

## Fiscal Highlights

### **FY 2018 Education Budget Process Begins** - Ben Leishman

October is an important month when it comes to developing next year's public education budget. This is the month where we develop consensus student enrollment projections and school district taxable value estimates. Both these data sources are used to determine the state cost for the Minimum School Program, specifically, Weighted Pupil Units (WPU) and local property tax guarantee programs (Voted & Board Local Levy Programs).

Statute, 53A-17a-106, states that WPU are based on the Average Daily Membership (ADM) of pupils enrolled in the public schools. ADM is really just a full-time equivalent (FTE) student measure. Statute directs the State Board of Education to use a concept called "Prior-Year Plus Growth" in determining allocations of funding in programs using ADM. Under Prior-Year Plus Growth, ADM is determined "based on the actual kindergarten through grade 12 average daily membership for the previous year plus an estimated percentage growth factor."

The enrollment projections created during October of each year fulfill this statutorily required "growth factor." Statute continues by stating the "growth factor is the percentage increase in total average daily membership of the first school day of October in the current year as compared to the total average daily membership on the first school day of October of the previous year."

On the first school day in October, all public schools in Utah conduct an enrollment census. Each school district and charter school reports their 'current year' enrollment to the Utah State Board of Education. Once State Board staff have verified the local data submissions, the current year enrollment numbers are used to project enrollments for the coming school year.

Projections, both enrollment and taxable value, are conducted by an informal group called the Common Data Committee (CDC). This committee consists of individuals from the Office of the Legislative Fiscal Analyst (LFA), Governor's Office of Management and Budget, Utah State Board of Education (Board). The Utah State Tax Commission participates in the process of developing a taxable value estimate and the State has recently contracted with the Gardner Policy Center at the University of Utah to participate in the state demographic/enrollment process.

Once all base data is collected, each participating entity produces an independent projection for the coming year taxable value in each school district and total student enrollment in the state. The CDC comes together several times during October to agree on consensus estimates based on the input of each entity. The enrollment projection is then used by staff from the Board and LFA to develop anticipated growth WPU in the Minimum School Program. WPU are the final consensus estimate done by the CDC. These consensus figures are then used to develop the enrollment growth cost estimate for the coming fiscal year.

Next month, I will provide a summary of these consensus estimates for the coming fiscal year and highlight some of the basic information used in developing the estimates.