MINIMUM SCHOOL PROGRAM CATEGORICAL PROGRAM OVERSIGHT UPDATE

EXECUTIVE APPROPRIATIONS COMMITTEE
STAFF: BEN LEISHMAN AND JILL CURRY

ISSUE BRIEF

SUMMARY

During the 2016 General Session, House Bill 433, "Minimum School Program Amendments" was drafted to implement several motions taken by the Public Education Appropriations Subcommittee. This bill did not pass during the session and the changes were not implemented. The changes included in the bill sought to address several issues:

1. Eliminate the Teacher Salary Supplement Restricted Account;
2. Eliminate the requirement to spend a portion of the Career & Technical Education Add-on appropriation for Comprehensive Guidance Grants; and
3. Amended provisions related to the payment of tuition for students attending schools outside the state.

Legislative Action

Legislation for the 2017 General Session will need to be prepared to implement these changes. The subcommittee may wish to re-evaluate these changes and identify sponsors for potential legislation.

TEACHER SALARY SUPPLEMENT RESTRICTED ACCOUNT

The Teacher Salary Supplement Restricted Account was created when the program was managed through the Utah Department of Human Resource Management and the Utah Division of Finance. The restricted account was created to receive appropriations from the Education Fund and be used by the Division of Finance to pay LEAs for salary supplements earned by qualifying teachers. This mechanism was created because neither agency could receive direct appropriations from the Education Fund.

During the 2014 General Session, the Legislature moved the management of the program to the State Board of Education. This change eliminated the need for the restricted account since the Board can receive direct appropriations from the Education Fund and would eliminate a complicated accounting structure for the Board to manage.

Recommendation

The Legislature may wish to consider the following recommendations:

- Eliminate the Teacher Salary Supplement Restricted Account and appropriate funding for the program directly to the State Board of Education.

CAREER & TECHNICAL EDUCATION – COMPREHENSIVE GUIDANCE GRANTS

Statute, 53A-17a-113, states "of the money allocated to comprehensive guidance programs pursuant to board rules, $1,000,000 in grants shall be awarded to school districts or charter schools that: (a) provide an equal amount of matching funds; and (b) do not supplant other funds used for comprehensive guidance programs." After a review by the State Auditor (Report Number 14-39), the Auditor found that no grants to LEAs are currently being awarded. The State Auditor recommends that the Board "property allocate comprehensive guidance funds according to Utah Code 53A-17a-113. If the statute is deemed to be unclear, we recommend that the USOE work towards clarifying the statute through the Legislative process."

In order to execute the grant program as outlined in statute, the State Board of Education would need to reduce the general allocation of comprehensive guidance funding to LEAs and redistribute using a grant program. This would alter the allocations among LEAs as not separate funding is available for the grants.

Recommendation

The Legislature may wish to consider the following recommendations:

- Amend statute to eliminate the Comprehensive Guidance Grant Program requirement.

OUT-OF-STATE TUITION

Since the early 1980s, certain school districts have received payment for a portion of the costs of out-of-state tuition when a resident student attends school in a neighboring state. The Legislature does not provide an annual appropriation for these costs and they are funded out of prior-year nonlapsing balances. Historically, the state has paid the difference between the invoiced tuition amount and the cost of instructional and support WPUs (K-12, Professional Staff, Administrative Costs, and Accelerated Learning Programs).[1]

Approximately $198,200 in nonlapsing balance funding is used each year to fund out-of-state tuition costs. Three school districts currently receive reimbursement, namely, Box Elder, Kane, and South Summit.

Statute allows LEAs to count these out-of-state tuition students in average daily membership counts and the LEA receives state funding for the student. Statute, 53A-2-204 states the following:

> *(1) A local school board may by written agreement pay the tuition of a child attending school in a district outside the state. Both districts shall approve the agreement and file it with the State Board of Education.*
>
> *(2) The average daily membership of the child may be added to that of other eligible children attending schools within the district of residence for the purpose of apportionment of state funds.*
>
> *(3) The district of residence shall bear any excess tuition costs over the state's contribution for attendance in the district of residence unless otherwise approved by the State Board of Education.*

There is no recent history of the Board approving in advance reimbursements above the State's contribution. Similarly, the Board does not have rules or policies in place to govern the process of filing agreements and request reimbursement.

Including students in the ADM count of the district generates more funding through categorical programs than the current methodology. As stated previously, the USOE has provided the difference between the tuition cost and per-student funding received from the Kindergarten, Grades 1-12, Professional Staff, Administrative Costs, and Accelerated Learning Programs. The ADM of a district is also used in the funding allocations for the following programs: Class Size Reduction, Flexible Allocation, K-3 Reading, and the Voted & Board Local Levy guarantees.

Recommendations

The Legislature may wish to consider the following recommendations:

- Eliminate additional state funding for Out-of-State tuition.
- Amend statute to eliminate *"*unless otherwise approved by the State Board of Education."

[1] Utah State Office of Education, Out of State Tuition Payments Memorandum, November 2015.