

OPTIONS FOR ELIMINATING THE STRUCTURAL DEFICIT

Index	Unit of Government	Item	FY 2012			% of Program Reduced	FTE		Clients Affected	Impact	Statute Change?
			Ongoing GF/EF	One Time GF/EF	Other Funds		Active	Vacant			

PUBLIC EDUCATION

State Office of Education

1	Regional Service Centers	Eliminate State Funding	(\$1,538,000)	\$1,538,000	100%			4 Centers & Approx. 25 Districts	Reduction removes state subsidy for the four regional service centers (RSC). RSCs are cooperatives of rural school districts to provide educational services as determined by the participant districts. RSCs have no statutory authorization. Over-time, state funds were reallocated at USOE and replaced with Federal Mineral Lease revenues. This action would reduce the Education Fund appropriation to USOE and require USOE to reallocate the Federal Mineral Lease revenues internally to best meet its state-wide mission. Local districts will need to prioritize the RSC services or determine if they want to continue to maintain the centers.	N
2	State Office of Education	Increase Employee Efficiency	(\$2,100,000)		10%	(21.0)			Reduction would increase employee efficiency in Curriculum, Career & Technology Education, Assessment, Law & Legislation, and Education Technology divisions. Employee efficiencies may include, increasing the Education Specialist to Office Specialist Ratios, consolidating Education Specialist responsibilities, limiting curriculum support, limiting professional development opportunities to local districts and charter schools, or charging fees for services.	N

Minimum School Program

3	Administrative Costs	Eliminate Administrative Cost Program	(\$3,994,350)		100%			22 Districts	Program provides additional WPU's to school districts with a total enrollment of less than 5,000 students. Funds support district administrative and compliance reporting functions. School districts that receive an allocation will have to fund these functions with other resources and/or be more efficient.	53A-17a-108
4	Grades 1-12	Discontinue State Funding for Students Attending Classes on UCAT Campuses	(\$5,000,000)					Approx. 1,939 WPU's	A recent legislative audit confirmed that school districts continue to receive funding for students enrolled in programs on UCAT campuses. Currently, statute allows districts to continue to count these students in their regular school program. The audit estimated the total cost at \$5 million. School districts would lose the fraction of a WPU associated with the time a student attends a UCAT campus.	53A-17a-114(2)

Note: This document is intended as a menu of options from which policymakers might choose items that help solve the \$313 million structural imbalance. The list is not exhaustive - other options and approaches exist. It is a place to start deliberations. Each option on the list has policy implications that will be further examined in public meetings. Not all options will be acceptable and, as such, the sum of options listed here exceeds the structural deficit by more than \$200 million (\$535 m vs. \$313 m).

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5	Class Size Reduction	Consolidate the Class Size Reduction Program into the WPU Value	(\$92,349,372)			100%				Reduce funding to meet subcommittee target and fold the remaining program funding into the WPU value (next item). Based on the current numbers of WPUs in FY 2011, remaining funds may increase the WPU Value by roughly \$125 per WPU (from \$2,577 to \$2,702). The distribution to school districts and charter schools may change depending on the amount of funding they receive under the current Class Size Reduction formula and a distribution through the WPU Value.	53A-17a-124.5
6	WPU Value	Consolidate the Class Size Reduction Program into the WPU Value	\$90,464,852							Reduce funding to meet subcommittee target and fold the remaining program funding into the WPU value (previous item). Based on the current numbers of WPUs in FY 2011, remaining funds may increase the WPU Value by roughly \$125 per WPU (from \$2,577 to \$2,702). The distribution to school districts and charter schools may change depending on the amount of funding they receive under the current Class Size Reduction formula and a distribution through the WPU Value.	53A-17a-124.5
<i>Related to Basic School Program</i>											
7	Charter Schools	Eliminate Administrative Cost Program	(\$4,221,100)			100%			All Charters	Program provides \$100 for each student enrolled in a charter school to support school administrative and compliance reporting functions. Charter schools will have to fund these functions with other resources and/or be more efficient.	53A-17a-108
8	Library Books & Electronic Resources	Eliminate Remaining Earmark	(\$25,000)			100%				Removes remaining state earmark for library book and electronic resource purchases. The program was reduced by \$475,000 in FY 2011. A \$25,000 ongoing and a \$400,000 one-time appropriation were made in FY 2011. Funding is in addition to material purchases made by school districts and charter schools using unrestricted revenue sources. Locals will have to continue to weigh library material purchases with other needs. In FY 2010 districts and charter schools spent approximately \$10.6 million on supplies, library books, periodicals, and audio visual materials.	53A-17a-155 - Distribution formula only
9	School Nurses	Eliminate Remaining Matching Fund	(\$882,000)			100%				School districts and charter schools may apply for matching funds to hire or contract for school nurses. Eliminating state funds would remove the matching component. Fewer school nurses, depending on district/charter priorities, may be employed as a result of funding elimination.	53A-17a-154 - Distribution formula only
10	Flexible Funding	Eliminate Flexible Funding WPU Allocation	(\$217,566,730)			100%				Funding originated in the 2010 General Session to provide a flexible allocation of funding to school districts and charter schools to assist them in managing tight budgets in FY 2011. The program does not have statutory framework and intent language specifies the distribution of funds on a WPU basis. There are no programmatic requirements associated with the funding. Eliminating this funding will cause an across the board reduction to all school districts and charter schools based on their share of total WPUs. Total funding equals approximately \$292 per WPU (\$217,566,730/745,100 WPUs).	N
			(\$237,211,700)		\$1,538,000		(21.0)				