based upon hours of membership of 9th through 12th grade students.
- (ii) Subsection (2)(b)(i) does not apply to the following programs:
  - (A) comprehensive guidance;
  - (B) Technology-Life-Careers; and
  - (C) work-based learning programs.
- (c) The board shall use an amount not to exceed 20% of the total appropriation under this section to fund approved programs based on performance measures such as placement and competency attainment defined in standards set by the board.
- (d) Leadership organization funds shall constitute an amount not to exceed 1% of the total appropriation under this section, and shall be distributed to each local educational agency sponsoring applied technology student leadership organizations based on the agency's share of the state's total membership in those organizations.
- (e) The board shall make the necessary calculations for distribution of the appropriation to school districts and may revise and recommend changes necessary for achieving equity and ease of administration.
- (3) (a) Twenty weighted pupil units shall be computed for applied technology education administrative costs for each district, except 25 weighted pupil units may be computed for each district that consolidates applied technology administrative services with one or more other districts.
- (b) Between 10 and 25 weighted pupil units shall be computed for each high school conducting approved applied technology education programs in a district according to standards established by the board.

- (c) Forty weighted pupil units shall be computed for each district that operates an approved district applied technology center.
- (d) Between five and seven weighted pupil units shall be computed for each summer applied technology agriculture program according to standards established by the board.
- (e) The board shall, by rule, establish qualifying criteria for districts to receive weighted pupil units under this Subsection (3).
- (4) (a) Monies remaining after the allocations made under Subsections (2) and (3) shall be allocated using average daily membership in approved programs for the previous year.
- (b) A district that has experienced student growth in grades 9 through 12 for the previous year shall have the growth factor applied to the previous year's weighted pupil units when calculating the allocation of monies under this Subsection (4).
- (5) (a) The board shall establish rules for the upgrading of high school applied technology education programs.
- (b) The rules shall reflect technical training and actual marketable job skills in society.
- (c) The rules shall include procedures to assist school districts to convert existing programs which are not preparing students for the job market into programs that will accomplish that purpose.
- (6) Programs that do not meet board standards may not be funded under this section.

Amended by Chapter 320, 2003 General Session

### **3.13 Minimum School Program – ATE Set Aside**

The Analyst recommends 995 WPU's for ATE Set Aside funding for FY 2005. This is the same as was appropriated for 2004. Set Aside funds are used to provide funding for innovative or new programs and/or equipment.

The statutes for this program are included as follows:

#### **53A-17a-116. Weighted pupil units for applied technology set-aside programs.**

- (1) Each district shall receive a guaranteed minimum allocation from the monies appropriated to the State Board of Education in Section **53A-17a-104** for an applied technology set-aside program.
- (2) The set-aside funds remaining after the initial minimum payment allocation are distributed by an RFP process to help pay for equipment costs necessary to initiate new programs and for high priority programs as determined by labor market information.

Amended by Chapter 320, 2003 General Session

### 3.14 Class Size Reduction

**Recommendation** The Analyst recommends 29,757 weighted pupil units for class size reduction. This is the same as was appropriated for 2004. Class size information and a historical perspective of funding results can be reviewed in the Education Data Book.

**Purpose** The statutes for Class size are found in the Utah code as follows:

**53A-17a-124.5. Appropriation for class size reduction.**

- (1) Money appropriated to the State Board of Education in Section **53A-17a-104** for class size reduction shall be used to reduce the average class size in kindergarten through the eighth grade in the state's public schools.
- (2) Each district shall receive its allocation based upon prior year average daily membership in kindergarten through grade eight plus growth as determined under Subsection **53A-17a-106(3)** as compared to the state total.
- (3) (a) A district may use its allocation to reduce class size in any one or all of the grades referred to under this section, except as otherwise provided in Subsection (3)(b).  
(b) (i) Each district shall use 50% of its allocation to reduce class size in any one or all of grades kindergarten through grade two, with an emphasis on improving student reading skills.  
(ii) If a district's average class size is below 18 in grades kindergarten through two, it may petition the state board for, and the state board may grant, a waiver to use its allocation under Subsection (3)(b)(i) for class size reduction in the other grades.
- (4) Schools may use nontraditional innovative and creative methods to reduce class sizes with this appropriation and may use part of their allocation to focus on class size reduction for specific groups, such as at risk students, or for specific blocks of time during the school day.
- (5) (a) A school district may use up to 20% of its allocation under Subsection (1) for capital facilities projects if such projects would help to reduce class size.  
(b) If a school district's student population increases by 5% or 700 students from the previous school year, the school district may use up to 50% of any allocation it receives under this section for classroom construction.
- (6) This appropriation is to supplement any other appropriation made for class size reduction.
- (7) The Legislature shall provide for an annual adjustment in the appropriation authorized under this section in proportion to the increase in the number of students in the state in kindergarten through grade eight.

Amended by Chapter 320, 2003 General Session

Amended by Chapter 221, 2003 General Session

The amount of base funding for class size reduction has now reached \$78.5 million dollars.

### 3.15 Retirement and Social Security

**Recommendation**  
\$233,345,816

The Analyst's recommendation for retirement and social security is \$233,345,816. This is \$605,852 more than the current year appropriation to provide for the increased costs associated with increased base funding. Under the funding restrictions imposed on these budget recommendations the Analyst has not included the social security and retirement student growth costs. The unfunded amount is estimated to be \$3,397,752. **The Analyst recommends that if the student growth is funded that the costs for Social Security and Retirement also be funded.**

Social Security & Retirement growth costs unfunded

Retirement rate increased costs are unfunded

Retirement costs are estimated to increase for FY 2005 resulting in estimated increased costs of \$20,416,700 for School Districts. This has not been included in the Analyst's recommendations.

The social security and retirement costs of the minimum school program are determined by formula based on the program (number of weighted pupil units) adopted by the Legislature.

The Analyst recommends that the committee approve a motion to adopt social security and retirement costs as will be determined by final weighted pupil unit approvals and any additions for rate increases, or compensation package that may be funded by the Legislature.

**Purpose**

*Funds are distributed on a pro-rata share*

The 1992 Legislature changed the method of funding and distributing social security and retirement costs. The funds are distributed proportionately based on Weighted Pupil Units. Prior to the change the costs were paid on a reimbursement basis to school districts. The statutory provisions provide for changes in the costs of social security and retirement based on prior year costs, inflation, and rate increases.

*Employees on the contributory program pay 1 percent of costs*

The current statutes for the social security & retirement allocation are as follows:

**53A-17a-125. Appropriation for retirement and social security.**

- (1) The employee's retirement contribution shall be 1% for employees who are under the state's contributory retirement program.
- (2) The employer's contribution under the state's contributory retirement program is determined under Section **49-12-301**, subject to the 1% contribution under Subsection (1).
- (3) The employer-employee contribution rate for employees who are under the state's noncontributory retirement program is determined under Section **49-13-301**.
- (4) (a) Money appropriated to the State Board of Education in Section **53A-17a-104** for retirement and Social Security monies shall be allocated to school districts based on a district's total weighted pupil units compared to the total weighted pupil units for all districts in the state.

- (b) The monies needed to support retirement and Social Security shall be determined by taking the district's prior year allocation and adjusting it for:
  - (i) student growth;
  - (ii) the percentage increase in the value of the weighted pupil unit; and
  - (iii) the effect of any change in the rates for retirement, Social Security, or both.

Amended by Chapter 320, 2003 General Session

### 3.16 Transportation

#### **Recommendation**

*\$56,245,567;  
includes funding for  
Deaf and Blind  
student transportation*

The Analyst recommends \$ 56,245,567 for pupil transportation. This recommendation includes transportation funding of \$2,036,148 for the Schools for the Deaf and the Blind. The Analyst also recommends that if the Legislature increases the value of the weighted pupil unit that the funding for pupil transportation be increased also.

#### **Purpose**

Pertinent statutory (UCA 53A-17-107, 108) provisions for transportation in the school finance act are as follows:

#### **53A-17a-126. State support of pupil transportation -- Incentives to increase economy and productivity in student transportation.**

- (1) Money appropriated to the State Board of Education in Section **53A-17a-104** for state-supported transportation of public school students shall be apportioned and distributed in accordance with Section **53A-17a-127**, except as otherwise provided in this section.
- (2) (a) The Utah Schools for the Deaf and the Blind shall use money appropriated in Section **53A-17a-104** to pay for transportation of their students based on current valid contractual arrangements and best transportation options and methods as determined by the schools.  
(b) All student transportation costs of the schools shall be paid from the allocation of pupil transportation monies received under Section **53A-17a-104**.
- (3) Each district shall receive its approved transportation costs, except that if during the fiscal year the total transportation allowance for all districts exceeds the amount appropriated, all allowances shall be reduced pro rata to equal not more than that amount.
- (4) Local school boards shall provide salary adjustments to employee groups that work with the transportation of students comparable to those of classified employees authorized under Section **53A-17a-137**, when dividing the weighted pupil unit for salary adjustment purposes.

Amended by Chapter 221, 2003 General Session

Amended by Chapter 320, 2003 General Session

The state statutes that govern the transportation policy is outlined in the Utah Code as follows:

53A-17a-127. Eligibility for state-supported transportation -- Approved bus routes -- Additional local tax.

(1) A student eligible for state-supported transportation means:

(a) a student enrolled in kindergarten through grade six who lives at least 1-1/2 miles from school;

(b) a student enrolled in grades seven through 12 who lives at least two miles from school; and

(c) a student enrolled in a special program offered by a school district and approved by the State Board of Education for trainable, motor, multiple-disabled, or other students with severe disabilities who are incapable of walking to school or where it is unsafe for students to walk because of their disabling condition, without reference to distance from school.

(2) If a school district implements double sessions as an alternative to new building construction, with the approval of the State Board of Education, those affected elementary school students residing less than 1-1/2 miles from school may be transported one way to or from school because of safety factors relating to darkness or other hazardous conditions as determined by the local school board.

(3) (a) The State Office of Education shall distribute transportation monies to school districts based on three factors:

(i) an allowance per mile for approved bus routes;

(ii) an allowance per hour for approved bus routes; and

(iii) an annual allowance for equipment and overhead costs based on approved bus routes and the age of the equipment.

(b) In order for a bus to be considered for the equipment allowance, it must meet federal and state regulations and standards for school buses.

(c) The State Office of Education shall annually review the allowance per mile, the allowance per hour, and the annual equipment and overhead allowance and adjust the allowance to reflect current economic conditions.

(4) (a) Approved bus routes for funding purposes shall be determined on fall data collected by October 1.

(b) Approved route funding shall be determined on the basis of the most efficient and economic routes.

(5) A Transportation Advisory Committee with representation from local school superintendents, business officials, school district transportation supervisors, and the State Office of Education shall serve as a review committee for addressing school transportation needs, including recommended approved bus routes.

The specifics of transportation funding have been of interest to Legislators and others. The detail of how the formulas derive the costs of transportation has not been studied in detail by Legislators for the past number of years. Because of this interest, the Analyst has included the information in the pages that follow as provided by the Utah State Office of Education. This information goes through the process of computing the various factors contributing to transportation costs using transportation route examples.

## TRANSPORTATION FINANCE FORMULA

Total state aid for to-and-from school transportation is the sum of Schedules A and B. Schedule A is comprised of (1) an allowance for mileage, (2) an allowance for time, and (3) an allowance for equipment (school buses) and administration (front office salaries and benefits). Schedule B is comprised of miscellaneous pupil transportation expenses that are not "formula" driven.

A. Schedule A: Under the provisions of Section 53-7-18.1 of the Utah Code, school districts are apportioned state transportation funds for transporting eligible pupils "to and from school." "Schedule A" of the pupil transportation budget is based on transporting students from home to school and from school to home once each day, required dead miles, after school routes, approved disabled pupil routes, vocational routes, the capital cost of buses, and the salaries of office administrators. Schedule A is that portion of a school district's pupil transportation funding derived by formula. Each year, prior to applying the formula to school district time and mileage data to determine funding, four ALLOWANCE RATES must be calculated. These four ALLOWANCE RATES are the independent variables used in the formula. They are the Time Allowance Rate, the Mileage Allowance Rate, the Depreciation Allowance Rate, and the Administration Allowance Rate.

1. The Time Allowance is paid at a rate that reflects the STATE AVERAGE COST PER MINUTE for driver salaries, retirement, Social Security, and health and accident insurance as reported on the F-4 financial report.

2. The Mileage Allowance is paid at a rate that reflects the STATE AVERAGE COST PER MILE for bus fuel, lubrication, tires/tubes, and repair parts as reported on the F-4 financial report.

3. The Depreciation Allowance is paid at a rate that amortizes the current state contract price of a standard equipped 84 passenger bus over the expected life (200,000 miles) of the bus.

4. The Administration Allowance is intended to provide funds for the salaries and benefits of district transportation administrators. The calculation for administrative allowance consists of three parts: An allowance for pupils transported, an allowance for route minutes, and an allowance for route miles.

B. Sample Formula Calculation Exercise:

**Step One:** Routes are separated into two groups. Routes in the first group are called "Type A" routes. These routes are similar in time and distance for the morning and afternoon runs, so these are routes for which the one-way mileage and time data can be "doubled" to arrive at **total** route time and mileage. The second group consists of routes that have morning and afternoon runs that are significantly different in time and mileage. They are called "Type B" routes. Because the a.m. and p.m. runs are significantly different for Type B routes, the one-way data cannot simply be "doubled" to arrive at **total** time and mileage. Instead, the a.m. run and p.m. run for Type B routes will be calculated separately, as though they are individual routes.

**Step Two:** Street maps are prepared for each to-and-from bus route to include labeling of streets and locations of schools. Not all streets need to be labeled, only enough to clearly orient the user of the map. Maps will clearly identify beginning and ending points of routes, all bus stops along the routes, the number of students picked up or dropped off at each stop, and portions of each route traveled in deadhead status. Prepare one map for "Type A" routes. Prepare an a.m. map and a p.m. map for all "Type B" routes. [Note: Kindergarten routes are one-way only and are therefore "Type B" routes.]

**Step Three:** The daily one-way time in minutes and the daily one-way distance in miles traveled by approved school buses on approved to-and-from routes as they appear on the maps are measured. Two separate sets of measurements are required for each map:

1. The minutes and miles traveled with students on board.
2. The minutes and miles traveled in deadhead status.

**BOTH** sets of data are required for funding. Minutes are measured to the whole minute. Miles are measured to the tenth of a mile.

**Step Four:** A separate "Route Data" spreadsheet is prepared by the transportation director of the school district. Route minutes, miles, dead minutes, dead miles, route type, and other data are included. The spreadsheet is submitted with the route maps on November 1 each year. The annual budget is prepared using the data provided on this spreadsheet. Calculations are as shown in Steps Five through Thirteen.

**Step Five:** Calculate One-way Route Minutes. To calculate one-way route minutes, add "Minutes Expended Per Route" and "Dead Minutes Per Route" from the route map label. Multiply this sum by the annual number of days the route is run.

**STEP 5: CALCULATE ONE-WAY ROUTE MINUTES**

| ROUTE        | MINUTES EXPENDED PER ROUTE | PLUS | DEAD MINUTES PER ROUTE | MULTI-PLIED BY | NUMBER OF DAYS PER YEAR | EQUALS | ONE-WAY ROUTE MINUTES |                |
|--------------|----------------------------|------|------------------------|----------------|-------------------------|--------|-----------------------|----------------|
| 6            | 90                         | +    | 76                     | X              | 183                     | =      | 30,378                |                |
| 6            | 85                         | +    | 50                     | X              | 183                     | =      | 24,705                |                |
| 8            | 35                         | +    | 50                     | X              | 183                     | =      | 15,555                |                |
| 9            | 175                        | +    | 65                     | X              | 183                     | =      | 43,920                |                |
| 11           | 50                         | +    | 20                     | X              | 175                     | =      | 12,250                |                |
| 12           | 95                         | +    | 30                     | X              | 183                     | =      | 22,875                |                |
| 16           | 24                         | +    | 96                     | X              | 183                     | =      | 21,960                |                |
| 21           | 58                         | +    | 30                     | X              | 183                     | =      | 16,104                |                |
| <b>TOTAL</b> |                            |      |                        |                |                         |        |                       | <b>187,747</b> |

**Step Six:** Calculate Inspection Minutes. Thirty minutes per day per bus is multiplied by the number of days buses are used on to-and-from routes during the year. The purpose of this computation is to compensate districts for thirty minutes of driver time per bus per day for bus cleaning and inspection. Note that this is NOT a per route computation, it is a per bus computation.

**STEP 6: CALCULATE INSPECTION MINUTES**

| ROUTE NUMBER | BUS NUMBER | MULTI-PLIED BY | 30 MINUTES PER ROUTE DAY | MULTI-PLIED BY | NUMBER OF DAYS PER YEAR | EQUALS | TOTAL INSPECTION MINUTES |
|--------------|------------|----------------|--------------------------|----------------|-------------------------|--------|--------------------------|
| 6            | 73 (1)     | X              | 30                       | X              | 183                     | =      | 5,490                    |
| 6            | 73 (0)     | X              | 30                       | X              | 183                     | =      | 0                        |
| 8            | 73 (0)     | X              | 30                       | X              | 183                     | =      | 0                        |
| 9            | 57 (1)     | X              | 30                       | X              | 183                     | =      | 5,490                    |
| 11           | 57 (0)     | X              | 30                       | X              | 175                     | =      | 0                        |
| 12           | 57 (0)     | X              | 30                       | X              | 183                     | =      | 0                        |
| 16           | 48 (1)     | X              | 30                       | X              | 183                     | =      | 5,490                    |
| 21           | 48 (0)     | X              | 30                       | X              | 183                     | =      | 0                        |
| <b>TOTAL</b> |            |                |                          |                |                         |        | <b>16,470</b>            |

**Step Seven:** Calculate Total Route Minutes. Since the sums of minutes calculated in Steps Five and are one way, route time for Type A routes must be doubled to get an accurate total. For Type A routes multiply One-way Route Minutes from Step Five by 2, then add Inspection Minutes. This total is called "Total Route Minutes" for Type A routes. Sum all "Route Minutes" for Type B routes, then add Inspection Minutes. This total is called "Total Route Minutes" for Type B Routes. Add "Total Route Minutes" for Type A and Type B routes.

**STEP 7: CALCULATE TOTAL ROUTE MINUTES**

| TYPE A ROUTES                                 | ONE-WAY ROUTE MINUTES | MULTI-PLIED BY | TWO | PLUS | INSPECTION MINUTES | EQUALS | TOTAL ROUTE MINUTES |
|---|-----------------------|----------------|-----|------|--------------------|--------|---------------------|
| 8   | 15,555                | X              | 2   | +    | 0                  | =      | 31,110              |
| 9   | 43,920                | X              | 2   | +    | 5,490              | =      | 93,330              |
| 12  | 22,875                | X              | 2   | +    | 0                  | =      | 45,750              |
| 16  | 21,960                | X              | 2   | +    | 5,490              | =      | 49,410              |
| 21  | 16,104                | X              | 2   | +    | 0                  | =      | 32,208              |
| <b>SUBTOTAL</b>                               |                       |                |     |      |                    |        | <b>251,808</b>      |
| TYPE B ROUTES                                 |                       |                |     |      |                    |        |                     |
| 6   | 30,378                |                |     | +    | 5,490              | =      | 35,868              |
| 6   | 24,705                |                |     | +    | 0                  | =      | 24,705              |
| 11  | 12,250                |                |     | +    | 0                  | =      | 12,250              |
| <b>SUBTOTAL</b>                               |                       |                |     |      |                    |        | <b>72,823</b>       |
| <b>TOTAL ROUTE MINUTES, TYPE A AND TYPE B</b> |                       |                |     |      |                    |        | <b>324,631</b>      |

**Step Eight:** Calculate One-way Route Miles. To calculate One-way Route Miles, add "Miles Traveled Per Route" and "Dead Miles Per Route." Then, multiply this sum by the annual number of days the route is run.

**STEP 8: CALCULATE ONE-WAY ROUTE MILES**

| TYPE A ROUTES | MILES TRAVELED PER ROUTE | PLUS | DEAD MILES PER ROUTE | MULTIPLIED BY | NUMBER OF DAYS PER YEAR | EQUALS | ONE-WAY ROUTE MILES |
|---------------|--------------------------|------|----------------------|---------------|-------------------------|--------|---------------------|
| 6             | 40.5                     | +    | 12.7                 | X             | 183                     | =      | 9,735.6             |
| 6             | 70.4                     | +    | 18.9                 | X             | 183                     | =      | 16,341.9            |
| 8             | 12.2                     | +    | 10.2                 | X             | 183                     | =      | 4,099.2             |
| 9             | 47.0                     | +    | 7.0                  | X             | 183                     | =      | 9,882.0             |
| 11            | 18.5                     | +    | 6.3                  | X             | 175                     | =      | 4,340.0             |
| 12            | 41.9                     | +    | 6.1                  | X             | 183                     | =      | 8,784.0             |
| 16            | 6.5                      | +    | 14.3                 | X             | 183                     | =      | 3,806.4             |
| 21            | 18.1                     | +    | 0.0                  | X             | 183                     | =      | 3,312.3             |
| <b>TOTAL</b>  |                          |      |                      |               |                         |        | <b>60,301.4</b>     |

**Step Nine:** Calculate Total Route Miles. Since the miles calculated in Step Eight are one way, route mileage for Type A routes must be doubled to get an accurate total. For Type A routes, multiply One-way Route Miles from Step Eight by 2. This total is called "Total Route Miles" for Type A routes. Sum all "Route Miles" for Type B routes. This total is called "Total Route Miles" for Type B Routes. Add "Total Route Miles" for Type A and Type B routes. This sum is called "Total Route Miles" as in table below.

**STEP 9: CALCULATE TOTAL ROUTE MILES**

| TYPE A ROUTES                               | ONE-WAY ROUTE MILES | MULTIPLIED BY | TWO | EQUALS | TOTAL ROUTE MILES |
|---|---------------------|---------------|-----|--------|-------------------|
| 8   | 4,099.2             | X             | 2   | =      | 8,198.4           |
| 9   | 9,882.0             | X             | 2   | =      | 19,764.0          |
| 12  | 8,784.0             | X             | 2   | =      | 17,568.0          |
| 16  | 3,806.4             | X             | 2   | =      | 7,612.8           |
| 21  | 3,312.3             | X             | 2   | =      | 6,624.6           |
| <b>SUBTOTAL</b>                             |                     |               |     |        | <b>59,767.8</b>   |
| <b>TYPE B ROUTES</b>                        |                     |               |     |        |                   |
| 6   | 9,735.6             |               |     | =      | 9,735.6           |
| 6   | 16,341.9            |               |     | =      | 16,341.9          |
| 11  | 4,340.0             |               |     | =      | 4,340.0           |
| <b>SUBTOTAL</b>                             |                     |               |     |        | <b>30,417.5</b>   |
| <b>TOTAL ROUTE MILES, TYPE A AND TYPE B</b> |                     |               |     |        | <b>90,185.3</b>   |

**Step Ten:** Calculate Time Allowance. Multiply Total Minutes by the approved Time Allowance Rate. The approved rate for fiscal year 2002 is \$0.34 PER MINUTE.

**STEP 10: CALCULATE TIME ALLOWANCE**

| ROUTE NUMBER | TOTAL ROUTE MINUTES | MULTIPLIED BY | TIME ALLOWANCE RATE | EQUALS | TIME ALLOWANCE   |
|--------------|---------------------|---------------|---------------------|--------|------------------|
| 6            | 35,868              | X             | \$0.34              | =      | \$12,195         |
| 6            | 24,705              | X             | 0.34                | =      | 8,400            |
| 8            | 31,110              | X             | 0.34                | =      | 10,577           |
| 9            | 93,330              | X             | 0.34                | =      | 31,172           |
| 11           | 12,250              | X             | 0.34                | =      | 4,165            |
| 12           | 45,750              | X             | 0.34                | =      | 15,555           |
| 16           | 49,410              | X             | 0.34                | =      | 16,800           |
| 21           | 32,208              | X             | 0.34                | =      | 10,951           |
| <b>TOTAL</b> | 324,631             |               |                     |        | <b>\$110,375</b> |

**Step Eleven:** Calculate Mileage Allowance. Multiply Total Miles by the approved Mileage Allowance Rate. The approved rate for fiscal year 2002 is \$0.32 PER MILE.

**STEP 11: CALCULATE MILEAGE ALLOWANCE**

| ROUTE NUMBER | TOTAL ROUTE MILES | MULTIPLIED BY | MILEAGE ALLOWANCE RATE | EQUALS | MILEAGE ALLOWANCE |
|--------------|-------------------|---------------|------------------------|--------|-------------------|
| 6            | 9,735.6           | X             | \$0.32                 | =      | \$3,115           |
| 6            | 16,341.9          | X             | 0.32                   | =      | 5,229             |
| 8            | 8,198.4           | X             | 0.32                   | =      | 2,623             |
| 9            | 19,764.0          | X             | 0.32                   | =      | 6,324             |
| 11           | 4,340.0           | X             | 0.32                   | =      | 13,888            |
| 12           | 17,568.0          | X             | 0.32                   | =      | 5,622             |
| 16           | 7,612.8           | X             | 0.32                   | =      | 2,436             |
| 21           | 6,624.6           | X             | 0.32                   | =      | 2,120             |
| <b>TOTAL</b> | 90,185.3          |               |                        |        | <b>\$28,859</b>   |

**Step Twelve:** Administration and Equipment Allowance is a three-part computation.

**Part 1.** Part 1 involves three calculations: (1) Using the number of actual student riders per route, both regular and special education, multiply the total to the .6 exponential power, then multiply the result by \$500. (2) Calculate "Total Minutes" to the .6 exponential power then multiply by \$3.00. (3) Calculate the "Total Miles" to the .6 exponential power, then multiply by \$13.00. Sum the totals from each of these calculations. In the table on the following page, a hypothetical number of student riders has been inserted for each route. The miles that were used are total miles in **Step 10, above** and the minutes that were used are the total minutes used in **Step 11, above**.

**Part 2.** Multiply "Total Mileage" by the Equipment Allowance Rate of \$0.34 per mile.

**Part 3.** Sum the amounts calculated in Parts 1 and 2. This total is called the "Administration and Equipment Allowance."

**STEP 12: CALCULATE ADMINISTRATION AND EQUIPMENT ALLOWANCE**

**PART 1: ADMINISTRATION ALLOWANCE**

Pupil ridership statistics are used in the first calculation of the Administration Allowance. The calculation for Pupil Allowance uses the total number of students actually bused on all routes, NOT the number of **eligible** riders. It is not a factor in any other part of the formula. The first step in the administration allowance uses the total number of actual student riders of all routes.

| Route Number | Number of Pupils Bused |
|--------------|------------------------|
| 6            | 84                     |
| 6            | 78                     |
| 8            | 67                     |
| 9            | 80                     |
| 11           | 75                     |
| 12           | 72                     |
| 16           | 68                     |
| 21           | 79                     |
| <b>Total</b> | 603                    |

The following page shows the calculations necessary when determining the allowance for administrative costs such as salaries and benefits for district administrators and transportation office personnel.

Calculation #1:

Number of students actually bused to .6 power X \$500.  
 The total number of students bused is 603.  
 603 to the .6 power = 46.579024  
 46.579024 x \$500 = \$23,290  
 \$23,290 = Total allowance for pupils bused\*

Calculation #2:

Number of minutes to .6 power X \$3.00.  
 The total minutes for the eight routes = 324,631.  
 324,631 to the .6 power = 2026.9078  
 2026.9078 x \$3.00 = \$6,081  
 \$6,081 = Total allowance for minutes\*

Calculation #3:

Number of miles to .6 power X \$13.00  
 The total mileage for the eight routes = 90,185.3.  
 90,185.3 to the .6 power = 939.89957  
 939.89957 x \$13.00 = \$12,219  
 \$12,219 = Total allowance for mileage\*

The allowances for each of the three calculations are added together to determine the total Administrative Allowance:

| Pupil Allowance | Time Allowance | Mileage Allowance | Total Administration Allowance |
|-----------------|----------------|-------------------|--------------------------------|
| \$23,290        | \$6,081        | \$12,219          | \$41,589                       |

**PART 2: EQUIPMENT ALLOWANCE**

| ROUTE NUMBER    | TOTAL ROUTE MILEAGE | MULTIPLIED BY | EQUIPMENT ALLOWANCE RATE | EQUALS | EQUIPMENT ALLOWANCE |
|-----------------|---------------------|---------------|--------------------------|--------|---------------------|
| 6               | 9,735.6             | X             | \$0.34                   | =      | \$3,310             |
| 6               | 16,341.9            | X             | 0.34                     | =      | 5,556               |
| 8               | 8,198.4             | X             | 0.34                     | =      | 2,787               |
| 9               | 19,764.0            | X             | 0.34                     | =      | 6,720               |
| 11              | 4,340.0             | X             | 0.34                     | =      | 1,476               |
| 12              | 17,568.0            | X             | 0.34                     | =      | 5,973               |
| 16              | 7,612.8             | X             | 0.34                     | =      | 2,588               |
| 21              | 6,624.6             | X             | 0.34                     | =      | 2,252               |
| <b>SUBTOTAL</b> |                     |               |                          |        | <b>\$30,663</b>     |

\* Rounded to the dollar.

**PART 3: COMBINE ADMINISTRATION AND EQUIPMENT ALLOWANCES**

| ADMINISTRATION ALLOWANCE | PLUS | EQUIPMENT ALLOWANCE | EQUALS | ADMINISTRATION AND EQUIPMENT ALLOWANCE |
|--------------------------|------|---------------------|--------|--|
| \$41,589                 | +    | \$30,663            | =      | \$72,252                               |

**Step Thirteen:** The amounts calculated in Steps Ten, Eleven, and Twelve are summed. This is the district's Schedule A Revenue.

**STEP 13: CALCULATE TOTAL SCHEDULE A ALLOWANCE**

|  |           |
|--|-----------|
| TIME ALLOWANCE                           | \$110,375 |
| + MILEAGE ALLOWANCE                      | 28,859    |
| + ADMINISTRATION AND EQUIPMENT ALLOWANCE | 72,252    |
| = TOTAL SCHEDULE "A" ALLOWANCE           | \$211,486 |

C. Schedule B is a request for state reimbursement for miscellaneous, non-formula related expenses incurred in transporting eligible students to and from school or providing school-related subsistence to students. As part of the November 1 data submission, each district will complete the Schedule B request form, a copy of which is shown on the following page.

D. Proration: The *Utah Code*, at 53A-17a-126, requires that whenever the total allowance generated by the transportation finance formula under Schedule A, together with the total of Schedule B, exceeds the amount allocated by the Utah State Legislature, the allowance must be reduced prorata to equal the allocation.

**UTAH STATE OFFICE OF EDUCATION  
PUPIL TRANSPORTATION  
Miscellaneous Expenditure Report  
Schedule B**

\_\_\_\_\_ School District hereby certifies that it shall expend or has expended funds in the below listed expenditure classifications and amounts in providing transportation for eligible students and requests reimbursement from the State of Utah.

\_\_\_\_\_ Signature of Superintendent

\_\_\_\_\_ Signature of Transportation Supervisor

\_\_\_\_\_ Date of Submission

**DIRECTIONS:** This report is submitted on November 1 with the Time and Mileage Report. It lists estimated Schedule B expenditures for the current school year. For cost codes 511, 512, and 513, enter the estimated ANNUAL expenditure in the expenditure column. For cost codes 514, 515, and 516, enter the mileage in the mileage column and the estimated dollar amount in the expenditure column. Sum the amounts in the expenditure column at the bottom of the form.

| ACCOUNTING CODE    | EXPENDITURE DESCRIPTION  | ANNUAL MILEAGE | ANNUAL EXPENDITURE |
|--------------------|--|----------------|--------------------|
| 511                | In-state tuition paid  | N/A            | \$                 |
| 512                | Out-of-state tuition paid  | N/A            | \$                 |
| 513                | Commercial non-contract (Taxi, UTA)  | N/A            | \$                 |
| 514                | Student Allowance (Payments to students in lieu of bus service). Attach names, addresses, and description of services. |                | \$                 |
| 515                | Subsistence (room and board and home visits). Attach names, addresses, and description of services.                    |                | \$                 |
| 516                | Payment of auto mileage in lieu of deadhead bus mileage.   |                | \$                 |
| <b>TOTAL CLAIM</b> |  |                | <b>\$</b>          |

The transportation costs by District and Charter Schools is represented in the following table for FY 2002. The appropriation for that year was \$55,745,940. This is \$19,126,113 less than the amount spent. Although, school districts have other taxing authority and funding sources for transportation costs.

**UTAH STATE OFFICE OF EDUCATION**

Statewide Actual Transportation Expenditures - 2001 - 2002

|                                    | TOTAL SALARIES<br>(Subtotal) | TOTAL BENEFITS<br>(Subtotal) | TOTAL PURCHASED PROPERTY SERVICES<br>(Subtotal) | TOTAL OTHER PURCHASED SERVICES<br>(Subtotal) | TOTAL SUPPLIES & MATERIAL S<br>(Subtotal) | TOTAL EQUIPMEN T<br>(Subtotal) | 890 Misc. Expenditures | 891 Training   | TOTAL EXPENDITURES , STUDENT TRANS. SERVICES |
|------------------------------------|------------------------------|------------------------------|---|--|---|--------------------------------|------------------------|----------------|--|
| ALPINE                             | 4,444,624                    | 1,650,680                    | 7,807   | 145,214                                      | 577,013                                   | 0                              | 10,728                 | 61             | 6,836,127                                    |
| BEAVER                             | 83,678                       | 25,449                       | 18,385  | 17,044                                       | 78,771                                    | 0                              | 50,370                 | 0              | 273,697                                      |
| BOX ELDER                          | 1,458,053                    | 447,162                      | 5,695   | 131,409                                      | 345,956                                   | 2,486                          | 14,764                 | 8,104          | 2,413,629                                    |
| CACHE                              | 2,154,897                    | 869,718                      | 30,667  | 124,005                                      | 542,463                                   | 356,611                        | 16,347                 | 15,552         | 4,110,260                                    |
| CARBON                             | 641,766                      | 137,588                      | 14,029  | 37,673                                       | 97,059                                    | 0                              | 1,245                  | 0              | 929,360                                      |
| DAGGETT                            | 100,986                      | 33,833                       | 0   | 12,130                                       | 31,207                                    | 0                              | 354                    | 320            | 178,830                                      |
| DAVIS                              | 4,184,222                    | 1,424,031                    | 39,182  | (43,129)                                     | 689,082                                   | 807,307                        | 31,359                 | 0              | 7,132,054                                    |
| DUCHESNE                           | 752,404                      | 273,271                      | 1,437   | 128,268                                      | 177,075                                   | 0                              | 3,098                  | 4,719          | 1,340,272                                    |
| EMERY                              | 384,948                      | 175,167                      | 989   | 20,728                                       | 113,655                                   | 140,276                        | 654                    | 1,210          | 837,627                                      |
| GARFIELD                           | 117,686                      | 38,201                       | 32,748  | 31,177                                       | 30,408                                    | 47,964                         | 0                      | 0              | 298,184                                      |
| GRAND                              | 236,224                      | 94,859                       | 0   | 35,858                                       | 37,772                                    | 0                              | 360                    | 18             | 405,091                                      |
| GRANITE                            | 4,327,649                    | 1,502,537                    | 62,153  | 10,086                                       | 502,437                                   | 350,000                        | 0                      | 4,650          | 6,759,512                                    |
| IRON                               | 842,597                      | 253,670                      | 21,277  | 101,397                                      | 259,521                                   | 30                             | 6,661                  | 25,164         | 1,510,317                                    |
| JORDAN                             | 5,820,298                    | 2,056,138                    | 72,949  | 97,262                                       | 974,020                                   | 116                            | 14,789                 | 0              | 9,035,572                                    |
| JUAB                               | 152,298                      | 39,931                       | 19,259  | 7,728  | 19,842                                    | 0                              | 4,345                  | 0              | 243,403                                      |
| KANE                               | 210,310                      | 38,298                       | 0   | 90,144                                       | 82,625                                    | 110,778                        | 8,144                  | 0              | 540,299                                      |
| MILLARD                            | 688,542                      | 359,589                      | 2,843   | 37,869                                       | 117,045                                   | 6,280                          | 3,098                  | 757            | 1,216,023                                    |
| MORGAN                             | 287,822                      | 88,749                       | 4,662   | 5,545  | 58,315                                    | 4,592                          | 3,768                  | 6,115          | 459,568                                      |
| NEBO                               | 1,957,523                    | 660,459                      | 10,624  | 201,884                                      | 371,832                                   | 24,607                         | 1,516                  | 41,095         | 3,269,540                                    |
| NO. SANPETE                        | 409,970                      | 203,845                      | 0   | 19,632                                       | 86,030                                    | 3,195                          | 1,135                  | 0              | 723,807                                      |
| NO. SUMMIT                         | 216,600                      | 84,800                       | 1,296   | 10,542                                       | 50,011                                    | 0                              | 0                      | 0              | 363,249                                      |
| PARK CITY                          | 685,847                      | 264,380                      | 5,187   | 11,467                                       | 204,173                                   | 185,074                        | 1,666                  | 1,833          | 1,359,627                                    |
| PIUTE                              | 103,410                      | 37,670                       | 0   | 3,356  | 26,473                                    | 0                              | 2,527                  | 647            | 174,083                                      |
| RICH                               | 133,369                      | 55,183                       | 17,626  | 24,220                                       | 63,026                                    | 0                              | 0                      | 30             | 293,454                                      |
| SAN JUAN                           | 751,993                      | 169,582                      | 7,929   | 285,748                                      | 313,215                                   | 265,563                        | 0                      | 1,553          | 1,795,583                                    |
| SEVIER                             | 564,841                      | 162,782                      | 6,913   | 62,652                                       | 92,841                                    | 131,832                        | 0                      | 3,993          | 1,025,854                                    |
| SO. SANPETE                        | 283,761                      | 120,460                      | 93,004  | 28,587                                       | 58,110                                    | 88,603                         | 2,554                  | 3,894          | 678,973                                      |
| SO. SUMMIT                         | 239,254                      | 96,369                       | 3,614   | 10,773                                       | 51,964                                    | 250                            | 519                    | 1,791          | 404,534                                      |
| TINTIC                             | 49,825                       | 13,382                       | 8,941   | 23,313                                       | 36,177                                    | 25,319                         | 15                     | 0              | 156,972                                      |
| TOOELE                             | 894,988                      | 239,978                      | 17,633  | 57,223                                       | 175,096                                   | 3,572                          | 19,886                 | 2,095          | 1,410,471                                    |
| UINTAH                             | 1,145,179                    | 537,007                      | 101,648   | 57,681                                       | 259,647                                   | 41,860                         | 0                      | 5,068          | 2,148,090                                    |
| WASATCH                            | 505,625                      | 184,240                      | 0   | 21,842                                       | 110,273                                   | 0                              | 0                      | 7,250          | 829,230                                      |
| WASHINGTON                         | 1,770,691                    | 634,883                      | 12,562  | 80,029                                       | 384,710                                   | 994,109                        | 4,724                  | 23,991         | 3,905,699                                    |
| WAYNE                              | 105,673                      | 38,577                       | 0   | 9,146  | 34,611                                    | 27,472                         | 6,140                  | 0              | 221,619                                      |
| WEBER                              | 2,466,607                    | 974,513                      | 54,593  | 0  | 386,873                                   | 0                              | 40,630                 | 5,805          | 3,929,021                                    |
| SALT LAKE                          | 1,548,155                    | 491,785                      | 289,664   | 331,573                                      | 127,679                                   | 0                              | 8,364                  | 0              | 2,797,220                                    |
| OGDEN                              | 189,483                      | 79,311                       | 0   | 1,382,283                                    | 45  | 0                              | 0                      | 0              | 1,651,122                                    |
| PROVO                              | 978,572                      | 318,183                      | 40,749  | 9,560  | 137,332                                   | 359,710                        | 7,963                  | 1,434          | 1,853,503                                    |
| LOGAN                              | 0                            | 0                            | 0   | 718,518                                      | 0   | 0                              | 0                      | 0              | 718,518                                      |
| MURRAY                             | 345,351                      | 118,976                      | 2,364   | (8,371)                                      | 69,753                                    | 2,053                          | 327                    | 0              | 530,453                                      |
| <b>SUB-TOTALS</b>                  | <b>42,235,721</b>            | <b>14,995,236</b>            | <b>1,008,429</b>                                | <b>4,332,066</b>                             | <b>7,774,137</b>                          | <b>3,979,659</b>               | <b>268,050</b>         | <b>167,149</b> | <b>74,760,447</b>                            |
| CBA CENTER                         | 0                            | 0                            | 0   | 0  | 0   | 0                              | 0                      | 0              | 0  |
| JEAN MASSIEU                       | 32,635                       | 2,520                        | 0   | (160)  | 10,599                                    | 10,577                         | 0                      | 0              | 56,171                                       |
| PINNACLE CANYON CENTER CITY SCHOOL | 0                            | 0                            | 0   | 19,621                                       | 0   | 0                              | 0                      | 0              | 19,621                                       |
| SCHOOL                             | 0                            | 3,344                        | 0   | 0  | 0   | 18,345                         | 0                      | 0              | 21,689                                       |
| SUCCESS SCHOOL                     | 0                            | 0                            | 0   | 0  | 0   | 0                              | 0                      | 0              | 0  |
| SUNDANCE MT.                       | 0                            | 0                            | 0   | 0  | 0   | 0                              | 0                      | 0              | 0  |
| TUACAHN HS                         | 444                          | 34                           | 0   | 3,309  | 6,149                                     | 0                              | 0                      | 0              | 9,936  |
| UINTAH RIVER                       | 0                            | 0                            | 0   | 0  | 4,189                                     | 0                              | 0                      | 0              | 4,189  |
| PARK CITY LEARNINC                 | 0                            | 0                            | 0   | 0  | 0   | 0                              | 0                      | 0              | 0  |
| <b>SUB-TOTAL</b>                   | <b>33,079</b>                | <b>5,898</b>                 | <b>0</b>  | <b>22,770</b>                                | <b>20,937</b>                             | <b>28,922</b>                  | <b>0</b>               | <b>0</b>       | <b>111,606</b>                               |
| <b>TOTALS</b>                      | <b>42,268,800</b>            | <b>15,001,134</b>            | <b>1,008,429</b>                                | <b>4,354,836</b>                             | <b>7,795,074</b>                          | <b>4,008,581</b>               | <b>268,050</b>         | <b>167,149</b> | <b>74,872,053</b>                            |

The State Board of Education rules for Transportation are included below:

[R277-600-1. Definitions.](#)

- A. "Board" means the Utah State Board of Education.
- B. "Density" means the number of eligible students divided by the approved total bus route miles plus half of the deadhead miles.
- C. "Adjusted/approved costs" means the Board approved costs of transporting eligible students from home to school to home once each day, required deadhead miles, after-school routes, approved routes for students with disabilities and vocational students attending school outside their regularly assigned attendance boundary, and a prorated portion of the bus purchase prices less salvage value.
- D. "Bus route miles" means operating a bus with passengers.
- E. "Deadhead" means operating a bus when no passengers are on board.
- F. "Office" means the Utah State Office of Education.
- G. "ADA" means average daily attendance.
- H. "ADM" means average daily membership.
- I. "Hazardous" means danger or potential danger which may result in injury or death.
- J. "M.P.V." means multipurpose passenger vehicle: any motor vehicle with less than 10 passenger positions, including the driver, which cannot be certified as a bus.
- K. "Out-of-pocket expense" means gasoline, oil, and tire expenses.
- L. "IEP (individualized education program)" means a written statement for a student with a disability that is developed and implemented under CFR Sections 300.340 through 300.347. The IEP serves as a communication vehicle between parents and school personnel and enables them as equal participants to decide jointly what the student's needs are, what services shall be provided to meet those needs, what the anticipated outcomes may be, and how the student's progress toward meeting the projected outcomes shall be evaluated.

[R277-600-2. Authority and Purpose.](#)

- A. This rule is authorized under Utah Constitution Article X, Section 3 which vests general control and supervision over public schools in the Board, by Section 53A-1-402(1)(e) which directs the Board to establish rules for bus routes, bus safety and other transportation needs and by Section 53A-17a-126 and 127 which provides for distribution of funds for transportation of public school students and standards for eligibility.
- B. The purpose of this rule is to specify the standards under which districts may qualify for state transportation funds.

[R277-600-3. General Provisions.](#)

- A. State transportation funds are used to reimburse districts for the direct costs of transporting students to and from school. The Board defines the limits of district transportation costs reimbursable by state funds in a manner that encourages safety, economy, and efficiency.
- B. Allowable transportation costs are divided into two categories. Expenditures for regular bus routes established by the district, and appropriated by the state, are termed A category costs. Other methods of transporting students to school are termed B category costs. The Board devises and distributes a formula

to determine the reimbursement rate for A category costs. The formula factors are density and adjusted/approved costs. B category costs are approved on a line-by-line basis by the Office after comparing the costs submitted by a district with the costs of alternative methods of performing the function.

C. The Office shall develop a uniform accounting procedure for the financial reporting of transportation costs. The procedure shall specify the methods used to calculate allowable transportation costs. The Office shall also develop uniform forms for the administration of the program.

D. All student transportation costs are recorded. Accurate mileage records are kept by program. Records and financial worksheets shall be maintained during the fiscal year for audit purposes.

[R277-600-4. Eligibility.](#)

A. State transportation funds shall be used only for transporting eligible students.

B. Eligibility for elementary students and secondary students, including seventh and eighth grade students, is determined in accordance with the mileage from home specified in Section 53A-17a-127(1) and (2) to the school attended upon assignment of the local board.

C. A student who falls under the school finance law definition of student with disabilities, regardless of distance from the school attended upon assignment of the local board, is eligible, if transportation is identified as a needed service in the IEP.

D. Students who attend school for at least one-half day at an alternate location are expected to walk distances up to 1 and one half miles.

E. A school district that implements double sessions as an alternative to new building construction may transport, one-way to or from school, with Board approval, affected elementary students residing less than one and one-half miles from school if the local board determines the transportation would improve safety affected by darkness or other hazardous conditions.

F. The distance from home to school is determined as follows: From the center of the public route (road, thoroughfare, walkway, or highway) open to public use, opposite the regular entrance of the one where the pupil is living, over the nearest public route (thoroughfare, road, walkway, or highway) open regularly for use by the public, to the center of the public route (thoroughfare, road, walkway, or highway) open to public use, opposite the nearest public entrance to the school grounds which the student is attending.

[R277-600-5. Student with Disabilities Transportation.](#)

A. Students with disabilities are transported on regular buses and regular routes whenever possible. Districts may request approval, prior to providing transportation, for reimbursement for transporting students with disabilities who cannot be safely transported on regular school bus runs.

B. Districts may be reimbursed for the costs of transporting or for alternative transportation for students with disabilities whose severity of disability, or combination of disabilities, necessitates special transportation.

C. Transportation is provided by the Utah Schools for the Deaf and the Blind for students who are transported to its extension classes. Exceptions may be approved by the Office.

[R277-600-6. Requirements for Bus Route Approval.](#)

A. Transportation is over routes proposed by local boards and approved by the Office. Information requested by the Office must be provided prior to approval of a route. A route usually is not approved for reimbursement if an equitable student transportation allowance or a subsistence allowance accomplishes the needed transportation at less cost. A route must:

- (1) traverse the most direct public route;
- (2) be reasonably cost effective related to other feasible alternatives;
- (3) provide adequate safety;
- (4) traverse roads that are constructed and maintained in a manner that does not cause property damage; and
- (5) include an economically adequate number of students.

B. The minimum number of general education students required to establish a route is ten; the minimum number of students with disabilities is five. A route may be established for fewer students upon special permission of the State Superintendent.

C. The local district designates safe areas for bus stops. To promote efficiency, the minimum distance between bus stops is 3/10 of a mile. Bus routes shall avoid, whenever possible, bus stops on dead-end roads. A student is expected to walk to bus stops up to one and one-half miles from home depending on the age and ability of the student. Special education students are expected to walk to bus stops commensurate with their ability.

D. Changes in existing routes or the addition of new routes must be reported to the Office as they occur for approval.

E. Early home routes do not qualify for state reimbursement unless approved by the Office prior to initiation.

F. Transporting eligible students home after school activities held at the student's school of regular attendance and within a reasonable time period after the close of the regular school day is approved route mileage.

G. A route may be approved as an alternative to building construction upon special permission of the Office if the route is needed to allow more efficient district use of school facilities. Building construction alternatives include elementary double sessions, year-round school, and attendance across district boundaries.

[R277-600-7. Approved Deadhead Mileage.](#)

Deadhead mileage included in adjusted/approved costs is calculated as follows:

A. Deadhead mileage to and from school: mileage from the garage or bus storage area to the first pickup point, mileage between schools for other bus runs, and mileage from the last run in the morning and evening from the last stop to the garage or storage area.

B. Other deadhead mileage: mileage due to bus driver training and driving to service or repair sites.

R277-600-8. Alternative Transportation.

Bus routes that involve a large number of deadhead miles are analyzed for reduction or to determine if an alternative method of transporting students is more efficient. Approved alternatives include the following:

A. The costs incurred in transporting eligible pupils in a district M.P.V. is not an adjusted/approved expense.

B(1) The costs incurred in paying eligible students an allowance in lieu of school district-supplied transportation is an adjusted/approved expense. A student is reimbursed for the mileage to the bus stop or school, whichever is closer, nearest the student's home and for reasonable and necessary out-of-pocket costs associated with student transportation. The allowance shall not be less than the standard mileage rate deduction permitted by the United States Internal Revenue Service for charitable contributions, nor greater than the reimbursement allowance permitted by the Utah Department of Administrative Services for use of privately owned vehicles set forth in the Utah Travel Regulations. The trip mileage is paid for by car, one per family;

(2) a student allowance is made to the student and not to the parent for transporting one's own child or other students. This does not restrict parents from pooling resources, but it does restrict payments in excess of out- of-pocket costs;

(3) if a student or the student's parent is unable to provide private transportation, with prior state approval, an amount equivalent to the student allowance is paid to the school district to help pay the costs of district transportation;

(4) the student's mileage shall be measured and certified in district records. The student's ADA as entered in school records is used to determine the student's attendance.

C(1) the cost incurred in providing a subsistence allowance is an adjusted/approved expense. A parent is reimbursed for a student's room and board when a student lives at a site nearer to the assigned school, if the student does not have a school facility or bus service available within approximately 60 miles of the student's residence. Payment shall not exceed the Substitute Care Rate for Family Services for the current fiscal year. Adjustments for changes made in the rate during the year are included in the allowance. In addition to the reimbursement for room and board, the subsistence allowance includes the costs of two round trips per year. The costs are calculated on the basis of actual mileage traversed from home to school at the rate prescribed in R277-600-8B(1);

(2) a subsistence allowance is not applicable to a parent who maintains a separate home during the school year for the purpose of closer location to a school. The parent's residence during the school year is the residence of the child;

D. The cost incurred in engaging in a contract or leasing for transportation is an adjusted/approved expense. The amount reimbursed to districts using commercial contracts is determined in accordance with transportation costs per pupil in comparable districts. Reimbursements for districts using a leasing arrangement are determined in accordance with the comparable cost for the district to operate its own transportation. Under a contract or lease, the school district's transportation administrator's time shall not exceed 1% of the commercial contract cost. Eligible student counts, bus route mileage, and bus inventory data are required as if the district operated its own transportation.

R277-600-9. Other Reimbursable Expenses.

State transportation funds may be used to reimburse a district for the following costs:

A. Salaries of clerks, secretaries, trainers, drivers, a supervisor, mechanics and other personnel necessary to operate the transportation program.

(1) a full time supervisor may be paid at the same rate as other professional directors in the district. The supervisor's salary must be commensurable with the number of buses, number of eligible students transported, and total responsibility relative to other supervisory functions. A district may claim a percentage of the district superintendent's or clerk's salary for reimbursement if the district's eligibility count is less than 600 and a verifiable record of administrative time spent in the transportation operation is kept;

(2) The wage time for bus drivers includes:

(a) to and from school time: ten minute pre-trip inspection, actual driving time, ten minute post- trip inspection and bus cleanup, and 10 minute bus servicing and fueling;

(b) field trip time: set at a minimum of two hours driving time;

(c) activity trip time: wage time allowed under R277-600-9A(2)(a) plus a reduced amount for layover time.

B. Transportation employee benefits. Only a proportionate amount is allowed for health, accident, and life insurance.

C. Purchased property services;

D. Property, comprehensive, and liability insurance.

E. Communication expenses and travel for supervisors to workshops or the national convention.

F. Supplies and materials for vehicles, the transportation office and the garage.

G. Depreciation: The Office computes a formula annually to calculate depreciation.

H. Training expenses: The following maximum amounts are reimbursable for the driver's training stipend for each type of training a bus driver successfully completes:

(1) basic course, 24 hours: \$135;

(2) in-service, 8 hours: \$50;

(3) defensive driving, 8 hours: \$50;

(4) first aid and emergency care, 8 hours: \$50.

I. Other related costs approved by the Office.

[R277-600-10. Non-reimbursable Expenses.](#)

A. Expenditures for uses of school district buses and equipment which are not adjusted/approved costs must be deleted when adjusted/approved transportation costs are calculated. Bus and equipment costs must be reduced on a pro rata basis for the miles not connected with adjusted/approved costs.

B. Expenses determined by the Office to be not directly related to transportation of eligible students to and from school are not reimbursable.

[R277-600-11. Special Transportation Levy.](#)

A. Costs for district transportation of students which are not reimbursable may be paid for from general funds of the district or from the proceeds of a tax rate authorized for districts. The tax rate authorized for transportation may not exceed .0003 tax rate. The revenue may be used:

- (1) to transport ineligible students to and from school;
- (2) for transportation to interscholastic activities;
- (3) for transportation to night activities; and
- (4) for field trip admissions.

B. Transportation of students in areas where walking constitutes a hazardous condition, as determined by the local board, may be provided by the Board from general funds from the district or from the tax specified in Subsection 11(A). An area is determined to be hazardous on the basis of an analysis of the following factors:

- (1) volume, type, and speed of vehicular traffic;
- (2) age and condition of students traversing the area;
- (3) condition of the roadway, sidewalks and applicable means of access in the area; and
- (4) environmental conditions.

C(1) The cost of school bus operation for activity trips, field trips, and for the transportation of students to alleviate hazardous walking conditions may be met with state funds appropriated under Section 53A-17a-127(7) only to the extent of funds available to individual school districts for the specific purposes of Section 53A-17a-127(6)(b).

(2) Appropriated funds under Section 53A-17a-127(7) shall be distributed according to each district's proportional share of its qualifying state contribution as defined under Section R277-600-11B(3) for activity, field trip, and hazardous route mileage.

(3) The qualifying state contribution for districts shall be the difference between 85 percent of the average state cost per qualifying mile multiplied by the number of qualifying miles and the current funds raised per district by a transportation levy of .0002.

[R277-600-12. Exceptions.](#)

A. When undue hardships and inequities are created through exact application of these standards, districts may make a request for an exception to these rules on individual cases. Such hardships or inequities may include written evidence demonstrating that no significant increased costs (less than one percent of a district's transportation budget) is incurred due to a waiver or that students cannot be provided services consistent with the law due to transportation restrictions.

B(1) a district shall not be penalized in the computation of its state allocation for the presence on a to and from school route of an ineligible student who does not create an appreciable increase in the cost of the route;

(2) there is an appreciable increase in cost if, because of the presence of ineligible students, any of the following occur:

- (a) another route is required;
  - (b) a larger or additional bus is required;
  - (c) a route's mileage is increased;
  - (d) the number of pick-up points below the mileage limits for eligible students exceeds one;
  - (e) additional time is required to complete a route.
- (3) ineligible students may ride buses on a space available basis. An eligible student may not be displaced or required to stand in order to make room for an ineligible student.

**KEY**

school buses, school transportation

**Date of Enactment or Last Substantive Amendment**

September 15, 1999

**Notice of Continuation**

January 14, 2003

**Authorizing, Implemented, or Interpreted Law**

Art X Sec 3; 53A-1-402(1)(e); 53A-17a-126 and 127

### **3.17 Guarantee Transportation Levy**

**Recommendation**            The Analyst recommends program funding of \$500,000 for the Guarantee Transportation Levy. There are twelve districts that received funds under this guarantee.

**Purpose**                            The statutes governing this appropriation are as follows:

- (6)(a) A local school board may provide for the transportation of students who are not eligible under Subsection (1), regardless of the distance from school, from:
  - (i) general funds of the district; and
  - (ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.
- (b) A local school board may use revenue from the tax to pay for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board and for the replacement of school buses.
- (c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002, the state may contribute an amount not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.
- (ii) The State Office of Education shall distribute the state contribution according to rules enacted by the State Board of Education.

- (d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (6)(c) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section **59-2-924** due to changes in property valuation.
- (ii) Subsection (6)(d)(i) applies for a period of two years following the change in the certified tax rate.
- (7) There is appropriated for the fiscal year beginning July 1, 1999, \$225,000 to the state board as the state's contribution under Subsection (6)(c)(i).  
Amended by Chapter 73, 2001 General Session

### **3.18 Math, Science – Beginning Teacher Recruitment**

**Recommendation**  
*\$600,000*

The Analyst recommends an appropriation of \$600,000 for this program. This represents the same as the current year's level of funding.

**Purpose**

Funding for this program was first appropriated during the 2001 Legislative session. The statutes pertaining to this program are as follows:

**53A-1a-601. Job enhancements for technology training.**

- (1) In conjunction with the Engineering and Computer Science Initiative provided for in Section 53B-6-105, there is established a Public Education Job Enhancement Program to attract, train, and retain highly qualified secondary teachers in mathematics, physics, chemistry, physical science, learning technology, and information technology.
- (2) The program shall provide for the following:
  - (a) application by a school district superintendent or the principal of a secondary school on behalf of a qualified teacher;
  - (b) an award of up to \$20,000 or a scholarship to cover the tuition costs for a master's degree, an endorsement, or graduate education in the areas identified in Subsection (1) to be given to selected public school teachers on a competitive basis:
    - (i) whose applications are approved under Subsection 53A-1a-602(4); and
    - (ii) who teach at the secondary level in the state's public education system for four years in the areas identified in Subsection (1);
  - (c) (i) as to the cash awards under Subsection (2)(b), payment of the award in two installments, with an initial payment of up to \$10,000 at the beginning of the term and up to \$10,000 at the conclusion of the term;
  - (ii) repayment of a portion of the initial payment by the teacher if the teacher fails to complete two years of the four-year teaching term in the areas identified in Subsection (1) as provided by rule of the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, unless waived for good cause by the Job Enhancement Committee created in Section 53A-1a-602; and
  - (iii) nonpayment of the second installment if the teacher fails to complete the four-year teaching term; and

- (d) (i) as to the scholarships awarded under Subsection (2)(b), provision for the providing institution to certify adequate performance in obtaining the master's degree, endorsement, or graduate education in order for the teacher to maintain the scholarship; and
- (ii) repayment by the teacher of a prorated portion of the scholarship, if the teacher fails to teach in the state system of public education in the areas identified in Subsection (1) for four years after obtaining the master's degree, the endorsement, or graduate education.
- (3) An individual teaching in the public schools under a letter of authorization may participate in the cash award program if:
  - (a) the individual has taught under the letter of authorization for at least one year in the areas referred to in Subsection (1); and
  - (b) the application made under Subsection (2)(a) is based in large part upon the individual receiving a superior evaluation as a classroom teacher.
- (4) (a) The program may provide for the expenditure of up to \$1,000,000 of available monies, if at least an equal amount of matching monies become available, to provide professional development training to superintendents, administrators, and principals in the effective use of technology in public schools.
- (b) An award granted under this Subsection (4) shall be made in accordance with criteria developed and adopted by the Job Enhancement Committee created in Section 53A-1a-602.
- (c) An amount up to \$120,000 of the \$1,000,000 authorized in Subsection (4)(a) may be expended, regardless of the matching monies being available.

The following code pertains to the Job Enhancement Committee:

**53A-1a-602. Job Enhancement Committee -- Composition -- Duties -- Appropriation.**

- (1) There is created a Job Enhancement Committee to implement and administer the Public Education Job Enhancement Program established in Section 53A-1a-601.
- (2) (a) The committee shall consist of:
  - (i) two members of the State Board of Education selected by the board;
  - (ii) two members of the State Board of Regents selected by the board;
  - (iii) six members of the general public who have business experience in mathematics, physics, chemistry, physical science, learning technology, or information technology selected by the governor; and
  - (iv) a master high school teacher, who has teaching experience in mathematics, physics, chemistry, physical science, learning technology, or information technology, selected by the superintendent of public instruction.
- (b) Committee members shall receive no compensation or benefits for their service on the committee, but may receive per diem and expenses incurred in the performance of their duties at rates established by the Division of Finance under Sections 63A-3-106 and 63A-3-107.
- (3) (a) The committee shall receive and review applications submitted for participation in the Public Education Job Enhancement Program established under Section 53A-1a-601.

- (b) In reviewing applications, the committee shall focus on:
  - (i) the prioritized critical areas of need identified under Subsection (5)(a); and
  - (ii) the awards being made on a competitive basis.
- (c) If the committee approves an application received under Subsection (3)(a), it shall contract directly with the teacher applicant to receive the award or the scholarship for a master's degree, an endorsement, or graduate education, subject to Section 53A-1a-601.
- (d) The State Board of Education, through the superintendent of public instruction, shall provide staff support for the committee and adequate and reliable data on the state's supply of and demand for qualified secondary teachers in mathematics, physics, chemistry, physical science, learning technologies, and information technology.
- (4) The committee may apply for grants and matching monies to enhance funding available for the program established in Section 53A-1a-601.
- (5) The committee shall make a rule in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, establishing policies and procedures for:
  - (a) making the awards and offering the scholarships in accordance with prioritized critical areas of need as determined by the committee;
  - (b) timelines for the submission and approval of applications under Subsection (3); and
  - (c) the distribution of the awards and scholarships to successful applicants based on available monies provided by legislative appropriation.
- (6) The Legislature shall make an annual appropriation to the State Board of Education to fund the Public Education Job Enhancement Program established under Section 53A-1a-601.
- (7) Before October 1, 2004, the committee shall make a report to the Legislature through the Education Interim Committee, the governor, the State Board of Education, and the State Board of Regents on the status of the program, together with any recommendations for modification, expansion, or termination of the program.

Amended by Chapter 210, 2002 General Session

### 3.19 Interventions for Student Success Block Grant

**Recommendation**  
*\$15,308,708*

The Analyst recommends \$15,308,708 for the Interventions for Student Success Block Grant program for FY 2005. This is the same as currently appropriated for FY 2004.

This program serves Utah's students most at risk of being left behind. Funds help schools identified as needing improvement and remediation to meet standards now required under new federal reporting guidelines.

The Interventions for Student Success block grant was created by the 2002 Legislature out of six categorical programs that were designed to help the progress of students.

The current statute for the Interventions for Student Success block grant Block Grant is as follows:

**53A-17a-123.5. Interventions for Student Success Block Grant Program -- State contribution.**

(1) The State Board of Education shall distribute money appropriated for the Interventions for Student Success Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) Schools districts and charter schools shall use Interventions for Student Success Block Grant monies to improve student academic success, with priority given to interventions on behalf of students not performing to standards as determined by U-PASS test results.

(3) (a) Each school district shall develop a plan for the expenditure of Interventions for Student Success Block Grant monies.

(b) The plan:

(i) shall specify anticipated results; and

(ii) may include continuing existing programs to improve students' academic success for which funds were appropriated before the establishment of the block grant.

(c) The local school board shall approve the plan for the expenditure of the block grant monies in an open public meeting before the monies are spent.

Amended by Chapter 320, 2003 General Session

### 3.20 Quality Teaching Block Grant

**Recommendation**  
*\$57.4 million*

The Analyst recommends \$57,426,623 for the Quality Teaching Block Grant program for FY 2005. This is the same as currently appropriated for FY 2004.

*Program created from Career Ladders and new development days*

The Quality Teaching Block Grant program was established by the 2003 Legislature to provide school districts with maximum flexibility in the use of their funding as appropriated by the State Legislature. The Quality Teaching Block Grant was created from prior existing programs of career ladder and the addition of \$10,000,000 by the 2003 Legislature for two extra professional development days. Five million of the extra day funds were subsequently removed as a result of budget reduction.

The current statute for the Quality Teaching Block Grant is as follows:

*Statutory Provisions*

**53A-17a-124. Quality Teaching Block Grant Program -- State contributions.**

(1) The State Board of Education shall distribute money appropriated for the Quality Teaching Block Grant Program in Section **53A-17a-104** to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) (a) Schools districts and charter schools shall use Quality Teaching Block Grant monies to implement school and school district comprehensive, long-term professional development plans required by Section **53A-3-701**.

(b) In recognition of exceptional quality teaching, Quality Teaching Block Grant monies may be used for the award of individual Quality Teaching Bonuses for Exemplary Teachers to recognize and reward excellence in classrooms as determined by school principals in partnership with their school community councils.

(3) Each local school board shall:

(a) as provided by Section **53A-3-701**, review and either approve or recommend modifications for each school's comprehensive, long-term professional development plan within the district so that each school's plan is compatible with the district's comprehensive, long-term professional development plan; and

(b) in an open public meeting, approve a plan to spend Quality Teaching Block Grant monies to implement the school district's comprehensive, long-term professional development plan.

Amended by Chapter 320, 2003 General Session

Further provisions for the Quality Teaching Block Grant Program are in the Utah Code Annotated Chapter 53A-3-701, "School and school district professional development plans."

**3.21 Local Discretionary Block Grant Program**

**Recommendation**  
\$21,824,448

The Analyst recommends \$21,824,448 for the Local Discretionary Block Grant Program. This is the same as is appropriated for the current fiscal year.

The current statute for the Local Discretionary Block Grant Program is as follows:

*Statutory Provisions*

**53A-17a-123. Local Discretionary Block Grant Program -- State contribution.**

(1) The State Board of Education shall distribute money appropriated for the Local Discretionary Block Grant Program in Section 53A-17a-104 to school districts and charter schools according to a formula adopted by the board, after consultation with school districts and charter schools, that allocates the funding in a fair and equitable manner.

(2) Schools districts and charter schools shall use Local Discretionary Block Grant monies for:

- (a) maintenance and operation costs;
- (b) capital outlay; or
- (c) debt service.

Amended by Chapter 320, 2003 General Session

### 3.22 Highly Impacted Schools Funding

**Recommendation**            The Analyst recommends total funding for this program in FY 2005 of \$5,123,207. This represents the same as the current year's level of funding.

**Purpose**                         The 1995 Legislature passed House Bill 172, "Highly Impacted Schools" to provide additional resources for individual assistance to students at schools determined to be highly impacted.

Schools that have received funding through this program have reported positive results. The schools are identified for funding by five factors: student mobility, student ethnicity, limited English proficiency, single parent family, and eligibility for free lunch.

The Highly Impacted Schools program provides funding to about 54 schools with the state's highest rates of English language deficiency, student mobility, single parent families, free-lunch eligibility and ethnic minority students. Many of these schools serve communities where virtually all the students are eligible for free lunch, where less than half remain in a single school for an entire school year, and where over half speak a language other than English. The children who attend these schools survive in living conditions that severely limit their potential for school success.

**Statutes**                         The statutes pertaining to this program are as follows:

**53A-15-701. Highly impacted schools.**

- (1) There is established a Highly Impacted Schools Program to provide additional resources for individual assistance to students at those schools determined by the board to be highly impacted.
- (2) (a) The State Board of Education, in consultation with the governor's office, shall base its determination of highly impacted schools on the following criteria as reported by the schools in their applications:
  - (i) high student mobility rates within each school;
  - (ii) the number and percentage of students at each school who apply for free school lunch;
  - (iii) the number and percentage of ethnic minority students at each school;
  - (iv) the number and percentage of limited English proficiency students at each school; and
  - (v) the number and percentage of students at each school from a single parent family.
- (b) As used in this section, "single parent family" means a household headed by a male without a wife present or by a female without a husband present.
- (3) (a) The board, through the state superintendent of public instruction, shall establish application deadlines for participation in the program.
- (b) (i) The appropriation required to implement the Highly Impacted Schools Program shall be made under Title 53A, Chapter 17a, Minimum School Program Act.

- (ii) The state superintendent of public instruction shall administer and distribute the appropriation to individual schools according to a formula established by the board.
- (c) (i) Each participating school shall receive a base allocation from the appropriation.
- (ii) Additional monies from the appropriation shall be allocated on the basis of a formula which takes into consideration the total number of students at each participating school and the number of students at each school who are within the categories listed in Subsection (2).
- (4) This appropriation is in addition to any appropriation made for class-size reduction under Section **53A-17a-124.5**.
- (5) A highly impacted school may use part or all of its allocation to lengthen the school year or extend the school day in order to provide individual assistance to students.
- (6) The board shall monitor the program and require each participant school to file a report on the use and effectiveness of the appropriation in meeting the educational needs and involving parents of students who attend these highly impacted schools.

Amended by Chapter 210, 2002 General Session

### 3.23 At-Risk Programs

**Recommendation**  
**\$24,778,484**

The Analyst recommends \$24,778,484 for the At-Risk Programs. This is the same as was appropriated for FY 2004.

**Purpose**

The "At-Risk" program was initiated to serve the special needs of students who might be "at risk" and help overcome factors which put them at-risk. A number of factors are involved in determining what defines a student "at-risk." According to the Master Plan For Students At-Risk, "a student at-risk is any student who, because of his/her individual needs, requires some kind of uniquely designed intervention in order to achieve literacy, graduate, and be prepared for transition from school to post-school options.

The funding provides support for five program areas as outlined in the following statutory provisions:

**53A-17a-121. Appropriation for at-risk programs.**

- (1) Money appropriated to the State Board of Education in Section **53A-17a-104** for at-risk programs shall be allocated to local school boards for the following programs:
  - (a) youth in custody;
  - (b) homeless and disadvantaged minority students;
  - (c) mathematics, engineering, and science achievement programs;
  - (d) gang prevention and intervention; and
  - (e) at-risk flow through.
- (2) Districts shall spend monies for these programs according to rules established by the State Board of Education in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

- (3) (a) From the amount appropriated for youth at risk programs, the board shall allocate moneys to school districts for homeless and disadvantaged minority students.
- (b) Each district shall receive its allocation on the basis of:
  - (i) the total number of homeless students in the district;
  - (ii) added to 50% of the number of disadvantaged minority students in the district;
  - (iii) multiplying the total of Subsections (3)(b)(i) and (ii) by the value of the weighted pupil unit; and
  - (iv) prorating the amount under Subsection (3)(b)(iii) to the amount in Subsection (3)(a).
- (4) (a) From the amount appropriated for at-risk programs, the board shall allocate monies for mathematics, engineering, and science achievement programs, MESA programs, in the districts.
- (b) The board shall make the distribution to school districts on a competitive basis by application under guidelines established by the board.
- (5) (a) From the amount appropriated for at-risk programs, the board shall distribute moneys for gang prevention and intervention programs at the district or school level.
- (b) The board shall make the distribution to school districts under guidelines established by the board consistent with Section **53A-15-601**.
- (6) (a) From the amount appropriated for at-risk programs, the board shall distribute moneys for programs for youth in custody.
- (b) The board shall allocate these moneys to school districts which operate programs for youth in custody in accordance with standards established by the board.
- (7) From the amount appropriated for at-risk programs, the board shall allocate monies based on:
  - (a) a formula which takes into account prior year WPU's per district and a district's low income population; and
  - (b) a minimum base of no less than \$18,600 for small school districts.

Amended by Chapter 320, 2003 General Session

### 3.24 Adult Education

**Recommendation**  
**\$5,826,865**

The Analyst recommends \$5,826,865 for the Adult High School, and Adult Basic Education programs. This program was reduced by \$2,604,200 by the 2003 Legislature. The funds are distributed according to State Board Rules as follows:

[R277-733-9. Allocation of Adult Education Funds.](#)

Adult education funds shall be distributed to school districts according to the following:

- A. Base amount - 7 percent of appropriation or \$13,000, whichever is greater, to be distributed equally to each district with USOE-approved plan.

B. Latest official census data, as defined in R277-733-1L, at a decreasing rate per year until reaching zero percent: 15 percent of appropriation for FY 04, 10 percent for FY 05, five percent for FY 06, zero percent for FY 07, and zero percent thereafter.

C. Measurable outcomes, as defined in R277-733-1M, on an increasing rate per year until reaching 50 percent: 35 percent of appropriation for FY 04, 40 percent for FY 05, 45 percent for FY 06, and 50 percent for FY 07 and 50 percent thereafter. Funds shall be distributed among measurable outcomes as follows:

(1) number of high school diplomas awarded - 30 percent of the total funds available;

(2) number of GED certificates awarded - 25 percent of the total funds available;

(3) number of level gains: ESOL levels 1-6 and ABE competency levels 1-4 - 30 percent of the total funds available;

(4) number of high school credits earned by students - 15 percent of the total funds available.

D. Enrollees as defined by federal regulations - 25 percent of appropriation.

E. Supplemental support, to be distributed to school districts for special program needs or professional development as determined by written request and USOE evaluation of need and approval - 2 percent or balance of appropriation whichever is smaller.

F. Student participation, total number of contact hours between adult student and adult education program - 16 percent.

**Purpose**

The statutory provisions for the Adult High School Program are found in the UCA 53A-17a-119 as follows:

**53A-17a-119. Appropriation for adult education programs.**

(1) Money appropriated to the State Board of Education in Section **53A-17a-104** for adult education shall be allocated to local school boards for adult high school completion and adult basic skills programs.

(2) Each district shall receive its pro rata share of the appropriation for adult high school completion programs based on the number of people listed in the latest official census who are over 18 years of age and who do not have a high school diploma and prior year participation or as approved by board rule.

(3) On February 1 of each school year, the State Board of Education shall recapture monies not used for an adult high school completion program for reallocation to districts that have implemented programs based on need and effort as determined by the board.

(4) To the extent of monies available, school districts shall provide programs to adults who do not have a diploma and who intend to graduate from high school, with particular emphasis on homeless individuals who are seeking literacy and life skills.

(5) Overruns in adult education in any district may not reduce the value of the weighted pupil unit for this program in another district.

(6) School districts shall spend money on adult basic skills programs according to standards established by the board.

Amended by Chapter 221, 2003 General Session

Amended by Chapter 320, 2003 General Session

### **Adult Basic Skills**

#### **Purpose**

This program created by the 1995 Legislature is in its eighth year. The program is designed to provide English as a second language and basic skills instruction for adult ethnic/racial minorities and others.

Board rules specify the program perimeters for Adult Education as follows:

#### R277-733-8. Adult Education Programs--Tuition and Fees.

A. Any adult may enroll in an adult education class as provided in Section 53A-15-404.

B. Tuition and fees may be charged for literacy courses, when adequate state or local funds are not available.

C. Tuition may be charged for adult high school general core courses, when adequate state or local funds are not available.

D. Tuition may be charged for courses that satisfy requirements outlined in R277-700-6 and subject to R277-733-4C, when adequate state or local funds are not available.

E. Fees may be charged for consumable and nonconsumable items necessary for adult high school general core courses, courses that satisfy requirements outlined in R277-700-6 and subject to R277-733-4C, and adult high school general core courses, consistent with the definitions under R277-733-1F and R277-733-1I.

### 3.25 Accelerated Learning Programs

**Recommendation**            The Analyst recommends \$8,695,104 for Accelerated Learning Programs for FY 2005.

**Purpose**                            The 1987 Legislature created the Accelerated Learning Programs. The category includes Advanced Placement Programs, Concurrent Enrollment Programs, and Gifted and Talented Programs. *Accelerated Learning programs include Advance Placement, Concurrent Enrollment, and Gifted and Talented* Utah's Accelerated Learning programs are among the best in the nation as evidenced by both test scores and the high percentage of participants. The funds are distributed according to the rules established by the State Board of Education. Funding language for this program can be found in the Utah State Code, 53A-17a-120.

*Funds are distributed based on basic program WPU appropriation*

#### **Programs for Gifted and Talented Students**

According to the State Board of Education rules "each school district shall receive its share of funds allocated for these programs in the same proportion that its number of weighted pupil units for kindergarten through grade twelve and necessarily existent small rural schools bears to the state total."

*District programs are varied and diverse*

Districts differ widely in how they use these funds to aid in educating gifted and talented students. According to the Utah Administrative Code (1990) R277-711- 1, programs for the gifted and talented are: "children and youth whose superior performance or potential for accomplishment requires a differentiated and challenging education program to meet their needs in any one or more of the following areas":

- 1) General intellectual;
- 2) Specific academic
- 3) Visual or performing arts;
- 4) Leadership;
- 5) Creative or productive thinking."

Each district is also required to have a plan for these students and a way of identifying gifted and talented students.

#### **Concurrent Enrollment**

Concurrent Enrollment is another program in which Utah's outstanding high school students can move more rapidly through our school system by enrolling in college courses prior to high school graduation for credit toward both high school graduation and full college matriculation. Both district teachers and college professors teach these courses. Who teaches depends on the district, agreements with the different colleges and universities in the state, and the location of the high school. Funds for this program are distributed to the districts in the state on a pro-rated amount based on the total number of quarter hours earned by their students.

Concurrent Enrollment information from the Utah State Office of Education is provided as follows:

## Concurrent Enrollment Summary

### *Utah State Office of Education – Summary 2001-2002 school*

#### *Funding History*

| Year      | On-Going Appropriation | One-Time Funds | Supplemental Funds | Total       |
|-----------|------------------------|----------------|--------------------|-------------|
| 1995-96   | \$2,044,856            |                | \$400,000          | \$2,444,856 |
| 1996-97   | \$2,554,591            | \$207,000      |                    | \$2,761,591 |
| 1997-98   | \$3,494,241            |                | \$1,450,800        | \$4,945,041 |
| 1998-99   | \$4,610,898            | \$750,000      |                    | \$5,360,898 |
| 1999-00   | \$4,701,173            |                |                    | \$4,701,173 |
| 2000-2001 | \$4,960,838            |                | \$650,000          | \$5,610,838 |
| 2001-2002 | \$6,149,390            |                |                    | \$6,149,390 |
| 2002-2003 | \$5,310,029            |                |                    | \$5,310,029 |

#### *Student Participation History*

| Year      | # of Students |
|-----------|---------------|
| 1995-96   | 11,725        |
| 1996-97   | 13,691        |
| 1997-98   | 18,033        |
| 1998-99   | 19,744        |
| 1999-2000 | 20,506        |
| 2000-2001 | 19,822        |
| 2001-2002 | 20,663        |

#### *Credit History*

| Year        | Credit Hours*              |
|-------------|----------------------------|
| • 1995-96   | 117,438 qtr. hours         |
| • 1996-97   | 157,928 qtr. hours         |
| • 1997-98   | 167,170 qtr. hours         |
| • 1998-99   | 127,693.5 semester hours** |
| • 1999-2000 | 126,986 semester hours     |
| • 2000-2001 | 125,746.5 semester hours   |
| • 2001-2002 | 133,746.5 semester hours   |

\*Hours earned generate funds in the following year.  
 \*\* Cache Dist. adjustment

*2001-2002 School Year - District Totals*

| <i>Districts</i>        | <i>College Site</i> | <i>HS Site</i> | <i>Total</i> | <i>Districts</i>        | <i>College Site</i> | <i>HS Site</i>   | <i>Total</i>     |
|-------------------------|---------------------|----------------|--------------|-------------------------|---------------------|------------------|------------------|
| <i>(01) Alpine</i>      | 1,265               | 12,796         | 14,061       | <i>(22) Park City</i>   | 0                   | 237              | 237              |
| <i>(02) Beaver</i>      | 0                   | 312            | 312          | <i>(23) Piute</i>       | 30                  | 134              | 164              |
| <i>(03) Box Elder</i>   | 0                   | 3,096          | 3,096        | <i>(24) Rich</i>        | 0                   | 1,034            | 1,034            |
| <i>(04) Cache</i>       | 38                  | 8,826          | 8,864        | <i>(25) San Juan</i>    | 0                   | 1,432            | 1,432            |
| <i>(05) Carbon</i>      | 0                   | 1,570          | 1,570        | <i>(26) Sevier</i>      | 0                   | 2,721            | 2,721            |
| <i>(06) Daggett</i>     | 0                   | 147            | 147          | <i>(27) So. Sanpete</i> | 294.5               | 1,694            | 1,988.5          |
| <i>(07) Davis</i>       | 1,811.5             | 8,779          | 10,590.5     | <i>(28) So. Summit</i>  | 0                   | 536.5            | 536.5            |
| <i>(08) Duchesne</i>    | 675                 | 2,224          | 2,899        | <i>(29) Tintic</i>      | 0                   | 295              | 295              |
| <i>(09) Emery</i>       | 0                   | 1,159          | 1,159        | <i>(30) Tooele</i>      | 181                 | 2,115            | 2,296            |
| <i>(10) Garfield</i>    | 0                   | 355            | 355          | <i>(31) Uintah</i>      | 560                 | 1,984            | 2,544            |
| <i>(11) Grand</i>       | 0                   | 203            | 203          | <i>(32) Wasatch</i>     | 0                   | 2,273            | 2,273            |
| <i>(12) Granite</i>     | 0                   | 15,636         | 15,636       | <i>(33) Washington</i>  | 3,727.5             | 2,028            | 5,755.5          |
| <i>(13) Iron</i>        | 105                 | 2,360          | 2,465        | <i>(34) Wayne</i>       | 0                   | 247              | 247              |
| <i>(14) Jordan</i>      | 0                   | 14,609         | 14,609       | <i>(35) Weber</i>       | 994                 | 6,525            | 7,519            |
| <i>(15) Juab</i>        | 0                   | 1,039          | 1,039        | <i>(36) Salt Lake</i>   | 197                 | 1,164            | 1,361            |
| <i>(16) Kane</i>        | 0                   | 637            | 637          | <i>(37) Ogden</i>       | 604                 | 773              | 1,377            |
| <i>(17) Millard</i>     | 0                   | 2,226          | 2,226        | <i>(38) Provo</i>       | 274                 | 3,558            | 3,832            |
| <i>Districts</i>        | <i>College Site</i> | <i>HS Site</i> | <i>Total</i> | <i>Districts</i>        | <i>College Site</i> | <i>HS Site</i>   | <i>Total</i>     |
| <i>(18) Morgan</i>      | 0                   | 1,023          | 1,023        | <i>(39) Logan</i>       | 0                   | 2,850            | 2,850            |
| <i>(19) Nebo</i>        | 1,016.5             | 8,422          | 9,438.5      | <i>(40) Murray</i>      | 0                   | 2,823            | 2,823            |
| <i>(20) No. Sanpete</i> | 0                   | 1,157          | 1,157        | <b>TOTAL:</b>           | <b>11,776</b>       | <b>121,970.5</b> | <b>133,746.5</b> |
| <i>(21) No. Summit</i>  | 3                   | 971            | 974          |                         |                     |                  |                  |

## Credit Earned 2001-2002 School Year Subject Area

| Rank               | Subject Area  | Semester Hours Earned |
|--------------------|---|-----------------------|
| 1                  | Business  | 25,006.5              |
| 2                  | Mathematics   | 22,546                |
| 3                  | Social Sciences   | 15,796                |
| 4                  | Language Arts   | 12,626                |
| 5                  | Arts  | 9,770                 |
| 6                  | Sciences  | 8,985                 |
| 7                  | Foreign Language (American Sign language, Arabic, Chinese, French, German, Japanese, Spanish) | 5,144                 |
| 8                  | Auto  | 4,260                 |
| 9                  | Construction  | 3,635.5               |
| 10                 | Health Education  | 1,697                 |
| 11                 | Physical Education  | 1,211.5               |
| 12                 | Electrical  | 668                   |
| 13                 | Cosmetology   | 230                   |
| 14                 | Plumbing  | 41                    |
|                    | - Various Applied Technology Classes  | 22,130                |
| <b>Total Hours</b> |   | <b>133,746.5</b>      |

### 2001-2002 – District/College Collaborations

| District       | College/s                       | District   | College/s                            |
|----------------|---------------------------------|------------|--------------------------------------|
| Alpine         | UVSC                            | Beaver     | SLCC, SUU                            |
| Box Elder      | USU                             | Cache      | USU, WSU                             |
| Carbon         | CEU                             | Daggett    | USU                                  |
| Davis          | BYU, SLCC, UU, UVSC, WSU        | Duchesne   | USU                                  |
| Emery          | CEU                             | Garfield   | CEU, SNOW, SUU, USU, UVSC            |
| Grand          | CEU                             | Granite    | SLCC, UVSC, WSU                      |
| Iron           | CEU, SLCC, SNOW, SUU, USU, UVSC | Jordan     | SLCC, USU, UVSC, USU                 |
| Juab           | SLCC, SNOW, UVSC                | Kane       | CEU, SLCC, SUU, USU, UVSC            |
| Logan          | USU, WSU                        | Millard    | CEU, DIX, SLCC, SNOW, SUU, USU, UVSC |
| Morgan         | USU, WSU                        | Murray     | SLCC                                 |
| Nebo           | UVSC                            | N. Sanpete | CEU, SNOW, USU, UVSC                 |
| N. Summit      | SLCC, SNOW, USU, UVSC, WSU      | Ogden      | WSU                                  |
| Park City      | SLCC, UVSC                      | Piute      | SNOW South, UVSC                     |
| Provo          | UVSC                            | Rich       | CEU, SLCC, USU                       |
| Salt Lake City | BYU, LDS, SLCC, UU              | San Juan   | CEU                                  |
| Sevier         | SNOW, UVSC                      | S. Sanpete | CEU, SLCC, SNOW, SUU, UVSC           |
| S. Summit      | USU, UVSC                       | Tintic     | CEU, SLCC, SUU, USU, UVSC            |
| Tooele         | CEU, SLCC, SUU, USU, UVSC       | Uintah     | USU                                  |
| Wasatch        | UVSC                            | Washington | DIX                                  |
| Wayne          | SNOW, SUU, USU, UVSC            | Weber      | WSU                                  |

*Statute Provisions*

The Analyst has provided the following text of the State Board of Education administrative rules governing the funding and use of Concurrent Enrollment funds.

[R277-713-8. Concurrent Enrollment Funding and Use of Concurrent Enrollment Funds.](#)

A. Each district shall receive a pro-rated amount of the funds appropriated for concurrent enrollment according to the number of semester hours successfully completed by students registered through the district in the prior year compared to the state total of completed concurrent enrollment hours.

B. Each high school shall receive its proportional share of district concurrent enrollment monies allocated to the district pursuant to Section 53A-17a-120 based upon the hours of concurrent enrollment course work successfully completed by students on the high school campus as compared to the state total of completed concurrent enrollment hours.

C. State funding to school districts for concurrent enrollment is limited to a maximum of 30 semester hours per student per school year.

D. Funds allocated to school districts for concurrent enrollment shall not be used for any other program.

E. Colleges or universities shall receive concurrent enrollment funds from school districts based on the Annual Concurrent Enrollment Contract and approved guidelines.

F. District use of state funds for concurrent enrollment is limited to the following:

- (1) to pay tuition for students;
- (2) to pay for a share of the costs of supervision and monitoring by college or university employees according to the annual contractual agreement;
- (3) to aid in staff development of adjunct faculty in cooperation with the participating college or university;
- (4) to assist with costs of distance learning programs;
- (5) to offset the costs of district or school personnel who work with the program;
- (6) to pay for textbooks and other instructional materials; and
- (7) other uses approved in writing through the USOE Concurrent Enrollment Specialist consistent with the law and purposes of this rule.

G. Concurrent enrollment course credit shall count for completion of high school graduation requirements as well as for college credit.

### **Advanced Placement Courses**

The advanced placement courses taught at the high school prepare the student to take the AP test in a certain subject. The test measures competency and grades on a score of 1 (lowest) to 5 (highest). A score of 3, 4 or 5 is passing and students can receive college credit or a waiver of some basic education requirements at most universities in the nation. (In many universities, however, only passing does not assure credits - some requiring up to a 5 to receive credit.) Funds are distributed to the districts on the basis of the total sum available divided by the total number of AP examinations passed with a grade of 3 or higher by students in the public schools of Utah.

### 3.26 Electronic High School

**Recommendation**            The Analyst recommends \$500,000 for the Electronic High School for FY  
**\$500,000**                            2005. This is the same as was appropriated for FY 2004.

**Purpose**                            **53A-17a-131.15. State contribution for the Electronic High School.**

Money appropriated to the State Board of Education in Section **53A-17a-104** for the Electronic High School shall be distributed to the school according to rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.  
Amended by Chapter 320, 2003 General Session

The following information is provided by the Electronic High School:

The Electronic High School.....” serves four major groups of students: 1) students who need to make up credit, 2) students who wish to take a class not offered at their school, 3) students who wish to take extra credit and graduate early, and 4) students who are schooled at home.

Students who wish to enroll in EHS are required to meet with their local school counselor and make sure the courses they wish to take are acceptable for graduation. They must have access to the World Wide Web and have a familiarity with a web browser. Of course, they must have an e-mail account, and most importantly, they must be motivated enough to work on their own with minimum supervision.

When a student completes an assignment, quiz, or test, the student e-mails the teacher and attaches the material. Once it has been graded, the material is e-mailed back to the student. Grades are entered in an online grade book which the student may access at any time. Once a course is completed, a certificate indicating the student's grade and the credit earned, is mailed to the student's school of residence.”

“Courses in the Electronic High School are free of registration costs for Utah students. For students who live outside of Utah we charge \$100 per semester per course (or \$50 per quarter per course).”

### What we Offer at Utah's Electronic High School

**Fine Arts**

Music Aesthetics  
Photography

**Science**

Earth Systems  
Biology  
Human Biology  
Chemistry  
Physics  
Principles of Technology

**Healthy Lifestyles**

Health Education II  
Fitness for Life

**Computer Science**

Intro to Information Tech.

**Foreign Languages**

French I  
French II  
German I  
Japanese I

**Language Arts**

English 9  
 English 10  
 English 11  
 English 12  
 Journalism

Latin I  
 Latin II  
 Navajo I  
 Navajo II  
 Spanish IV  
 ESL

**Mathematics**

Pre-algebra  
 Algebra  
 Geometry  
 Pre-calculus

**Electives**

Child Development  
 Sports Marketing  
 Advertising/Promotion  
 Adult Roles & Responsibilities  
 Medical Anat. & Physiology  
 Business Communication  
 Food and Science  
 Horse Management

**Social Studies**

Geography for life  
 Geography II  
 Ancient World Civilizations  
 Modern World Civilizations  
 Economics  
 Psychology  
 Sociology

**Under development**

Intermediate Algebra  
 Calculus  
 U.S. Govt. and Citizenship  
 Computer Technology  
 Java Programming  
 Food and Nutrition  
 Art Foundations II  
 Film Making  
 Tongan I  
 US History II  
 Latin III  
 Spanish I  
 UBSCT Preparation  
 Art History and Criticism  
 Drivers Education (classroom portion)

**3.27 School Trust**

*Trust Lands estimate is \$8,900,000*

The amount estimated to be available from this restricted account for FY 2005 is \$8,900,000.

Information for each district and each school that receives funding is available at [www.schoollandtrust.org](http://www.schoollandtrust.org) . Available information includes: the school plan, resources, funding information and the school council members. For example, Alpine Elementary school funding is shown as follows:

**Funding**

|                       |          |
|-----------------------|----------|
| Funding for 2000-2001 | \$8,092  |
| Funding for 2001-2002 | \$6,166  |
| Funding for 2002-2003 | \$7,606  |
| Funding for 2003-2004 | \$11,279 |

**Total Funding Received from School Land Trust Program**      **\$33,143**

Estimate for 2004-2005      \$11,516

**Summary**

The U.S. Congress, in exchange for not taxing federal land, gave lands to Utah schools at statehood. The lands are held in a legal trust for schools. Schools own 3.4 million acres. The lands are managed by the School Trust Lands Administration and must, by law, be used to generate money for schools. The money is put in a permanent savings account, which is never spent, but invested. Prior to FY 2000 the interest earned from the permanent fund went into the Uniform School Fund as unrestricted revenue available for appropriations. With the passage of House Bill 350 by the 1999 Legislature the interest now goes to each school in the state. Schools will get their share of the Trust Lands interest money according to the provision of the bill.

**Purpose**

The statutory provisions for the School LAND Trust Account Program are found in the UCA 53A-17a-131.17 as follows:

**53A-17a-131.17. State contribution for a School LAND Trust Program.**

(1) (a) Except as provided in Subsection (1)(b), there is appropriated \$10,050,000 to the State Board of Education as the state's contribution for the School LAND Trust Program for the fiscal year beginning July 1, 2003.

(b) If the amount of money in the Uniform School Fund described in Subsection **53A-16-101.5(2)** is less than or greater than \$10,050,000, the appropriation shall be equal to the amount of money in the Uniform School Fund described in Subsection **53A-16-101.5(2)**, up to a maximum of \$12,000,000.

(2) The State Board of Education shall distribute the money appropriated in Subsection (1) in accordance with Section **53A-16-101.5** and rules established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

Amended by Chapter 320, 2003 General Session

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**State School Trust Lands Study**

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**Issue:** During the 2003 General Session the subcommittee indicated that an interim study item should be the State School Trust Lands funding. Specific issues for consideration include: the ongoing appropriation level and how the funding is distributed.

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**Summary:** The State School Trust Land Program provides revenue to individual schools for the purpose of providing funding for use of School Community Councils for expenditure items as they may determine.

This was established by the Legislature in the 1999 General Legislative session. This was amended in the 2002 and 2003 General Sessions of the Legislature. The current code is as follows:

**53A-16-101.5. Distribution of funds -- School plans for use of funds.**

- (1) There is established the School LAND (Learning And Nurturing Development) Trust Program for the state's public schools to provide financial resources to enhance or improve student academic achievement and implement a component of the school improvement plan.
- (2) (a) The program shall be funded each fiscal year from that portion of the Uniform School Fund consisting of the interest and dividends received in the immediately preceding fiscal year from the investment of monies in the permanent State School Fund.  
(b) On and after July 1, 2003, the program shall be funded as provided in Subsection (2)(a) up to a maximum of \$12,000,000 each fiscal year.  
(c) The Legislature shall annually allocate, through an appropriation to the State Board of Education, a portion of School LAND Trust Program monies for the administration of the program.
- (3) (a) The State Board of Education shall allocate the monies referred to in Subsection (2) annually for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter as follows:
  - (i) school districts shall receive 10% of the funds on an equal basis; and
  - (ii) the remaining 90% of the funds shall be distributed on a per student basis, with each district receiving its allocation on the number of students in the district as compared to the state total.  
(b) Each school district shall distribute its allocation under Subsection (3)(a) to each school within the district on an equal per student basis.  
(c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the board may make rules regarding the time and manner in which the student count shall be made for allocation of the monies.
- (4) In order to receive its allocation under Subsection (3), a school shall have established a school community council under Section **53A-1a-108**.
- (5) (a) The school community council or its subcommittee shall develop a program to use its allocation under Subsection (3) to implement a component of the school's improvement plan, including:
  - (i) the school's identified most critical academic needs;
  - (ii) a recommended course of action to meet the identified academic needs;
  - (iii) a specific listing of any programs, practices, materials, or equipment which the school will need to implement a component of its school improvement plan to have a direct impact on the instruction of students and result in measurable increased student performance; and
  - (iv) how the school intends to spend its allocation of funds under this section to enhance or improve academic excellence at the school.  
(b) The school may develop a multiyear program, but the program shall be presented and approved by the school community council and the local school board of the district in which the school is located annually and as a prerequisite to receiving program funds allocated under this section.
- (6) (a) Each school shall:

- (i) implement the program as approved by the school community council and approved by the local school board;
  - (ii) provide ongoing support for the council's or its subcommittee's program;
  - (iii) meet school board reporting requirements regarding financial and performance accountability of the program; and
  - (iv) publicize to its patrons and the general public on how the funds it received under this section were used to enhance or improve academic excellence at the school and implement a component of the school's improvement plan, including the results of those efforts.
- (b) (i) Each school through its council or its subcommittee shall prepare and present an annual report of the program to its local school board at the end of the school year.
- (ii) The report shall detail the use of program funds received by the school under this section and an assessment of the results obtained from the use of the funds.

Amended by Chapter 320, 2003 General Session

Amended by Chapter 226, 2003 General Session

**The State Board of Education adopted the following rules that further define distribution of School Trust Funds:**

**R277-477-3. Distribution of Funds – Determination of Proportionate Share.**

A. Funds shall be distributed to school districts, charter schools, and the USDB as provided under Section 53A-16-101.5(3)(a). The distribution shall be based on the state's total fall enrollment as reflected in the audited October 1 Fall Enrollment Report from the previous school year.

B. Each school district and the USOE, with regard to charter schools and the USDB, shall distribute funds received under R277-477-3A to each school, including schools that have opened since the prior October 1 Enrollment Report, on an equal per student basis. Local school boards and the USOE may adjust distributions, maintaining an equal per student distribution for school openings and closures and for boundary changes occurring after the audited October 1 Fall Enrollment Report of the prior year. All schools receiving funds shall have a current school plan for enhancing or improving academic excellence consistent with Section 53A-16-101.5 approved by the local school board and electronically submitted to the USOE.

C. All charter schools shall be considered collectively as a unit to receive a base amount under Section 53A-16-101.5(3)(a)(i).

D. In order to receive its allocation, a school shall satisfy the requirements of Section 53A-16-101.5(4)(5)(6).

E. Interest and dividend income from the permanent State School Fund shall be distributed to school districts at the close of the state fiscal year as the USOE receives the funds in the Uniform School Fund.

F. Each school board shall establish a policy for timely distribution of the funds to eligible schools.

G. In a year-end report, each local board shall provide to the USOE:

- (1) the names of schools and the funds distributed under this rule;
- (2) required school plan information as designated in R277-477-4;

(3) a list of 10 percent of the district schools, or five schools implementing exemplary plans to be used to inform the public; and

(4) the date on which funds were made available to each school.

H. Funds not used in the school approved plan may be carried over by the school to the next school year and added to the School LAND Trust Program funds available for expenditure in that school the following year.

I. Schools serving only youth in custody may form committees and submit plans to the district serving the students. Youth in custody schools shall receive the same per pupil distribution as other schools in the district providing services.

J. Plans submitted by schools chartered by the Board shall be reviewed and approved by the charter school governing body and then submitted to the Board or its designee for final approval.

K. Plans submitted by schools chartered by local school boards shall be reviewed and approved by the charter school and then submitted to the local school board for approval.

**District fund distributions for FY 2004 are provided as follows:**

| <b>RELATED TO BASIC PROGRAMS: OTHER</b><br><b>2003-2004 LEGISLATIVE PROJECTIONS--JULY 2003</b> |  |
|--|--|
| DISTRICT   | <b>SCHOOLS</b><br><b>TRUST</b><br><b>LANDS</b><br>Prog:5420, Rev:3520<br>\$8,388,000 |
|  | DOLLARS  |
| 01 ALPINE  | \$783,333  |
| 02 BEAVER  | 42,598   |
| 03 BOX ELDER   | 185,355  |
| 04 CACHE   | 222,959  |
| 05 CARBON  | 79,223   |
| 06 DAGGETT   | 21,800   |
| 07 DAVIS   | 944,512  |
| 08 DUCHESNE  | 81,801   |
| 09 EMERY   | 57,711   |
| 10 GARFIELD  | 35,935   |
| 11 GRAND   | 42,380   |
| 12 GRANITE   | 1,100,829  |
| 13 IRON  | 132,235  |
| 14 JORDAN  | 1,166,188  |
| 15 JUAB  | 48,857   |
| 16 KANE  | 38,963   |
| 17 MILLARD   | 68,583   |
| 18 MORGAN  | 50,597   |
| 19 NEBO  | 378,235  |
| 20 NO. SANPETE   | 57,726   |
| 21 NO. SUMMIT  | 34,816   |
| 22 PARK CITY   | 81,786   |
| 23 PIUTE   | 24,627   |
| 24 RICH  | 27,128   |
| 25 SAN JUAN  | 66,036   |
| 26 SEVIER  | 87,657   |
| 27 SO. SANPETE   | 63,147   |
| 28 SO. SUMMIT  | 40,284   |
| 29 TINTIC  | 24,052   |
| 30 TOOELE  | 175,632  |
| 31 UINTAH  | 108,036  |
| 32 WASATCH   | 80,605   |
| 33 WASHINGTON  | 324,478  |
| 34 WAYNE   | 27,858   |
| 35 WEBER   | 459,578  |
| 36 SALT LAKE   | 398,490  |
| 37 OGDEN   | 223,891  |
| 38 PROVO   | 224,450  |
| 39 LOGAN   | 110,769  |
| 40 MURRAY  | 118,194  |
| CHARTERS   | 42,940   |
| DEAF AND BLIND   | 23,726   |
| OTHER INSTITUTIONS   | 80,000   |
| UNALLOCATED  | 0  |
| <b>TOTAL</b>   | <b>\$ 8,388,000</b>  |

| SCHOOL                       | CHARTER SCHOOLS |                    |
|------------------------------|-----------------|--------------------|
|                              |                 | Trust Land Program |
|                              |                 | DOLLARS            |
| American Preparatory Academy |                 | \$0                |
| AMES                         |                 | 0                  |
| Discovery                    |                 | 0                  |
| Freedom                      |                 | 0                  |
| Ogden Preparatory Academy    |                 | 0                  |
| Dream                        |                 | 0                  |
| CBA Center                   |                 | 1,094              |
| Jean Massieu School          |                 | 864                |
| Pinnacle Canyon Academy      |                 | 7,344              |
| Center City School           |                 | 4,147              |
| Success School               |                 | 1,728              |
| Soldier Hollow School        |                 | 806                |
| Tuacahn Performing Arts      |                 | 4,522              |
| Uintah River High            |                 | 1,613              |
| John Hancock                 |                 | 4,608              |
| Thomas Edison                |                 | 6,163              |
| Timpanogas Academy           |                 | 10,051             |
| Salt Lake Arts Academy       |                 | 0                  |
| Fast Forward High            |                 | 0                  |
|                              |                 | \$42,940           |

**PERMANENT STATE SCHOOL TRUST FUND  
SUMMARY OF INVESTMENT BALANCES**

FY 1995 through FY 2003

| <b>Permanent School Fund</b> | <b>Market Value</b> | <b>% inc</b> | <b>Cost</b>    | <b>% inc</b> |
|------------------------------|---------------------|--------------|----------------|--------------|
| June 30, 2003                | \$ 371,106,694      | 9.95%        | \$ 358,638,522 | 12.26%       |
| June 30, 2002                | 337,526,224         | 4.74%        | 319,462,830    | 16.14%       |
| June 30, 2001                | 322,263,157         | 1.26%        | 275,055,661    | 17.83%       |
| June 30, 2000                | 318,264,044         | 15.28%       | 233,432,037    | 16.72%       |
| June 30, 1999                | 276,072,409         | 40.79%       | 199,990,751    | 38.01%       |
| June 30, 1998                | 196,083,675         | 32.58%       | 144,913,679    | 16.48%       |
| June 30, 1997                | 147,901,710         | 32.36%       | 124,405,722    | 15.89%       |
| June 30, 1996                | 111,741,827         | 19.58%       | 107,352,133    | 15.69%       |
| June 30, 1995                | 93,444,713          |              | 92,795,668     |              |

**Eight Year Increase**                      297.14%    286.48%

Note: A similar eight year increase would produce a balance of \$1,473,813,100 by 2011

### 3.28 Charter School Local Replacement Funding

#### **Recommendation**

The Analyst recommends a FY 2005 appropriation of \$3,271,727 for the Charter School Local Funding Replacement Program. The Analyst further recommends that charter school enrollment growth be funded as discussed in the sections above. An additional \$1,189,468 would be needed to fund new students expected to enroll in charter schools.

Based on the formula detailed in UCA 53A-1a-513(4), the recommended amount provides \$965 (FY 2004 formula amount) for each student enrolled in a charter school, as well as the projected increase in charter school students for the 2004 school year. The FY 2005 base plus enrollment growth would provide funding for a total of 4,623 charter school students, or \$4,461,195.

The Analyst further recommends a supplemental appropriation of \$761,973 for FY 2004. The supplemental recommendation, when combined with the \$2,377,172 appropriated during the 2003 General Session, provides \$965 for each student enrolled in a charter school for the fall 2003 enrollment count. The 2003 fall enrollments report that charter schools enroll a total of 3,253 students.

#### **Purpose**

The Charter School Local Replacement Funding program was established to provide revenue to charter schools to assist in capital facility needs. Charter Schools do not have bonding authority or the ability to tax their patrons to cover facility costs.

The program originated with local school districts and the state sharing in the cost of the program. When a student enrolled in a charter school, the student's home district transferred half of the local expenditure per pupil in excess of state funding to the charter school. The state would then provide to the charter school an amount equal to half the statewide average expenditure per pupil in excess of state funding. This amount was computed at \$403 per student. The program resulted in funding inequities among the charter schools because only half of the revenue was equalized by the state.

With the change in legislation, the school districts no longer transfer funds to the charter school. The state provides an equalized amount directly to the charter school. The amount of funding for FY 2004 is calculated at \$965 per student.

#### **Issue: Enrollment Growth**

The FY 2004 appropriation of \$2,377,172 assumed 1,526 current charter school students and anticipated growth of 800 students. Actual enrollment growth exceeded projections by 1,727, bringing charter school enrollment to 3,253. Based on the level of funding and the actual number of students enrolled in charter schools, the estimated funding per student is \$730. This amount is roughly \$235 per student less than the legislature anticipated.

To provide the formula amount at the anticipated level, an additional \$762,000 is needed for the program.

*Legislative Options*

Due to the nature of charter school growth (unexpected new charters, increased enrollments, school closures) enrollment projections may never be 100 percent accurate. This creates problems with accurately appropriating sufficient funds for charter school student growth. The following options may be considered for handling unanticipated charter school growth.

- ▶ Annually provide a supplemental appropriation to bring the actual per student amount up to the amount projected based on the formula. This would provide full funding by the end of the fiscal year, however, the funding would come near the end of the school year and may be difficult to implement in budgets.
- ▶ Continue to appropriate funding based on the formula and student projections. Should the actual charter school enrollment exceed the projections the amount per student could be adjusted to fit the number of students. Not knowing how much revenue to expect, charter schools may have a difficult time budgeting for school leases, building payments, secure loans, etc. for the upcoming school year.
- ▶ Authorize the use of potential carry forward funds in the Minimum School Program to cover actual enrollments. Several programs have been authorized to use carry forward revenue when it exists, further authorizations may decrease amounts available for all programs. As with the previous options, charter schools may not know exactly how much revenue to budget for.
- ▶ Require new charter schools to file with the chartering body a full fiscal year in advance. By requiring new charter school to be chartered approximately one year before opening, the enrollment of the school would be known and the Legislature could provide sufficient funding for the program.

**Recommendation and Comments**

The Analyst recommends that the subcommittee discuss and approve a method for funding unanticipated charter school enrollment growth.

The State Board of Education used Minimum School Program carry forward funds to provide sufficient funding in FY 2004 for the under-estimation of students in the basic school programs detailed above. The State Office of Education seeks further direction from the Legislature regarding the use of MSP carry forward funds to support the Charter School Local Replacement Funding Program, should charter school enrollment exceed funding appropriated by the Legislature.

*Issue: Local Funding Replacement Formula*

The 2003 General Session formula excluded the portion of local property tax revenue collected by the school districts for debt service. Caution was used during the General Session not to double count bond revenue and the revenue generated to repay the bonds. The formula was created using local revenue for capital projects and district expenditures on debt service.

Bond revenue is reported by the school districts as an “other” revenue source, it is not accounted for in local property tax revenue for debt service. Because of this, the total property tax revenue generated by school districts for debt service can be included in the formula without double counting. Preliminary estimates indicate that including property tax revenue generated for debt service may increase the per student amount by approximately \$225.

*Legislative Option*

The subcommittee may wish to change the Charter School Local Replacement Funding formula for FY 2005 to reflect the use the property tax generated by the school districts for debt service.

The new formula language would read be to calculate:

*“The Legislature shall provide an appropriation for charter schools for each of their students to replace local property tax revenues that are not available to charter schools. The amount of money provided for each charter school student shall be determined by calculating the sum of school districts’ operations and maintenance revenues derived from local property taxes, except revenues from imposing a minimum basic tax rate; school districts’ capital projects revenue derived from local property taxes; and school districts’ debt service revenues derived from local property taxes; and dividing the sum by the total average daily membership of the districts’ schools.”<sup>1</sup>*

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<sup>1</sup> Proposed working language provided by the Office of Legislative Research and General Counsel.

### 3.29 U of U Reading Clinic

**Recommendation**  
**\$375,000**

The Analyst recommends \$375,000 for the U of U Reading Clinic for FY 2005. This is the same as was appropriated for FY 2004.

**Purpose**

The U of U Reading Clinic in the College of Education was appropriated \$375,000 ongoing funding during the 2003 legislative session. For FY 2002 there was one-time legislative funding of \$375,000. The new funding provides a base for the program, which is closely affiliated with the Department of Special Education and the Department of Teaching and Learning.

The U's Reading Clinic, located in the Cedar Park complex in Murray, opened its doors in August 2001. It has served parents, educators, teacher candidates, and students from 158 schools across the state. The clinic provides reading assessment and intervention to clients at its Murray location and in schools throughout the state. The clinic also provides professional development for educators in these same areas.

Students experiencing reading difficulties may stem from one or more of several sources. The source or sources of the difficulty needs to be identified so that appropriate instruction can be designed and implemented. Research suggests that unless intervention occurs during the primary grades, struggling readers have less than a 20% chance of recovering to grade level during their school careers. Based on assessment results, a child may be recommended to basic reading intervention by a member of the clinic's professional trained staff.

The center provides the following information:

“Assessments are conducted one-on-one, and focus on:

- oral reading accuracy
- oral reading rate
- reading and listening comprehension
- word recognition automaticity, and
- spelling

If indicated, more intensive computer-based assessments can be conducted. These assessments provide measures of both accuracy and speed, focusing specifically on the relationship among:

- letter recognition
- word recognition
- phonological awareness
- phonological decoding
- reading comprehension

- basic math skills, and
- response time “

Professional development in basic reading assessment and intervention is available to practicing educators and university students enrolled in a college of education.

### 3.30 Voted and Board Leeway Programs

**Program**  
*Voted Leeway*                      The Analyst recommends a total Voted Leeway program of \$154,122,345. Of this amount the Uniform School Fund contributes \$11,795,127 with the remaining amount coming from local property tax revenues. The final appropriation amount will vary slightly based on the total Minimum School Program and associated weighted pupil units adopted by the Legislature.

**Recommendation**                      Because of this **the Analyst recommends committee action that would allow adjustment based on final program adoption.**

(c) (i) Beginning July 1, 2003, the \$17.14 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.

(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.

House Bill 38, "School District Voted Leeway Amendments," passed by the 2001 Legislature provided for a state guarantee up to a combined tax rate between the voted and the board leeway of .0020. It also indexed the amount of the guarantee to the value of the weighted pupil unit with FY 2004 requiring a contribution of .008544 times the value of the prior year weighted pupil unit. This was postponed with amendments to the law by the 2003 Legislature so as to not incur the added costs for FY 2004. It does come into effect again under the amended law for FY 2005. If the law is not changed to postpone the increase again it will be necessary to appropriate an additional \$5,813,640 to comply with the statutory provisions. This is the total cost effect for both the voted and board leeway. The Analyst has not included this increase in his recommendations pending a Legislative decision in light of current economic and revenue situations.

The state guarantee is to increase by increments of .0005 until the guarantee is equal to .010544 times the value of the prior year weighted pupil unit. For FY 2005 the calculation yields a guarantee of \$18.37

**Summary**                                      In 1954, the State Legislature authorized a "voted leeway program." In 1965, the name was changed to "voted board leeway program." The 1991 Legislature set dollar amounts as a guarantee instead of a value equal to a percentage of the prior year's WPU. In the current "state-supported" "voted leeway program," the FY 1996 Legislature set a dollar amount as a guarantee based on a percentage of the prior year's WPU, thus reinstating an inflationary mechanism. The statutory provisions were changed again by the 2001 Legislature.

The statutes governing this program are as follows:

**53A-17a-133. State-supported voted leeway program authorized -- Election requirements -- State guarantee -- Reconsideration of the program.**

- (1) An election to consider adoption or modification of a voted leeway program is required if initiative petitions signed by 10% of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.
- (2) (a) (i) To establish a voted leeway program, a majority of the electors of a district voting at an election in the manner set forth in Section **53A-16-110** must vote in favor of a special tax.  
(ii) The tax rate may not exceed .002 per dollar of taxable value.  
(b) The district may maintain a school program which exceeds the cost of the program referred to in Section **53A-17a-145** with this voted leeway.  
(c) In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.
- (3) (a) Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 of the first .0016 per dollar of taxable value.  
(b) The same dollar amount guarantee per weighted pupil unit for the .0016 per dollar of taxable value under Subsection (3)(a) shall apply to the board-approved leeway authorized in Section **53A-17a-134**, so that the guarantee shall apply up to a total of .002 per dollar of taxable value if a school district levies a tax rate under both programs.  
(c) (i) Beginning July 1, 2004, the \$17.14 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .008544 times the value of the prior year's weighted pupil unit.  
(ii) The guarantee shall increase by .0005 times the value of the prior year's weighted pupil unit for each succeeding year until the guarantee is equal to .010544 times the value of the prior year's weighted pupil unit.  
(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under this Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section **59-2-924** pursuant to changes in property valuation.  
(ii) Subsection (3)(d)(i) applies for a period of two years following any such change in the certified tax rate.
- (4) (a) An election to modify an existing voted leeway program is not a reconsideration of the existing program unless the proposition submitted to the electors expressly so states.  
(b) A majority vote opposing a modification does not deprive the district of authority to continue an existing program.  
(c) If adoption of a leeway program is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the program prior to a subsequent increase in other levies that would increase the total local school board levy.  
(d) Nothing contained in this section terminates, without an election, the authority of a school district to continue an existing voted leeway program previously authorized by the voters.

Amended by Chapter 320, 2003 General Session

### 3.31 Board Leeway Program

#### Recommendation

*Final  
recommendation to be  
adjusted*

The Analyst recommends a total Board Leeway program of \$43,930,809. Of this amount the Uniform School Fund contributes \$4,127,584 with the remaining amount coming from local property tax revenues. The final appropriation amount will vary slightly based on the total Minimum School Program adopted by the Legislature. **Because of this the Analyst recommends committee action that would allow adjustment based on final program adoption.**

#### Summary

**Board Leeway Cost Increases** - The recommendations do not include increases mandated by the Legislature as previously discussed.

The statutes governing this program are as follows:

#### **53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval.**

- (1) Each local school board may levy a tax rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of the basic school program as follows:
  - (a) a local school board shall use the monies generated by the tax for class size reduction within the school district;
  - (b) if a local school board determines that the average class size in the school district is not excessive, it may use the monies for other school purposes but only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate; and
  - (c) a district may not use the monies for other school purposes under Subsection (1)(b) until it has certified in writing that its class size needs are already being met and has identified the other school purposes for which the monies will be used to the State Board of Education and the state board has approved their use for other school purposes.
- (2) (a) The state shall contribute an amount sufficient to guarantee \$17.14 per weighted pupil unit for each .0001 per dollar of taxable value.  
(b) The guarantee shall increase in the same manner as provided for the voted leeway guarantee in Subsections 53A-17a-133(3)(c)(i) and (ii).
- (3) The levy authorized under this section is not in addition to the maximum rate of .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax rate under that section.
- (4) As an exception to Section 53A-17a-133, the board-authorized levy does not require voter approval, but the board may require voter approval if requested by a majority of the board.
- (5) An election to consider disapproval of the board-authorized levy is required, if within 60 days after the levy is established by the board, referendum petitions signed by the number of legal voters required in Section 20A-7-301, who reside within the school district, are filed with the school district.

(6) (a) A local school board shall establish its board-approved levy by April 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an election is required under this section, the levy applies to the fiscal year beginning July 1 of the next calendar year.

(b) The approval and disapproval votes authorized in Subsections (4) and (5) shall occur at a general election in even-numbered years, except that a vote required under this section in odd-numbered years shall occur at a special election held on a day in odd-numbered years that corresponds to the general election date. The school district shall pay for the cost of a special election.

(7) (a) Modification or termination of a voter-approved leeway rate authorized under this section is governed by Section 53A-17a-133.

(b) A board-authorized leeway rate may be modified or terminated by a majority vote of the board subject to disapproval procedures specified in this section.

(8) A board levy election does not require publication of a voter information pamphlet.

Amended by Chapter 335, 2001 General Session

Amended by Chapter 336, 2001 General Session

### **3.32 Local Levy Authority for School Districts**

The following pages, as provided by the Utah State Office of Education, give the various taxing authority of Utah school districts and a description.

**School District Tax Levies Description  
April 10, 2003**

| <u>Tax Levy</u>  | <u>Description</u>   |
|--|--|
| Basic Levy<br>(53A-17a-135; 59-2-902, 903, 905, 906)       | <p>The total cost of operation and maintenance of the Minimum School Program in the state is divided between the state and school districts as follows.<sup>1</sup></p> <ul style="list-style-type: none"><li>a. Each school district shall impose a minimum basic (ad valorem) tax rate<sup>2</sup> on all taxable, tangible property in the school district and shall contribute the tax proceeds toward the cost of the Basic Program<sup>3</sup>. The Basic Levy is the local-state shared portion of each school district's M &amp; O expenditures.</li><li>b. Each school district may also impose a levy for the purpose of participating in the Voted and Board Leeway programs.</li><li>c. The state contributes the balance of the total costs from the Uniform School Fund.</li></ul> <p>The Basic Tax Rate is first estimated by the legislature each March during the annual legislative session so as to yield the dollar amount budgeted by the legislature for the coming fiscal year when levied by each school district. The State Tax Commission—in cooperation with the State Office of Education—sets the final tax rate the following June or July when more accurate assessed valuation data becomes available.<sup>4</sup></p> |
| State Supported Voted Leeway<br>(53A-17a-133 and 59-2-904) | <p>A Voted Leeway is a state-supported program in which a levy—approved by the school district electorate under 53A-17a-133 and Administrative Rule R277-422—is</p>  |

authorized of cover a portion of the costs of operation and maintenance of the state-supported minimum school program in a school district. State and local funds received by a school district under the Voted Leeway program are free revenue and may be budgeted and expended under maintenance and operation as authorized by the local school board. To establish a Voted Leeway program, a majority of the electors of a school district voting at an election must vote in favor of the Leeway. The election must be held on one of five special, primary or regular election days as specified in statute [20A-1-204]: the first Tuesday of February, May, August or November as well as the fourth Tuesday in June during even-numbered years. The Voted Leeway allows districts to levy a tax rate (up to 0.002000, including the Board Leeway levy) to generate property tax and state aid revenue to supplement the district M & O. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per Weighted Pupil Unit (WPU). In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation. The election must also occur prior to May 2 to be invoked for the fiscal year beginning July 1 of that year.

**State Supported Board Leeway**  
*(53A-17a-134 and 59-2-904)*

Local school boards may levy a State Supported Board Leeway tax rate (of up to 0.000400)—under 53A-17a-134—to maintain a school program above the cost of the basic program. A local school board must establish its board-approved leeway by April 1 to have the levy apply to the fiscal year beginning July 1 of that year. In order to receive state support the first year, a district board of education must vote to establish a Board Leeway no

later than December 1 of the year prior to implementation. State aid is calculated for each district based on a statutorily set dollar amount per 0.000100 of tax rate per WPU. These M & O funds must be used for class size reduction unless the board complies with certain public notice, hearing, as well as notice and permission requirements from the State Board of Education.

Special Transportation  
(53A-17a-127)

A school board may provide for the transportation of students who are not eligible for regular state-supported transportation to-and-from school from general funds of the district and a tax levy (up to 0.000300). The revenues from the tax rate may also be used for hazardous bus routes, school activities, field trips and purchase of school buses. The state contributes an amount not to exceed 85% of the state average cost per mile if the school board levies at least 0.000200 tax rate.

Recreation  
(11-2-6 and 7)

School districts may join with municipalities or counties in purchasing or operating recreational facilities—such as playgrounds, athletic fields, gyms and swimming pools—and associated activities. They may also levy a Recreation Levy to fund these facilities and activities. There is no statutory ceiling for this levy.

Tort Liability  
(63-30-27)

School districts may invoke a Tort Liability Levy (up to 0.000100) to pay liability insurance premiums, the legal costs to defend the district against claims, settlements or judgements, as well as for actual claims, settlements or judgements against school board members or school district employees.

After complying with specific public notice

Judgement Recovery  
(53A-16-111; 59-2-102, 918.5, 924, 1328,  
1330)

and hearing— as well as notice to the State Tax Commission—a school district may invoke a Judgement Recovery Levy, up to the rate required to fund a property tax judgement (plus interest) against the school district as a result of a successful appeal of over-collection of property tax. Each judgement must be more than \$5,000, it must be final and unappealable, and it must have been issued no more than 14 months prior to July 22 of the year in which the judgement levy is imposed. The judgement must also be paid by the school district no later than December 31 of the year in which the judgement levy is imposed. Because school districts—as taxing entities—are liable to refund property tax funds unlawfully collected and charter schools are not taxing entities and do not share this liability, charter schools should not receive Judgement Recovery funds.

Public Law 874 (Federal Impact Aid)  
(53A-17a-143)

Each school district is authorized to levy a tax rate—up to 0.000800—to provide an amount equal to the difference between the district's anticipated receipts under the federal entitlement for the fiscal year from Public Law 81-874 (the federal Impact Aid Program) and the amount the district actually received from this source for the next preceding fiscal year. This authorization terminates at the end of the third year it is used. If the amount actually received from this tax, plus the amount actually received from the federal Impact Aid Program exceeds the federal allocation to the district, the district must carry over the excess funds as its contribution to the Basic School Program. The district's basic rate for that year will be reduced by the carried-forward funds dollar amount.

A school district may levy a Capital Outlay

*Capital Outlay  
(53A-16-107)*

Levy for capital equipment or capital facilities projects up to 0.002400. Up to 0.000200 of this levy may be used for maintenance of school plants. If this option is exercised, a maintenance of effort equal to at least the dollar amount expended for the preceding year, plus the average annual percentage increase in the district's M & O budget for the current year is required.

*Debt Service  
(11-14-19)*

If a school district elects to issue and sell general obligation bonds to finance its building program, the district must levy a Debt Service tax—which has no ceiling—that will derive at least its general obligation bond principal and interest debt payment annually. The full faith and credit of the school district is pledged. In addition, the State of Utah has placed its full faith and credit behind each school district bond through the School Bond Guarantee Act (53A-28)—a default avoidance program—wherein the State's bonded indebtedness credit rating is extended to each school district.

*Voted Capital Outlay Leeway  
(53A-16-110)*

School districts may establish a Voted Capital Outlay Leeway program if a majority of the electors of a school district vote in favor of the Leeway. The election must be held on one of five special, primary or regular election days as specified in statute [20A-1-204]: the first Tuesday of February, May, August or November as well as the fourth Tuesday in June during even-numbered years. The Voted Capital Outlay Leeway allows districts to levy a tax rate (up to 0.002000) to generate property tax revenue to buy building sites, build and furnish school facilities or improve school property. The election must also occur prior to May 2 to be invoked for the fiscal year beginning July 1 of that year.

Ten Percent of Basic  
(53A-17a-145)

School districts may establish a levy for non-general obligation debt, school sites and buildings, capital outlay expenses, as well as textbooks and supplies. This levy is called the Ten Percent of Basic levy and gets its name from its ceiling calculation. Districts may levy up to the tax rate that derives a yield equivalent to ten percent of the district's Basic Program [the Basic Program is all funding to the school district based on the district's Weighted Pupil Units (WPU's)].

1. Utah Code 53A-17a-136: Cost of operation and maintenance of minimum school program - Division between state and school districts.
2. Utah Code 59-2-902: Minimum basic tax levy for school districts.
3. The Basic Program is defined as all programs funded through Weighted Pupil Units (WPU's).
4. Utah Code 59-2-905: Legislature to set minimum rate of levy for state's contribution to minimum school program - Matters to be considered - Commission to transmit rate to auditors - Acknowledgment of receipt.

The following tables show final tax rates for all districts for FY 2003, taxing authority granted to local school districts, and a comparison of benefit on districts.

**UTAH SCHOOL DISTRICTS  
TAX RATE CONTROL**

**SCHOOL DISTRICT TAX RATES<sup>1</sup>**

| <u>I. MAINTENANCE AND OPERATION</u>   | <u>FY 2001-02</u><br>(Tax year 2001) | <u>FY 2002-03</u><br>(Tax Year 2002) |
|---|--------------------------------------|--------------------------------------|
| 1. Basic Levy (set by the Legislature)<br>(53A-17a-135; 59-2-902, 903, 905, 906)  | 40 Districts<br>0.001785             | 40 Districts<br>0.001807             |
| 2. Voted Leeway<br>(53A-17a-133 and 59-2-904)<br><i>Not to exceed 0.002000 including Board Leeway</i>   | 30 Districts<br>0.000976 Average     | 30 Districts<br>0.000993 Average     |
| 3. Board Leeway<br>(53A-17a-134 and 59-2-904)<br><i>Not to exceed 0.000400</i>  | 32 Districts<br>0.000365 Average     | 33 Districts<br>0.000367 Average     |
| 4. Special Transportation<br>(53A-17a-127)<br><i>Not to exceed 0.000300</i>   | 37 Districts<br>0.000164 Average     | 37 Districts<br>0.000168 Average     |
| 5. Recreation<br>(11-2-7)   | 33 Districts<br>0.000221 Average     | 34 Districts<br>0.000221 Average     |
| 6. Tort Liability<br>(63-30-27)<br><i>Not to exceed 0.000100</i>  | 31 Districts<br>0.000040 Average     | 31 Districts<br>0.000043 Average     |
| 7. Judgement Recovery<br>(53A-16-11; 59-2-102, 918.5, 924, 1328, 1330)  | 9 Districts<br>0.000179 Average      | 6 Districts<br>0.000118 Average      |
| 8. Public Law 874<br>(53A-17a-143)<br><i>Not to exceed 0.000800</i>   | None                                 | None                                 |
| <u>II. CAPITAL OUTLAY AND DEBT SERVICE</u>  |                                      |                                      |
| 9. Capital Outlay<br>(53A-16-107)   | 38 Districts<br>0.001034 Average     | 38 Districts<br>0.001088 Average     |
| 10. Debt Service<br>(11-14-19)  | 37 Districts<br>0.001854 Average     | 37 Districts<br>0.001818 Average     |
| 11. Voted Capital Outlay<br>(53A-16-110)<br><i>Not to Exceed 0.00200</i>  | 1 District<br>0.000095 Average       | 1 District<br>0.000090 Average       |
| 12. Ten Percent of the Basic Program<br>(53A-17a-145)<br><i>Not to exceed tax rate that yields 10 percent of the total Basic Program dollar amount.</i> | 36 Districts<br>0.000728 Average     | 37 Districts<br>0.000739 Average     |

<sup>1</sup>Taxing entities may impose a tax rate in excess of the maximum levy permitted by law if the rate established generates revenues in an amount that is less than the revenues that would be generated under the certified tax rate [59-2-914(3)(e)] E:\FNMAN 2003\Property Tax\TAXLEVY.upd

# VOTED/BOARD LEEWAY

## FY 2003-03

\*\*\*\*\*

DISTRICT MAY VOTE LEVY UP TO 0.002000

STATE GUARANTEES \$17.14<sup>1</sup> PER 0.000100 PER WPU FOR THE FIRST 0.001600 OF VOTED LEEWAY AND 0.000400 OF BOARD LEEWAY (TOTAL OF 0.002000)

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### 0.001000 LEVY<sup>2</sup>

| <u>DISTRICT A</u>   | <u>DISTRICT B</u>   |
|---|---|
| <p>1,000 WPUs</p> <p>0.000100 Tax Rate Raises:</p> <p style="text-align: right;">\$12,000</p> <p>Guarantee</p> <p>\$17.14 X 10 X 1,000 WPUs = \$171,400</p> <p style="text-align: center;"> <math display="block">[\\$17.14 \times \frac{0.001000}{0.000100} \times 1,000 \text{ WPUs} = \\$171,400]</math> </p> <p>0.001000 Raises                    <u>\$120,000</u></p> <p>STATE AID                                \$51,400</p> <p><b>TOTAL DISTRICT REVENUE    <u>\$171,400</u></b></p> | <p>1,000 WPUs</p> <p>0.000100 Tax Rate Raises:</p> <p style="text-align: right;">\$ 120,000</p> <p>Guarantee</p> <p>\$17.14 X 10 X 1,000 WPUs = \$ 171,400</p> <p style="text-align: center;"> <math display="block">[\\$17.14 \times \frac{0.001000}{0.000100} \times 1,000 \text{ WPUs} = \\$ 171,400]</math> </p> <p>0.001000 Raises                    <u>\$1,200,000</u></p> <p>STATE AID                                \$ 0</p> <p><b>TOTAL DISTRICT REVENUE    <u>\$1,200,000</u></b></p> |

**NOTE:**

To change from Old Utah Mill to Present Tax Rate, DIVIDE by 5,000. Example: 9.065/5,000 = 0.001813  
 To change from Present Tax Rate to Old Utah Mill, MULTIPLY by 5,000. Example: 0.001813 X 5,000 = 9.065

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<sup>1</sup>Beginning July 1, 2001, the 2001 and 2002 Legislatures set the guarantee at \$17.14 [53A-17a-133(3)(a) and 53A-17a-134(2)(a)]. Beginning July 1, 2003 the \$17.14 guarantee is indexed to the value of the WPU by making the value of the guarantee equal to 0.008544 times the value of the prior year WPU. Further, this guarantee index multiplier increases by 0.0005 each year until the guarantee is equal to 0.010544 times the value of the prior year's WPU in FY 2006-07. [53A-17a-133(3)(c) and 53A-17a-134(2)].

<sup>2</sup>The amount of state aid guarantee money to which a school district would be otherwise entitled under the Voted/Board Leeway programs may not be reduced as a consequence of changes in the certified tax rate pursuant to changes in property valuation. This applies for a period of two years following any such change in the certified tax rate. 53A-17a-133(3)(d)(i) and (ii).