

Budget Brief – State Charter School Board

SUMMARY

The State Charter School Board (SCSB) was created by legislation passed during the 2004 General Session to authorize and promote the establishment of charter schools. Further, the board advises the State Board of Education on charter school issues. A total of 7 members appointed by the Governor sit on the charter school board. The Governor appoints members based on nominations from the State Board of Education. The Board has an Executive Director and professional staff to support its operations. The State Superintendent appoints the staff director with the consent of the SCSB.

ISSUES AND RECOMMENDATIONS

The Executive Appropriations Committee (EAC) has made base budget allocations to the various appropriations subcommittees. The budget detail table on page 2 does not include funding for the recommendations presented in this brief or other budget priorities the subcommittee may wish to consider.

The co-chairs of the EAC recommend that the subcommittee complete the following tasks: review agency base budgets; reallocate revenue where possible within the base budget to meet new subcommittee budget priorities; and, develop a priority list, to be submitted to the EAC, of new budget priorities not completed through budgetary reallocations.

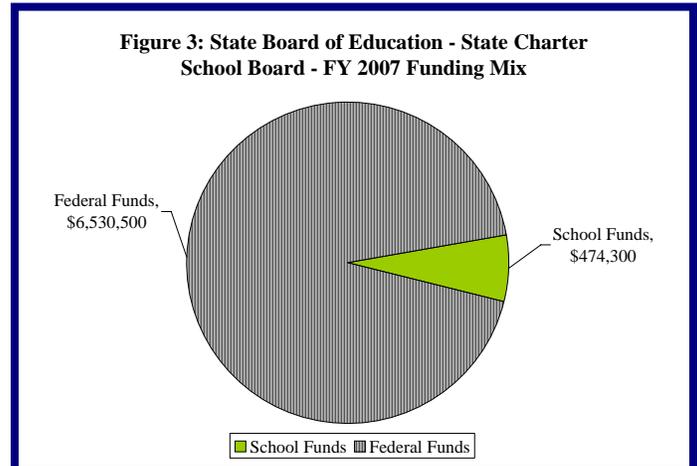
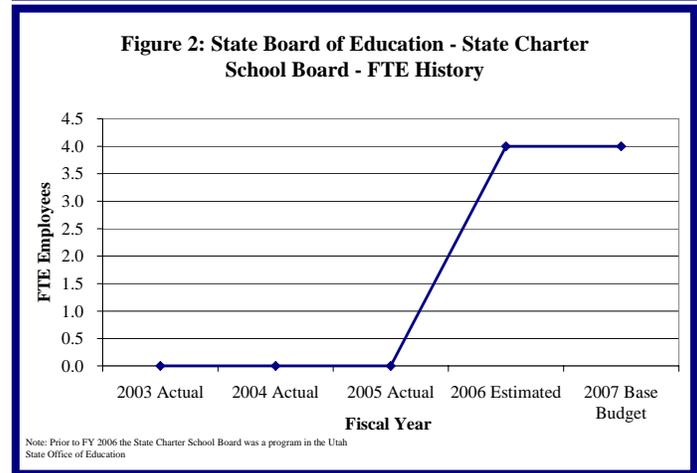
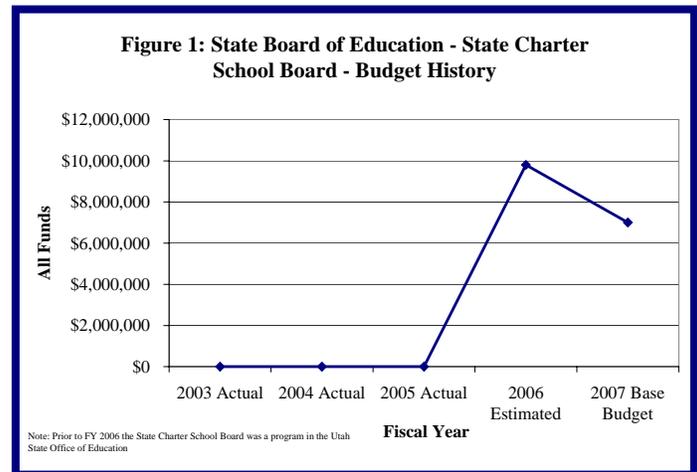
Significant Budget Issues

Members of the SCSB face two significant budget related issues: student enrollment growth in the charter schools, and an increasing number of new schools applying for a state charter to begin a school. Enrollment in charter schools is expected to increase in FY 2007 to a total of 18,867, an increase of 7,327. During the past year a total of 20 schools applied for a charter from the Board. The Board granted charters for 13 of these applications. Cache and Salt Lake school districts both approved a charter school. These approvals bring the total number of charter schools in the state to 52.

Issue Briefs

Several Issue Briefs provide the subcommittee with additional information on FY 2007 SCSB budget issues. Please refer to these Issue Briefs for additional information on the following topics:

- **MSP 01** – ‘School Level Administration’ provides information on establishing a Charter School Administrative Cost Formula in the Minimum School Program.



- **MSP 02** – ‘Local Replacement – Formula Change’ details two proposals to change the formula used to estimate the per-student funding amount used in the Minimum School Program – Local Replacement Funding Program.
- **SCSB 1** – ‘Charter School Start-up Funding’ provides information on providing start-up funds to newly chartered schools in their first year of operation. A second component provides start-up revenue to the remaining three high tech charter high schools.
- **SCSB 2** – ‘Building Lease Reimbursement’ details a proposal to provide a state-fund reimbursement to charter schools for expenses associated with property tax charges included in building lease payments.
- **PED 1** – ‘Federal Funds’ provides information on all federal funds received by education agencies.

BUDGET DETAIL

Revenue supporting the SCSB comes from two sources, the State’s Uniform School Fund and Federal Funds. The Uniform School Fund provides approximately 7 percent of the total revenue supporting the Charter School Board. Of the total \$7,004,800 budget, 94 percent is passed on to the State’s charter schools.

State Board of Education - State Charter School Board						
Sources of Finance	FY 2005 Actual	FY 2006 Appropriated	Changes	FY 2006 Revised	Changes	FY 2007* Base Budget
Uniform School Fund	0	474,300	0	474,300	0	474,300
Uniform School Fund, One-time	0	2,800,000	0	2,800,000	(2,800,000)	0
Federal Funds	0	5,201,300	1,329,200	6,530,500	0	6,530,500
Total	\$0	\$8,475,600	\$1,329,200	\$9,804,800	(\$2,800,000)	\$7,004,800
Programs						
State Charter School Board	0	8,475,600	1,329,200	9,804,800	(2,800,000)	7,004,800
Total	\$0	\$8,475,600	\$1,329,200	\$9,804,800	(\$2,800,000)	\$7,004,800
Categories of Expenditure						
Personal Services	0	374,500	(53,900)	320,600	(200)	320,400
In-State Travel	0	0	21,000	21,000	0	21,000
Out of State Travel	0	0	10,600	10,600	0	10,600
Current Expense	0	0	79,300	79,300	0	79,300
DP Current Expense	0	0	5,600	5,600	0	5,600
Other Charges/Pass Thru	0	8,101,100	1,266,600	9,367,700	(2,799,800)	6,567,900
Total	\$0	\$8,475,600	\$1,329,200	\$9,804,800	(\$2,800,000)	\$7,004,800
Other Data						
Budgeted FTE	0.0	4.0	0.0	4.0	0.0	4.0

*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

LEGISLATIVE ACTION

This section summarizes what actions might be taken if the Legislature wishes to adopt the recommendations presented in this brief. The Analyst recommends that the Legislature:

1. Reaffirm the FY 2007 base budget amount of \$7,004,800 as detailed in the Budget Detail Table above.
2. Review the FY 2006 Supplemental and FY 2007 budget issues detailed in the Issue Briefs mentioned above: charter school administrative cost formula; changes to the Local Replacement Funding program; start-up funding for newly approved charter schools and the three remaining High Tech Charter High Schools; and, reimbursement to charter schools for property taxes paid as a component of building leases. The subcommittee may wish to include these items in its prioritized recommendations to the executive committee.
3. Following the transfer of two FTE from the USOE to the SCSB in the 2005 General Session, review the staff transaction and how the transfer impacted the overall workload of SCSB staff.