

Budget Brief – State Charter School Board

STATE BOARD OF EDUCATION

NUMBER: PED BB SCSB-01

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. 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 Charter School 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

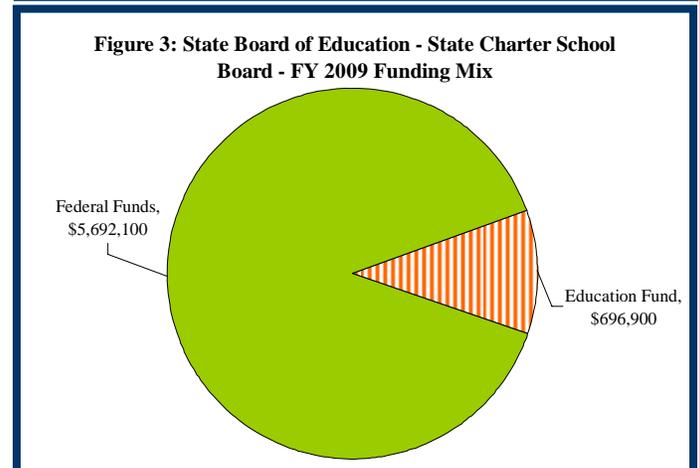
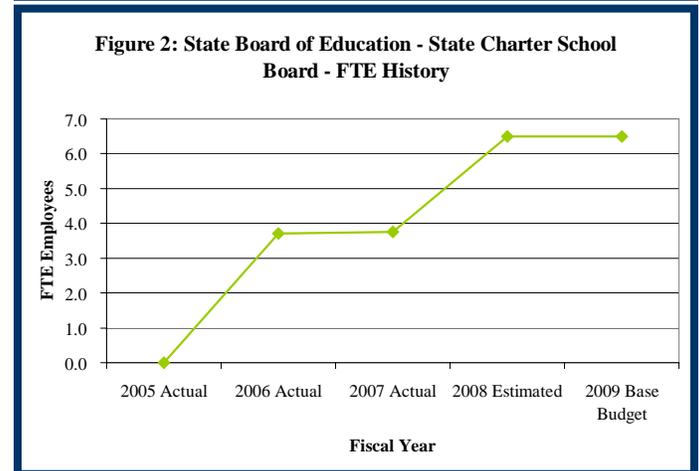
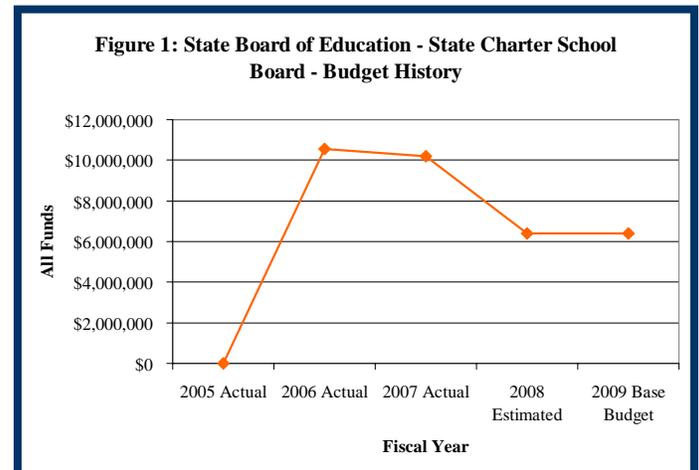
Enrollment in charter schools is expected to increase in FY 2009 to a total of 28,986, an increase of 6,790 over fall 2007. Currently, 58 charter schools operate in Utah. In fall 2008, an additional 9 charter schools are expected to begin operations for a total of 67 schools.

The FY 2009 base budget for the State Charter School Board totals \$6.3 million. Approximately 11 percent of the total funds allocated to the Board come from the Uniform School Fund, with the remainder from Federal Funds. The majority of federal funds, approximately 86 percent, are allocated to the local charter schools.

School Administrative Expenses

During the 2007 General Session, the Legislature created an administrative cost program for charter schools. The creation of this program removed charter schools from the WPU driven Administrative Costs program in the Minimum School Program. The Charter School – Administrative Costs program provided \$62 per student enrolled in a charter school in FY 2008. At a total cost of \$1.5 million, the Legislature funded the Administrative Costs program with 50 percent ongoing and 50 percent one-time Uniform School Funds.

House Bill 1 “Minimum School Program Base Budget Amendments” (2008 General Session) includes the ongoing Uniform School Funds appropriated in FY 2008. However, the one-time funds were not included in the base budget and the per-student allocation was reduced to \$31 to balance the ongoing funds appropriated in the bill.



The base budget bill does include an ongoing student growth adjustment, providing the \$31/student for each of the 6,790 new students anticipated to enroll in charter schools in fall 2008. The student growth adjustment brings total ongoing funding to \$898,566 in the FY 2009 base budget. An additional \$898,566 is required to provide the other \$31/student not included in the base budget.

- **Recommendation:** The Analyst recommends that the subcommittee prioritize an additional \$898,566 in ongoing Uniform School Funds to provide an additional \$31/student enrolled charter schools to provide for school level administrative costs.

Issue Briefs

This Issue Brief provide the subcommittee with additional information on FY 2009 State Charter School Board budget issues. Please refer to the Issue Brief for additional information on the following topic:

- PED-01: "Federal Funds" provides information all federal funds received by education agencies.
- MSP-07: "Local Replacement Formula" provides cost estimates for various Local Replacement Formula scenarios in FY 2009.

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 11 percent of the total revenue supporting the Charter School Board. Of the total \$6,389,000 budget, approximately 86 percent is passed on to the State's charter schools.

State Board of Education - State Charter School Board						
Sources of Finance	FY 2007 Actual	FY 2008 Appropriated	Changes	FY 2008 Revised	Changes	FY 2009* Base Budget
Uniform School Fund	384,500	696,900	0	696,900	0	696,900
Uniform School Fund, One-time	4,099,500	0	0	0	0	0
Federal Funds	5,692,100	7,806,700	(2,114,600)	5,692,100	0	5,692,100
Beginning Nonlapsing	135,700	0	121,200	121,200	0	121,200
Closing Nonlapsing	(121,200)	0	(121,200)	(121,200)	0	(121,200)
Total	\$10,190,600	\$8,503,600	(\$2,114,600)	\$6,389,000	\$0	\$6,389,000
Categories of Expenditure						
Personal Services	338,300	677,200	85,200	762,400	0	762,400
In-State Travel	19,200	10,700	8,600	19,300	0	19,300
Out of State Travel	13,500	12,600	900	13,500	0	13,500
Current Expense	114,100	125,600	(11,500)	114,100	0	114,100
DP Current Expense	3,800	1,100	2,700	3,800	0	3,800
Other Charges/Pass Thru	9,701,700	7,676,400	(2,200,500)	5,475,900	0	5,475,900
Total	\$10,190,600	\$8,503,600	(\$2,114,600)	\$6,389,000	\$0	\$6,389,000
Other Data						
Budgeted FTE	3.8	6.5	0.0	6.5	0.0	6.5

*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. Prioritize \$898,566 in ongoing Uniform School Funds to provide a total of \$62/student in administrative cost support in FY 2009.