



2011 In-Depth Budget Review

Minimum School Program &
Utah State Office of Education

Study Request

- Fulfills Joint Rule 3-2-502
- May 2011 Assignment:
 - The Minimum School Program, including beginning dates, original stated purposes, sponsors, funding history, whether funding is going to original stated purposes and performance measures



Report

- Program Expenditures Near \$3 Billion
- Report Divided into Six Parts
 - Part 1: Report Overview & Background of Public Education
 - Part 2: MSP – History and Origins
 - Part 3: MSP – Distribution Formulas
 - Part 4: MSP – Expenditure Reporting of LEAs
 - Part 5: MSP – Performance Measurement
 - Part 6: In-Depth Review of the USOE
- Executive Summary & MSP Highlights



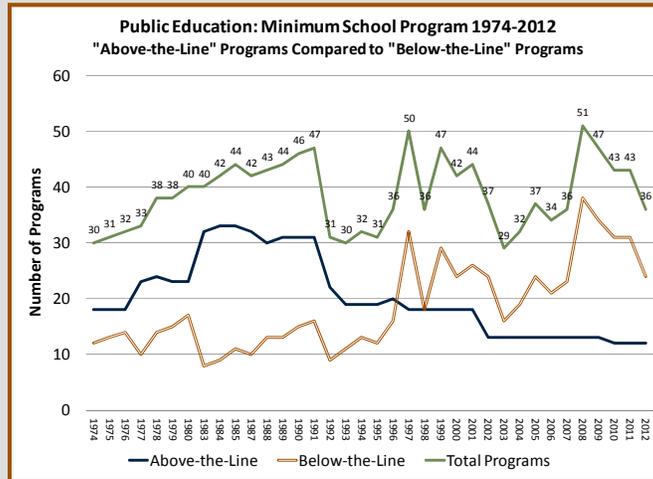
Part 2: MSP History

Minimum School Program: FY 2012 Program Origin Dates			
Basic School Program		Related to Basic School Program	
1. Kindergarten	1974	1. Pupil Transportation - To & From School	1974
2. Grades 1-12	1974	2. Guarantee Transportation Levy	2000
3. Necessarily Existent Small Schools	1974	3. Flexible Allocation - WPU Distribution	2010
4. Professional Staff	1974	4. Enhancement for At-Risk Students	1989
5. Administrative Costs	1974	5. Youth-In-Custody	1983
Restricted Basic School Program		6. Adult Education	1974
6. Special Education - Add-on WPU's	1974	7. Enhancement for Accelerated Students	1977
7. Special Education - Pre-School	1991	8. Concurrent Enrollment	1997
8. Special Education - Self Contained	1983	9. School LAND Trust Program	2001
9. Special Education - Extended Year Program	1984	10. Charter School Local Replacement	2004
10. Special Education - State Programs	1977	11. Charter School Administrative Costs	2007
11. Career & Technology Education - Add-on	1974	12. K-3 Reading Improvement Program	2005
12. Class Size Reduction	1978	13. Educator Salary Adjustments	2008
Leeways		14. Teacher Salary Supplement	2009
23. Voted Leeway	1974	15. Library Books & Electronic Resources	2007
24. Board Leeway	1991	16. Matching Fund for School Nurses	2008
25. Board Leeway - K-3 Reading Program	2005	17. Critical Languages & Dual Immersion	2008
		18. Year Round Math/Science (USTAR Centers)	2009
		19. Teacher Supplies and Materials (One-Time)	1996
		20. Beverley Taylor Sorenson Arts (One-Time)	2009
		21. Early Intervention (One-Time)	2012
		22. Pilot Assessment (One-Time)	2012

More Information in Part 2 Page 13



Part 2: Programs Over Time

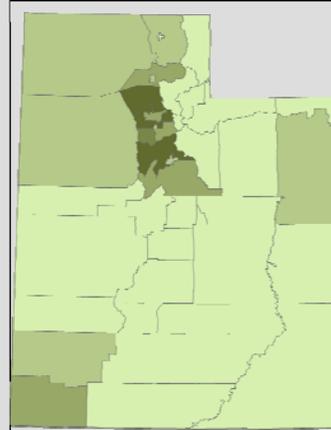
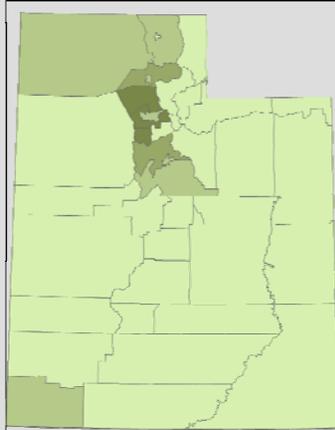


More Information in Part 2 Page 8



Part 3: Funding Distribution

- K-12 Distribution 1995
- K-12 Distribution 2010



More Information in Part 3 Pages 10-14



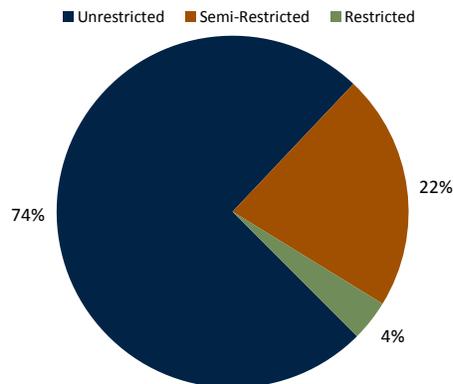
Part 3: Funding Distribution

- The Analyst Recommends:
 - Reinstating an independent review of USOE's application of statutory distribution formulas and allocations to school districts and charter schools



Part 4: Funding Flexibility

Figure 4-1: MSP - Local Expenditure Flexibility
FY 2012 Total Budget - \$2,962,379,694



More Information in Part 4 Page 2



Part 4: Expenditure Reporting

- The Analyst Recommends:
 - Implement a statewide financial management database for LEAs to report financial data.
 - Include review and support procedures by the State Board of Education to improve data accuracy, consistency, and general ease of use.
 - Require the State Board of Education to develop a mechanism to report LEA expenditures by appropriated program.
 - Include a mechanism to report school-level financial data



Part 5: Performance Measures

- The Analyst Recommends:
 - Develop program-level performance measures for each semi-restricted and restricted program.
 - Require the State Board of Education to develop a comprehensive performance plan for the MSP, identifying specific outcome & evaluation metrics.
 - Require the State Board of Education to annually report to the Public Education Appropriations Subcommittee on the effectiveness of each program.



Part 6: Utah State Office of Education

**Utah State Office of Education
Expenditure and FTE History**

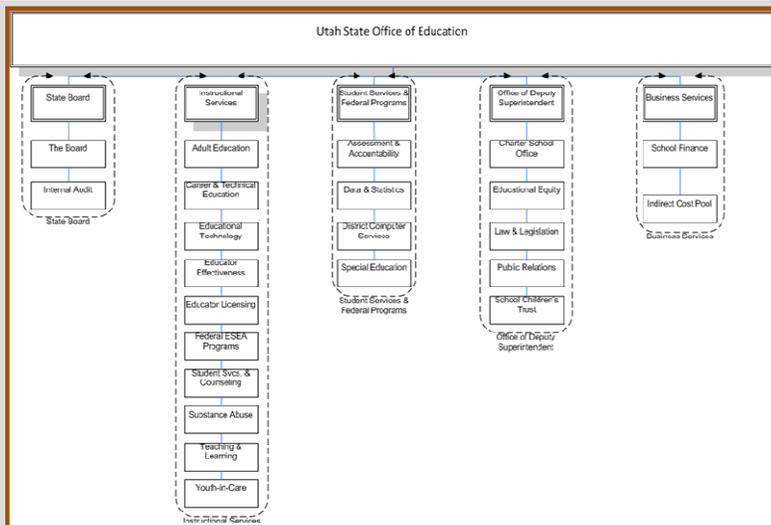
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Personnel Services	20,997,100	22,649,100	23,667,800	22,334,600	22,263,800
In-state Travel	294,500	333,300	209,800	263,000	259,700
Out-of-state Travel	300,000	330,000	241,600	224,800	271,700
Current Expense	19,276,100	20,245,500	28,861,400	21,006,000	17,735,500
DP Current Expense	934,800	815,700	951,000	839,300	841,600
DP Capital	70,300	36,600	302,900	665,100	1,857,500
Capital Expenditure	9,500	-	11,500	-	-
Pass-through	237,259,400	233,289,800	242,624,900	255,996,600	340,214,100
Total	279,141,700	277,700,000	296,870,900	301,329,400	383,443,900
Actual FTE	268.0	272.0	271.2	259.7	253.8

**Utah State Office of Education
FY 2011 Actual Budget Sources**

	Ed Fund/GF	Fed Funds	Ded Cred	Other	Total
Personnel Services	10,877,000	5,554,600	1,117,200	4,715,000	22,263,800
In-state Travel	150,500	76,700	11,700	20,800	259,700
Out-of-state Travel	93,000	160,800	3,400	14,500	271,700
Current Expense	4,859,900	8,740,100	1,069,100	3,066,400	17,735,500
DP Current Expense	65,800	330,700	62,700	382,400	841,600
DP Capital	-	1,695,700	-	161,800	1,857,500
Pass-through	4,019,200	326,862,700	6,204,100	3,128,100	340,214,100
Total	20,065,400	343,421,300	8,468,200	11,489,000	383,443,900



Part 6: Appropriation versus Operating Structure



USOE Retirement Plans

State of Utah Employees' OPEB Plan
Preliminary December 31, 2010 GASB 43/45 Valuation Results

	Office of Education	Office of Transportation	Public Safety	Other State Employees	Total
Present Value of Benefits	30,814,335	74,710,764	53,338,438	407,178,373	566,041,910
Actuarial Accrued Liability	19,011,674	66,423,815	47,812,352	348,144,689	481,392,530
Assets	3,984,152	10,614,890	7,544,685	84,460,986	106,604,713
Unfunded Accrued Liability	15,027,522	55,808,925	40,267,667	263,683,703	374,787,817
OPEB Annual Required Contribution Comparison					
2009 Valuation	1,633,000	6,082,000	4,331,000	31,774,000	43,820,000
2011 Valuation	1,960,600	5,115,900	3,716,500	26,800,600	37,593,600
Change	327,600	-966,100	-614,500	-4,973,400	-6,226,400



Performance Measures and Cost-Benefit Analysis

- Output measures vs. USOE contribution to the outcome

Examples: Cost-Benefit

	Direct Costs	Benefits in \$	Benefits - Costs (Probability the Program loses \$)
Internal Auditing	204,000	?	? (50%?)
Public Relations	130,700	?	? (50%?)

