Charter School Local Replacement

1. The subcommittee recommends that the $20.5 million in state funding be reallocated to the Flexible Allocation – WPU Distribution Program. This will distribute program funding proportionally to all local education agencies based on their total number of WPUs.

   Budget Impact: No net change to the total funding in the Related to Basic School Program. Estimates indicate that $18,552,500 will be distributed to school districts and $2,002,900 will go to charter schools.

   Statutory Impact: This is a budget action, no statutory changes are required.

2. The subcommittee recommends that the per-student Charter School Administration funding be reduced in order to make the above transactions revenue neutral to charter schools. The above transactions will increase overall charter school funding by $2,002,900. The per-student administration funding would need to be reduced from $100 per-student to approximately $70 per-student.

   Budget Impact: No net change to the total funding in the Related to Basic School Program. Charter schools will receive the same level of funding, but the allocation amounts from certain programs will change. The state funding to the Charter School Administration program will be reduced by $2,002,900. This funding could be reallocated to meet other priorities.

   Statutory Impact: The Legislature will need to amend statute, 53A-17a-108, to implement this change.

3. The subcommittee recommends establishing a one-time Formula Change Mitigation Program to provide the State Board of Education resources to ensure that no local education agency receives a reduction in funding due to a direct correlation to these formula and budgetary changes.

   Budget Impact: Estimates indicate that approximately $6.5 million in one-time funding may be required to fund the associated impacts in FY 2016. This will give LEAs one year to adjust to potential funding changes.

   Statutory Impact: The Legislature may wish to include the following intent language directing the State Board of Education on how to use mitigation funding.

   *The Legislature intends that the State Board of Education use the $6.5 million one-time funding allocated to the Formula Change Mitigation Program to reduce the net loss to school districts and charter schools due to formula changes made by the Legislature in the following programs: Charter School Local Replacement, Flexible Allocation, and Charter School Administration in FY 2016.*
Charter School Pupil Accounting

1. The subcommittee recommends that Weighted Pupil Units assigned to charter schools for the kindergarten and grades 1 through 12 continue to be calculated using the higher of October 1 enrollment or prior year average daily membership plus growth for FY 2016.

   Budget Impact: The additional cost to continue to use the “higher of” methodology is estimated at $5.7 million. This amount is reflected in the $54.4 million ongoing allocated to the subcommittee to cover enrollment growth costs.

   Statutory Impact: Statute, 53A-1a-513, will need to be amended to extend the authorization to use the “higher of” methodology for an additional year.

Utah State Office of Education – Student Information System

1. The subcommittee recommends that the State Board of Education evaluate and implement the recommendations of the Free Market Protection and Privatization Board in relation to the Aspire program.

   Budget Impact: The funding for the Aspire program, estimated in the Free Market Protection and Privatization Board report at $819,600, may be allocated to local education agencies.

   Statutory Impact: The State Board of Education may be able to implement programmatic changes without statutory changes.