

PUBLIC EDUCATION GENERAL BUDGET OVERVIEW

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
STAFF: BEN LEISHMAN & PATRICK LEE

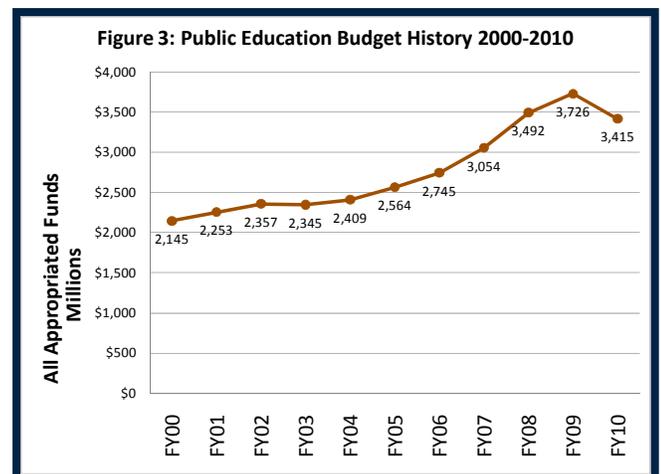
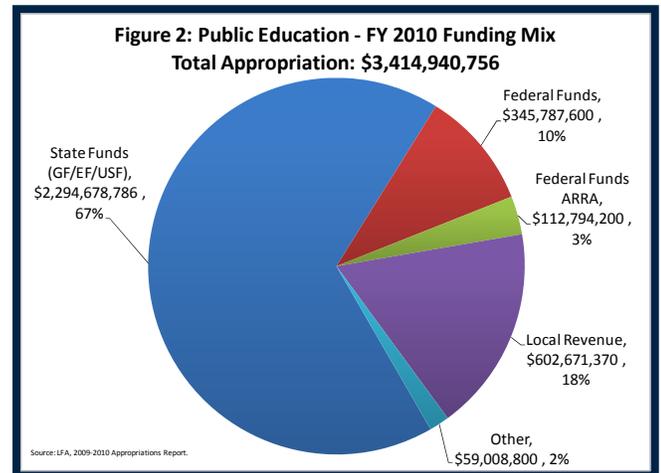
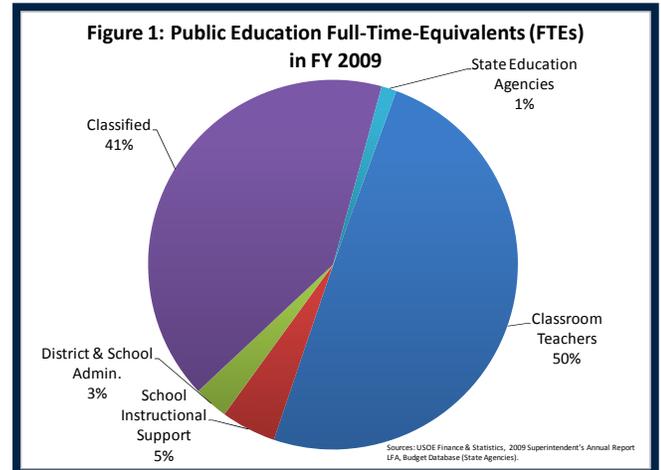
BUDGET BRIEF

SUMMARY

Appropriations supporting public schools in Utah represent the largest expenditure in the State budget, totaling more than \$3.4 billion in FY 2010. Funding supports the education of 563,270 students and the employment of over 50,000 full-time equivalent (FTE) employees, of which, over 29,000 are licensed and working in the school districts and charter schools. Figure 1 provides a breakdown of public education FTEs by major category. The subcommittee oversees the appropriation of these funds through three primary areas:

- First, the **Minimum School Program** provides general operating revenue to all 41 school districts and nearly 75 charter schools. The majority of funding is distributed through a foundation program on a weighted-pupil basis. Funding from restricted categorical programs supplements the foundation program.
- Second, the **School Building Program** supports school districts in school building construction and renovation. School districts receive funding on a formula basis that targets funding to those school districts with the lowest property tax yield per student in Average Daily Membership (ADM).
- Finally, the **Education Agencies** administer and support the delivery of public education services in the school districts and charter schools. Individual budget categories include: the Utah State Office of Education, State Charter School Board, Educator Licensing, Child Nutrition Programs, Fine Arts Outreach, Science Outreach, and Education Contracts.

Utah's constitution states that the "general control and supervision of the public education shall be vested in a State Board of Education" (Article 10, Section 3). The State Board of Education oversees each of the three principal areas in the education budget and distributes all funding appropriated by the Legislature to support the system.



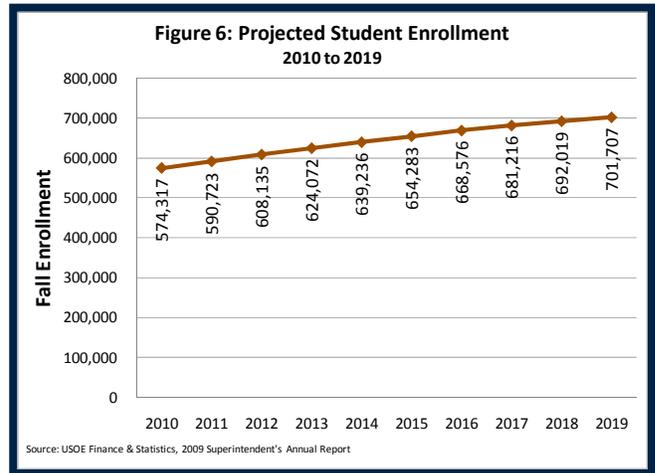
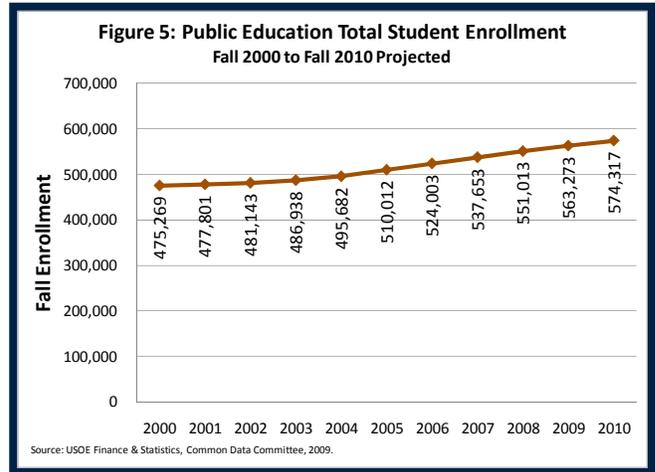
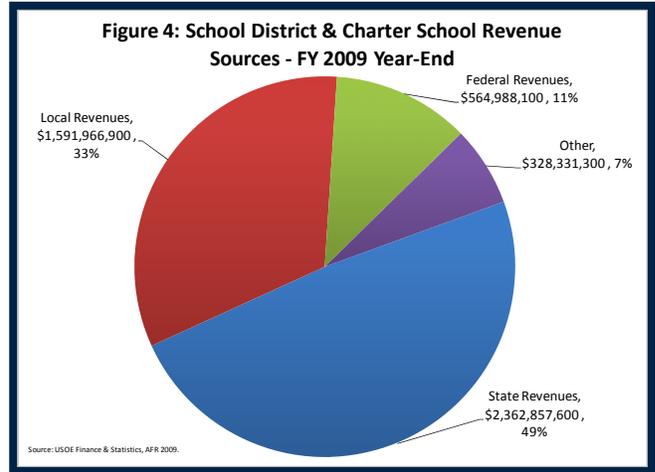
BUDGET SUMMARY

Figure 2 shows that 67 percent of the appropriated budget for public education comes from state revenue sources – specifically the Education Fund & Uniform School Fund. Local property tax revenues, specifically the Basic Levy, Board Leeway & Voted Leeway contribute an additional 18 percent to the total. Finally, Federal Funds provide an additional 13 percent. Federal funding, through the American Recovery & Reinvestment Act (ARRA), added approximately 3 percent more federal dollars into the system than in previous years.

Figure 3 provides a history of total public education appropriations over the past decade. Appropriations peaked in FY 2009 at more than \$3.7 billion. FY 2010 appropriations show the impact of the current economic downturn on the budget.

Total School District & Charter School Revenue

The state budget does not account for all revenues expended in public education. School districts and charter schools report a total of \$4.8 billion in revenues in FY 2009 (Figure 4), compared to \$3.7 billion in the state budget for FY 2009.¹ State revenues to public education provide approximately 50 percent of the total revenues to school districts and charter schools. Local revenues contribute 33 percent, including the 18 percent appropriated as part of the state budget.



STUDENT ENROLLMENT

Enrollment estimates for fall 2010 (FY 2011) indicate that 574,317 students will enroll in the public schools. This represents a 2 percent increase, or 11,044 students. Since 2000 (Figure 5), enrollment has increased by 99,048 students, or 20.8 percent.

In FY 2019, estimates indicate a total student enrollment of over 701,000 students (Figure 6). Fall enrollment projections show increases of more than 2 percent each year, resulting in annual increases of 11,000 to 17,000 a year. The projected pace of enrollment increases over the next decade is slightly faster than the previous decade. Estimates show an increase of approximately 127,400 new students, or 22.2 percent.

¹ FY 2009 Annual Financial Report, Utah State Office of Education. School districts and charter schools annually report revenues and expenditures at the conclusion of the fiscal year. FY 2010 information will not be available until fall 2010.

EDUCATION STATISTICS

Average Class Sizes

Figure 7 reports statewide average class sizes in Utah’s elementary schools by grade. In three grades, average class sizes remained flat from 2008 to 2009, kindergarten (21.0), fifth (25.0), and sixth (25.0). The average increased in 2009 for three grades; first (from 21.0 to 22.0), second (from 22.0 to 23.0), and third (from 23.0 to 24.0). Finally, in 2009 the average decreased in fourth grade from 25.0 to 24.6.

High School Graduation

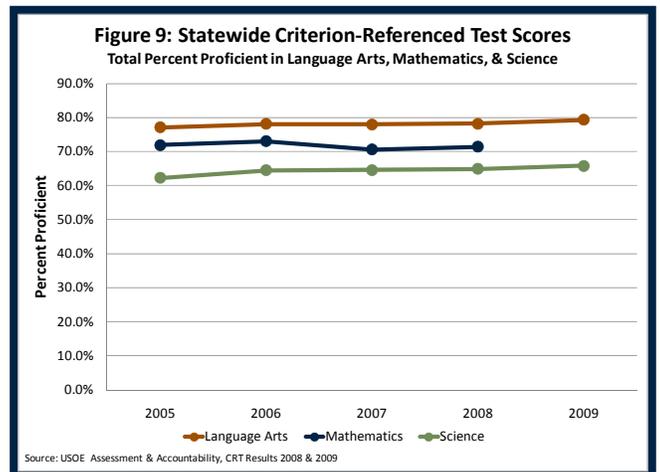
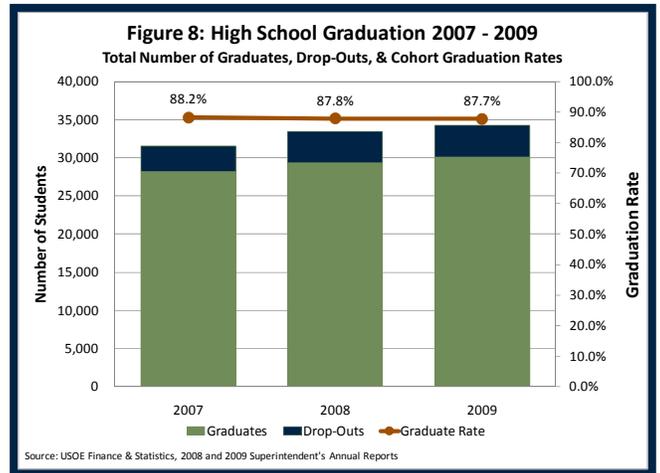
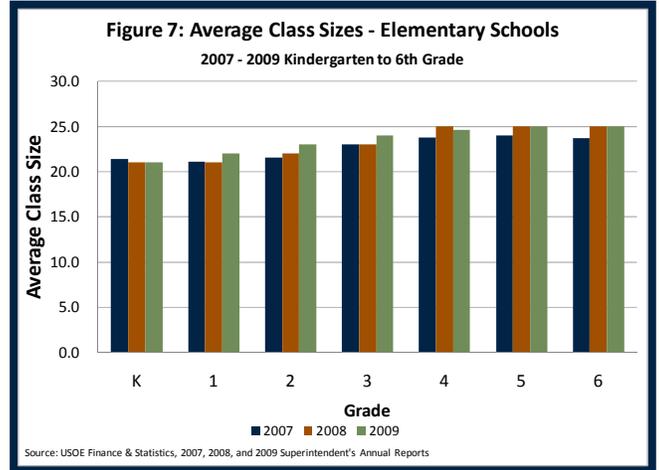
The columns in Figure 8 detail the total number of high school graduates and drop-outs in 2007-2009. In 2009, 30,081 students graduated from public schools in Utah and 4,211 students dropped out.

The second axis shows the cohort graduation rate for each year. The three-year history shows a slight decline in the cohort graduation rate, 88.2 percent in 2007, 87.8 percent in 2008, and 87.7 percent in 2009.

Criterion-Referenced Test (CRT) Score

Utah’s CRTs “are to measure and assess the knowledge, skills, and abilities of students in the three core curriculum areas of English Language Arts, Mathematics, and Science as outlined in the Utah Core Curriculum.”² The statewide scores reported in Figure 9 show the total percent proficient in each of the core areas over the prior five school years.

Language Arts CRT scores have improved over the past five years, beginning at 77.1 percent proficient in 2005 and 79.3 percent proficient in 2009. The Mathematics CRT scores have fluctuated over the past four years. Beginning at 71.8 percent proficient in 2005 and ending at 71.4 percent proficient in 2008. The 2009 Mathematics CRT is not included in this comparison because a new math core was implemented. The new aligned CRTs have different cut scores and cannot be compared to prior tests. The 2009 CRT creates a new base-line for future comparison and is a more difficult test, with 66.3 percent testing proficient. Finally, the Science CRT scores have also improved in the past five years. Science scores started at 62.2 percent proficient in 2005 and 65.8 percent proficient in 2009.



For additional information on these and additional data sources, please refer to Data & Statistics section found on the Utah State Office of Education’s web-site: www.schools.utah.gov. Information contained in this brief is found in the 2009 Superintendent’s Annual Report and the Utah Statewide Scores on the Criterion-Referenced Tests (CRT) 2008 and 2009.

² Utah State Office of Education, Utah Statewide Scores on the Criterion-Referenced Tests (CRT) 2008-2009.

PUBLIC EDUCATION: GENERAL BUDGET OVERVIEW

BUDGET DETAIL TABLE

Public Education						
Sources of Finance	FY 2009 Actual	FY 2010 Appropriated	Changes	FY 2010 Revised	Changes	FY 2011* Base Budget
General Fund	2,312,500	2,312,500	0	2,312,500	(46,200)	2,266,300
General Fund, One-time	1,090,600	0	0	0	0	0
Uniform School Fund	2,260,854,586	2,108,936,686	0	2,108,936,686	(42,015,963)	2,066,920,723
Uniform School Fund, One-time	171,511,600	183,429,600	0	183,429,600	(183,429,600)	0
Federal Funds	366,796,100	345,787,600	(52,600)	345,735,000	0	345,735,000
American Recovery and Reinvestment Act	185,581,800	112,794,200	0	112,794,200	(112,794,200)	0
Dedicated Credits Revenue	34,729,800	29,722,000	1,590,200	31,312,200	(1,577,600)	29,734,600
Federal Mineral Lease	3,458,700	846,400	0	846,400	0	846,400
Restricted Revenue	1,206,600	0	1,206,600	1,206,600	(904,200)	302,400
GFR - Land Exchange Distribution Account	277,200	302,400	(302,400)	0	0	0
GFR - Substance Abuse Prevention	0	494,500	(494,500)	0	494,500	494,500
USFR - Interest and Dividends Account	26,499,500	20,409,700	(409,700)	20,000,000	409,700	20,409,700
USFR - Professional Practices	0	1,466,700	(1,466,700)	0	1,466,700	1,466,700
Local Revenue	592,118,974	602,671,370	0	602,671,370	(18,256,692)	584,414,678
Transfers	7,893,900	5,341,900	(28,700)	5,313,200	672,100	5,985,300
Beginning Nonlapsing	22,477,300	51,045,400	(34,775,900)	16,269,500	35,400,600	51,670,100
Closing Nonlapsing	(16,269,500)	(50,463,600)	34,956,800	(15,506,800)	(36,306,300)	(51,813,100)
Lapsing Balance	(379,100)	(156,600)	(50,800)	(207,400)	(300)	(207,700)
Total	\$3,660,160,560	\$3,414,940,756	\$172,300	\$3,415,113,056	(\$356,887,455)	\$3,058,225,601
Agency						
State Board of Education	482,456,600	445,241,100	172,300	445,413,400	(4,199,700)	441,213,700
Minimum School Program	0	0	0	0	0	0
MSP - Basic School Program	1,840,119,735	1,885,124,463	0	1,885,124,463	(32,060,763)	1,853,063,700
MSP - Related to Basic Programs	804,427,121	685,354,703	0	685,354,703	(291,160,300)	394,194,403
MSP - Voted and Board Leeways	359,913,204	366,720,790	0	366,720,790	(19,016,692)	347,704,098
MSP - One-time Initiatives	30,955,000	10,000,000	0	10,000,000	(10,000,000)	0
School Building Programs	42,288,900	22,499,700	0	22,499,700	(450,000)	22,049,700
Restricted Revenue - PED	100,000,000	0	0	0	0	0
Total	\$3,660,160,560	\$3,414,940,756	\$172,300	\$3,415,113,056	(\$356,887,455)	\$3,058,225,601
Categories of Expenditure						
Personnel Services	43,961,800	46,587,500	(266,200)	46,321,300	(748,500)	45,572,800
In-state Travel	704,000	859,600	(192,000)	667,600	(5,000)	662,600
Out-of-state Travel	292,100	371,300	(83,100)	288,200	0	288,200
Current Expense	34,721,200	20,114,800	11,646,500	31,761,300	2,491,600	34,252,900
DP Current Expense	1,189,500	816,000	2,883,500	3,699,500	(2,750,000)	949,500
DP Capital Outlay	466,700	265,100	438,500	703,600	(365,000)	338,600
Capital Outlay	93,400	17,000	(15,500)	1,500	0	1,500
Other Charges/Pass Thru	3,578,731,860	3,345,909,456	(14,239,400)	3,331,670,056	(355,510,555)	2,976,159,501
Total	\$3,660,160,560	\$3,414,940,756	\$172,300	\$3,415,113,056	(\$356,887,455)	\$3,058,225,601
Other Data						
Budgeted FTE	654.3	645.5	35.1	680.6	0.4	681.0
Vehicles	70.0	70.0	0.0	70.0	0.0	70.0
Weighted Pupil Units	0	0	0	0	745,100	745,100

Note: FY 2011 represents the first year that Weighted Pupil Units (WPU) for the MSP-Basic School Program were included in the budget database that generates this table. Prior year WPU may be found in the annual appropriations reports published by the Legislative Fiscal Analyst.