



Issue Brief: Student Enrollment Growth

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE

SUMMARY

Funding increased student enrollment in the public schools continues to be a major budget factor facing the Legislature each year. As state government faces budget reductions due to declining revenues, student enrollment in the public schools continues to increase and figuring out how to manage increased costs will be a major focus of the Legislature during the 2009 General Session. Historically, the Legislature has appropriated additional funding to cover the impact of student enrollment growth in the Minimum School Program (MSP) Base Budget Amendments. Given the unique budget circumstances this year, the traditional process of addressing increased student enrollment costs may be managed differently.

DISCUSSION & ANALYSIS

Each fall, school districts and charter schools conduct a student enrollment census. This census occurs on the first school day in October. Following the census, representatives from the Legislative Fiscal Analyst, Governor’s Office of Planning and Budget, and the Utah State Office of Education establish a projected enrollment for the next fall. This projection creates a base on which to estimate growth costs for the next school year. The USOE also uses these enrollment projections to estimate the total number of Weighted Pupil Units for the next school year.

Public School Enrollment

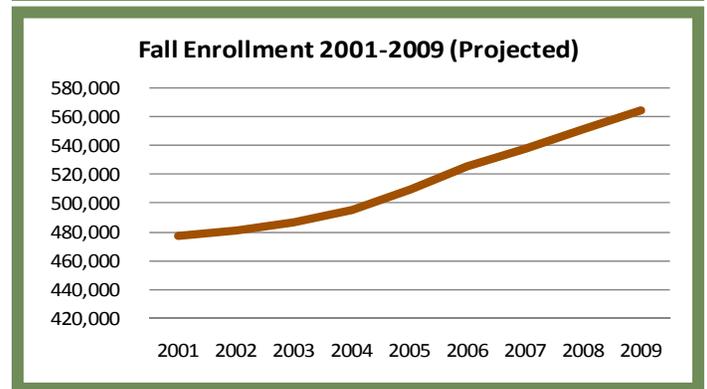
After a brief enrollment decline from 1998-2000, student enrollment growth in Utah has accelerated. Recent history shows, and projections indicate, that student enrollment growth will increase 2.5 to 2.9 percent each year for the next 7-8 years. The chart to the right provides a fall enrollment history since 1993.

In Fall 2008, Utah’s public schools enrolled 551,013 students, a 2.5 percent increase over the 2007-08 school year. Projections for Fall 2009 indicate that an additional 13,494 students will likely enroll in Utah’s public schools, an increase of 2.4 percent over Fall 2008.

With the projected student enrollment increase in Fall 2009, total student enrollment in Utah has increased by more than 89,200 students since 2000. Student enrollment growth since 2000 represents an increase of approximately 18.8 percent.

Year	Fall Enrollment	Annual Change	Percent Change
1993	468,675		
1994	471,402	2,727	0.6%
1995	473,666	2,264	0.5%
1996	478,028	4,362	0.9%
1997	479,151	1,123	0.2%
1998	477,061	(2,090)	-0.4%
1999	475,974	(1,087)	-0.2%
2000	475,269	(705)	-0.1%
2001	477,801	2,532	0.5%
2002	481,143	3,342	0.7%
2003	486,938	5,795	1.2%
2004	495,682	8,744	1.8%
2005	510,012	14,330	2.9%
2006	525,660	15,648	3.1%
2007	537,653	13,650	2.6%
2008	551,013	13,360	2.5%
2009	564,507	13,494	2.4%

Source: Utah State Office of Education, Finance & Statistics Section.
Based on Common Data Committee Estimates.
Prepared by: Office of the Legislative Fiscal Analyst (02/09BL).



Enrollment Growth Cost Detail

Converting the increase in student enrollment of 13,494 into WPUs generates an additional 18,606 WPUs for FY 2010. These additional WPUs increase the total number of WPUs to 732,661.

Funding additional WPUs in the Basic School Program represents the most significant component of student enrollment growth costs. In FY 2010, an estimated \$47.9 million will provide the current Value of the WPU of \$2,577 for each of the additional 18,606 WPUs projected for FY 2010.

Historically, the Legislature has approved sufficient revenue to provide an increase to several non-WPU driven programs to account for student enrollment growth. This increase is generally the percent increase in overall student growth, or 2.4 percent in FY 2010. The total cost of including these non-WPU driven programs is \$39.5 million. The table titled “Related to Basic Program Enrollment Growth” provides detail of the “Below-the-Line” programs that received the 2.4 percent adjustment.

Charter Schools

The enrollment growth cost estimate includes an additional \$11.1 million to provide Charter School Local Replacement funding to an additional 7,784 new charter school students. In addition to the Local Replacement funding, charter schools receive \$100 per student to help cover administrative costs. The enrollment growth cost estimate includes an additional \$778,400 to provide the \$100 for each new charter school student in Fall 2009.

Voted & Board Leeways

State revenue supports the Voted & Board Leeway programs by providing a revenue guarantee to school districts. Uniform School Funds ensure that each school district that elects to levy the minimum tax rates for the Voted & Board Leeway will generate a minimum level of revenue per WPU. The enrollment growth cost estimate includes \$9.4 million to cover the state guarantee at the current rate in FY 2010.

Statute also provides for an increase in the state guarantee rate each year until the rate reaches a threshold designated in statute (0.10544 times the value of the prior year WPU). The guarantee rate may increase .0005 each year until the guarantee reaches the statutory threshold. In FY 2010 the guarantee rate is expected to increase from \$25.25 to \$27.17 based on current statute. The total cost of this increase is estimated at \$13.8 million. This amount is not included in the enrollment growth cost estimate.

Recommendation

The Analyst recommends that in light of the current budget situation, the Legislature consider delaying this statutory rate increase for one year.

Public Education Enrollment Growth	
FY 2010 Cost Estimate	
Based on Fall 2009 Enrollment Projections	
Program	Amount
1. Basic Program (WPU) Growth	\$47,947,662
2. Related to Basic (Below-the-Line)	39,473,304
Subtotal	\$87,420,966
Offsets	
1. Basic Tax Levy	(13,219,014)
Subtotal	(\$13,219,014)
Net Student Enrollment Growth	\$74,201,952

Below-the-Line Enrollment Growth Costs	
FY 2010 Estimate Detail	
Based on Fall 2009 Enrollment Projections	
Program	Amount
1. Social Security & Retirement	\$9,117,438
2. To & From School Transportation	1,786,725
3. Interventions for Student Success	452,259
4. Quality Teaching	1,862,775
5. Youth at Risk Programs	753,870
6. Adult Education	246,388
7. Accelerated Learning Programs	103,094
8. Concurrent Enrollment	232,142
9. Charter School Local Replacement	11,107,768
10. Charter School Admin. Costs	778,400
11. Education Salary Adjustments	3,558,245
12. Voted & Board Leeway Growth	9,474,200
13. V&B Leeway Rate Change*	13,836,500
Net Student Enrollment Growth	\$39,473,304

*Not Included in Estimate. See MSP Budget Briefs for Detail.

Offset to Enrollment Growth Cost

Increased local property tax revenue provides an offset to the total state cost of enrollment growth. Local revenue generated on new property growth by the school districts assessing the Basic Levy increased enough to provide a \$13.2 million offset to the state funds required to support the Basic School Program in FY 2010.

Public Education: WPU & Fall Enrollment History						
Comparison of the Value of the Weighted Pupil Unit, Number of Weighted Pupil Units and Total Fall Enrollment						
1973 to 2010 (Projected)						
Fiscal Year	Value of the WPU	Percent Change	Total WPUs	Percent Change	Fall Enrollment	Percent Change
1973	**DU**		**DU**		306,264	
1974	508		352,710		306,299	0.0%
1975	560	10.2%	356,430	1.1%	307,924	0.5%
1976	621	10.9%	358,865	0.7%	309,708	0.6%
1977	683	10.0%	368,593	2.7%	314,471	1.5%
1978	732	7.2%	376,267	2.1%	317,308	0.9%
1979	795	8.6%	379,647	0.9%	324,468	2.3%
1980	852	7.2%	387,041	1.9%	332,575	2.5%
1981	946	11.0%	400,357	3.4%	342,885	3.1%
1982	1,003	6.0%	422,381	5.5%	354,540	3.4%
1983	1,081	7.8%	439,216	4.0%	369,338	4.2%
1984	1,103	2.0%	459,306	4.6%	378,208	2.4%
1985	1,124	1.9%	484,350	5.5%	390,141	3.2%
1986	1,180	5.0%	504,398	4.1%	405,305	3.9%
1987	1,204	2.0%	519,047	2.9%	415,994	2.6%
1988	1,204	0.0%	528,317	1.8%	423,386	1.8%
1989	1,204	0.0%	533,448	1.0%	429,551	1.5%
1990	1,240	3.0%	539,895	1.2%	435,762	1.4%
1991	1,346	8.5%	551,308	2.1%	444,732	2.1%
1992	1,408	4.6%	604,264	9.6%	454,218	2.1%
1993	1,490	5.8%	605,626	0.2%	461,259	1.6%
1994	1,539	3.3%	622,372	2.8%	468,675	1.6%
1995	1,608	4.5%	635,379	2.1%	471,402	0.6%
1996	1,672	4.0%	642,121	1.1%	473,666	0.5%
1997	1,739	4.0%	648,532	1.0%	478,028	0.9%
1998	1,791	3.0%	666,891	2.8%	479,151	0.2%
1999	1,854	3.5%	668,465	0.2%	477,061	-0.4%
2000	1,901	2.5%	669,408	0.1%	475,974	-0.2%
2001	2,006	5.5%	671,513	0.3%	475,269	-0.1%
2002	2,116	5.5%	625,549	-6.8%	477,801	0.5%
2003	2,132	0.8%	627,795	0.4%	481,143	0.7%
2004	2,150	0.8%	631,771	0.6%	486,938	1.2%
2005	2,182	1.5%	642,701	1.7%	495,682	1.8%
2006	2,280	4.5%	652,990	1.6%	510,012	2.9%
2007	2,417	6.0%	675,758	3.5%	525,660	3.1%
2008	2,514	4.0%	697,207	3.2%	537,653	2.3%
2009	2,577	2.5%	714,055	2.4%	551,013	2.5%
2010	2,577	0.0%	732,661	2.6%	564,507	2.4%

Sources: Utah State Office of Education, Finance and Statistics Section.
Office of the Legislative Fiscal Analyst, Appropriations Reports.
Governor's Office of Planning and Budget, Annual Budget Recommendations

Prepared by: Office of the Legislative Fiscal Analyst (02/09BL).