

# Budget Brief – MSP Related to Basic Programs

PED BB-05.0

## SUMMARY

The Minimum School Program – Related to Basic Programs includes several categorical programs often referred to as ‘below-the-line’ or ‘non-Weighted Pupil Unit (WPU) driven’ programs. These programs supplement the Basic School Program offered in the school districts and charter schools. Unlike Basic School Programs, the Related to Basic Programs do not increase each year based on the number or value of the WPU. The Legislature determines program funding levels each year through the appropriations process.

## ISSUES AND RECOMMENDATIONS

Revenues allocated to support the Related to Basic Programs assists school districts and charter schools in providing specific statewide educational programs, funding initiatives, or goals. Please refer to the Minimum School Program budget detail table, located behind Tab 4, for the FY 2008 base budget allocations for each of the Related to Basic categorical programs. All programs below-the-line are considered Related to Basic Programs.

House Bill 3 ‘Minimum School Program Base Budget Amendments’ (Last, B.) includes some adjustments for selected Related to Basic Programs. These adjustments accommodate for student growth anticipated in FY 2008. Historically, two programs (Social Security & Retirement and Pupil Transportation) increase with changes in the number of WPUs (enrollment growth) and changes in the value of the WPU. The FY 2008 base budget includes funding increases to additional Related to Basic Programs to accommodate for anticipated enrollment growth. Please refer to the Issue Brief titled “Enrollment Growth” for more information on these programs.

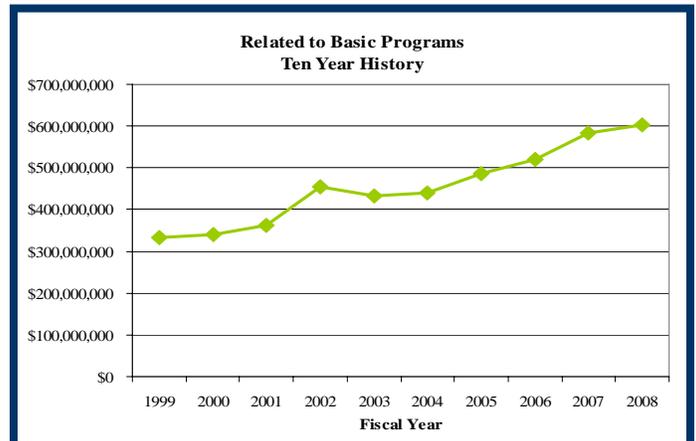
### *Issue Briefs*

Please refer to the Issue Briefs listed below for additional information on the following topics:

- **MSP 1** – ‘Enrollment Growth’ details funding increases included in the Minimum School Program base budget to accommodate the estimated growth in students entering Utah’s public schools in fall 2007.
- **MSP 6** – ‘Teacher Supplies & Materials’ provides information on the estimated cost to reimburse classroom teachers for some of the out-of-pocket expenditures made on educational supplies and materials used to support classroom instruction.
- **MSP 7** – ‘Voted and Board Leeway State Guarantee’ provides information on the level of funding required to provide the state guarantee in FY 2008 total program cost estimates for the upcoming fiscal year.

Minimum School Program Related to Basic School Programs Ten Year Appropriation History		
Fiscal Year	Annual Appropriation	Percent Change
1999	\$333,769,011	
2000	341,201,726	2.2%
2001	362,422,174	6.2%
2002	455,476,695	25.7%
2003	433,195,337	-4.9%
2004	440,821,142	1.8%
2005	485,024,248	10.0%
2006	519,744,773	7.2%
2007	582,827,360	12.1%
2008	603,332,794	3.5%

Source: Annual Appropriations Reports. Office of the Legislative Fiscal Analyst (01/07BL).



- **MSP 8** – ‘Pupil Transportation – To and From School’ outlines findings and recommendations contained in a Legislative Fiscal Analyst report completed during the 2006 interim on statewide pupil transportation funding.

### **Other Issues and Recommendations**

- **Electronic High School** – continued growth of students has prompted the Utah State Board of Education to request an increase of \$700,000 to support the Electronic High School (EHS). The FY 2008 base budget \$1.3 million in ongoing revenues to support the EHS. An additional \$700,000 provides a 53.8 percent increase to the ongoing budget. The EHS enrolled 52,000 students as of July 2006 – an increase of 46 percent since July 2005.

Revenues appropriated to the EHS support the administration of online courses and compensate teachers that teach online courses offered through the EHS. Included in the budget request is an increase of \$22,900 to the annual course management licensing fees

*Recommendation: The Analyst recommends that the subcommittee prioritize an additional \$700,000 in ongoing revenue to support student enrollment growth faced by the Electronic High School.*

- **English Language Learners** – approximately 75 percent of the school enrollment growth occurring in Utah from 2000 to 2005 was a result of increasing minority populations. Of the 34,700 new students attending Utah schools during 2000-05, 26,200 students came from minority populations. The largest increase occurred in the Hispanic population, 20,200 of the total 34,700 new students.<sup>1</sup> A significant segment of the increasing minority population speaks English as a second language.

The State Board of Education requests \$6,686,000 to help schools provide appropriate educational interventions for student learning to speak English and smaller class sizes in classes with ELL students.

*Recommendation: The Analyst recommends that the subcommittee prioritize an increase of \$6.6 million to support the English Language Learner Achievement Program.*

- **Public Education Job Enhancement Program Administration** – during the 2005 General Session, Legislators appropriated \$2.5 million to support the Public Education Job Enhancement Program (PEJEP). The program provides scholarships and signing bonuses for teachers in math, physics, chemistry, physical science, information technology, learning technology, and special education. Since ongoing funding was reinstated two years ago, program administration has been paid from the ongoing appropriation.

*Recommendation: The Analyst recommends that the Legislature transfer \$70,000 in ongoing Uniform School Funds from the Minimum School Program – Public Education Job Enhancement Program to the Utah State Office of Education for the annual administrative expenses associated with the program.*

- **School LAND Trust Program** – each public school in Utah has established a School Community Council that establishes an educational achievement plan that identifies a given need or educational goal at the school and uses trust lands revenue to meet this need or goal. Utah has approximately 3 million acres of school trust lands that were set aside at statehood to support the public schools. Revenue generated from these lands is saved in the permanent State School Fund. The interest and dividends earned off the investment of the State School Fund are distributed to the public schools.

The Minimum School Program base budget includes \$15,000,000 in revenue from the Uniform School Fund Restricted – Interest and Dividends Account. Estimates indicate that revenues in the Interest and Dividends Account will increase to approximately \$21,000,000. All revenue in the restricted account is distributed to public schools.

<sup>1</sup> Perlich, Pamela. Demographic Trends Shaping Utah’s Future. Bureau of Economic and Business Research. University of Utah. October 2006.

*Recommendation: The Analyst recommends that the Legislature include the estimated Interest and Dividends revenue of \$21 million in the Minimum School Program – School LAND Trust Program for distribution to the public schools.*

- **Writing Improvement** – the Utah State Office of Education implemented a 2 year pilot program that provides writing improvement software in Utah’s high schools. The software assists classroom teachers in evaluating student writing and providing timely feedback for student improvement. Pending results of the pilot program, the State Board of Education anticipates full implementation of the software.

*Recommendation: The Analyst recommends that the Legislature prioritize \$542,300 in one-time Uniform School Fund revenue to support the second year of the writing improvement software pilot project.*

**PROGRAM BUDGET**

The FY 2008 base budget for the Minimum School Program – Related to Basic School Program totals \$603,332,794, an increase of 3.5 percent over the FY 2007 budget. This increase provides revenue to support anticipated student enrollment growth costs for FY 2008. Projections indicate that an additional 14,500 new students may enroll in Utah public schools in fall 2007.

**BUDGET DETAIL TABLE**

Programs of Expenditure	PAGE	Fiscal Year 2007		FY 2008 Student Growth (H.B. 3)			
		# of WPU	Funding	# of WPU	Funding	Difference	% Change
<b>The Line</b>							
II. Related to Basic Program							
A. Related to Basic Programs	27						
1. Social Security and Retirement	27		\$310,891,038		320,564,316	9,673,278	3.1%
2. Pupil Transportation - To and From School	27-32		62,601,763		64,354,612	1,752,849	2.8%
3. Pupil Transportation - Guarantee Transportation Levy	32-33		500,000		500,000	0	0.0%
4. Public Education Job Enhancement Program	33-34		2,500,000		2,500,000	0	0.0%
<b>Subtotal Related to Basic Programs:</b>			<b>\$376,492,801</b>		<b>387,918,928</b>	<b>11,426,127</b>	<b>3.0%</b>
B. Block Grant Programs	35						
5. Quality Teaching	36		\$62,993,704		64,757,528	1,763,824	2.8%
6. Local Discretionary	36-37		21,820,748		21,820,748	0	0.0%
7. Interventions for Student Success	35		16,792,888		17,263,089	470,201	2.8%
<b>Subtotal Block Grants:</b>			<b>\$101,607,340</b>		<b>\$103,841,365</b>	<b>2,234,025</b>	<b>2.2%</b>
C. Special Populations	39						
8. Highly Impacted Schools	39		\$5,123,207		5,123,207	0	0.0%
9. Youth At-Risk Programs Total	40		27,992,056		28,775,834	783,778	2.8%
10. Adult Education	41-43		9,148,653		9,404,815	256,162	2.8%
11. Accelerated Learning Programs Total	43-44		12,010,853		12,347,157	336,304	2.8%
<b>Subtotal Special Populations:</b>			<b>\$54,274,769</b>		<b>\$55,651,013</b>	<b>1,376,244</b>	<b>2.5%</b>
D. Other Programs	45						
12. Charter Schools							
a. Local Replacement Funding	46-48		\$21,552,450		27,021,488	5,469,038	25.4%
b. School Administration			100,000		100,000	0	0.0%
13. Electronic High School	45		1,300,000		1,300,000	0	0.0%
14. Reading Program	48		12,500,000		12,500,000	0	0.0%
15. School LAND Trust Program	45-46		15,000,000		15,000,000	0	0.0%
<b>Subtotal Other Programs:</b>			<b>\$50,452,450</b>		<b>\$55,921,488</b>	<b>5,469,038</b>	<b>10.8%</b>
<b>Total Related to Basic Program:</b>			<b>\$582,827,360</b>		<b>\$603,332,794</b>	<b>20,505,434</b>	<b>3.5%</b>

**LEGISLATIVE ACTION**

This section provides a guide of what actions might be taken in the Legislature wishes to adopt the recommendations presented in this brief.

1. Review and adopt the base budget for programs in the Minimum School Program – Related to Basic School Program including individual program funding levels associated with new student growth.
2. Consider issues and recommendations discussed in this brief and the associated Issue Briefs. The subcommittee may wish to include these items in its prioritized budget recommendations submitted to the Executive Appropriations Committee.