



# MINIMUM SCHOOL PROGRAM ENROLLMENT GROWTH ESTIMATES

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE  
STAFF: BEN LEISHMAN

ISSUE BRIEF

## SUMMARY

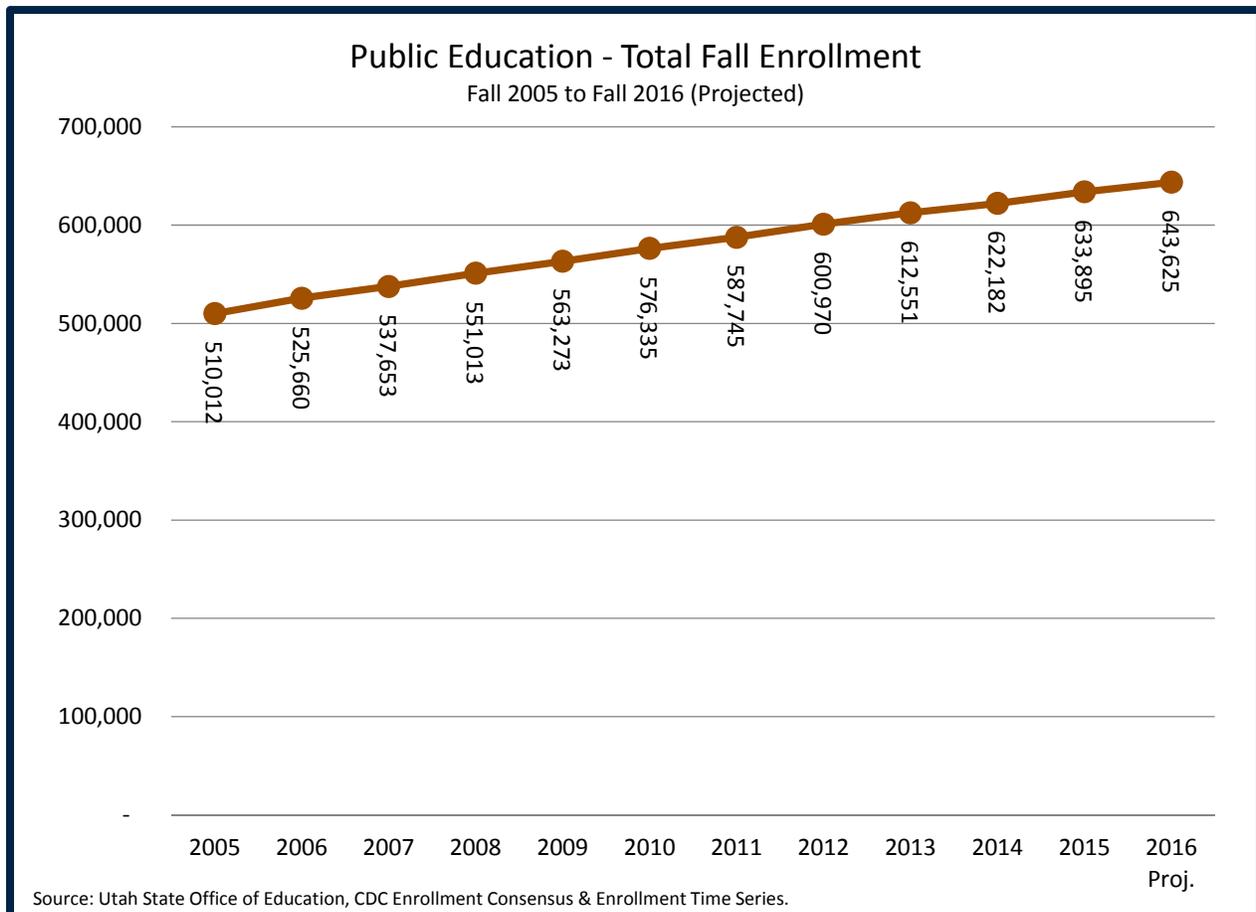
This brief contains preliminary enrollment growth cost estimates for the Minimum School Program (MSP) based on the number of projected students in fall 2016 (FY 2017). Estimates indicate that an additional 9,730 students will likely enroll in Utah’s public schools next fall. The number of additional Weighted Pupil Units (WPU) is estimated at 18,812, with the total cost estimated at approximately \$89.9 million.

## STUDENT ENROLLMENT GROWTH

Growth in student enrollment will result in additional WPUs as provided in certain statutory formulas. These additional WPUs increase the cost of the Basic School Program and the Voted & Board Local Levy Programs. In addition to the WPU related costs, the Legislature has historically adjusted certain programs in the Related to Basic School Program (below-the-line) for estimated student enrollment growth impacts.

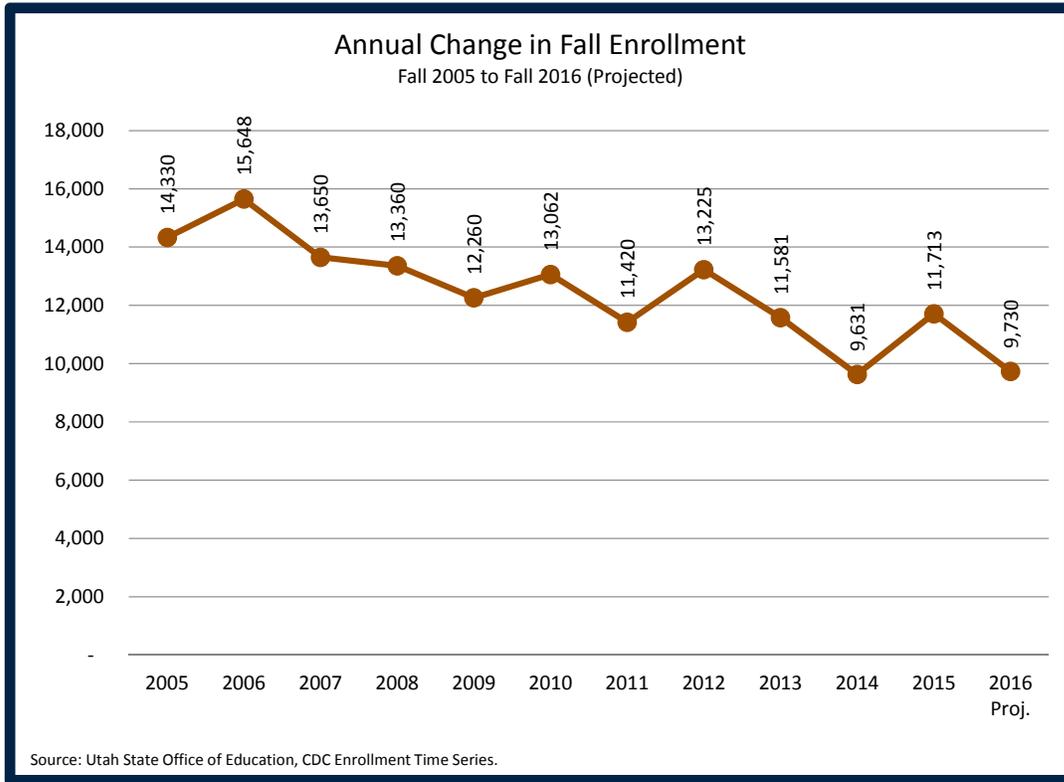
Each fall, public schools conduct a student enrollment count on the first school day of October. This past October, Utah’s public schools enrolled 633,895 students, an increase of 11,713 students. This growth represents a 1.9 percent increase over fall 2014. The chart below (Figure 1) shows the total public school student enrollment since fall of 2005. Since this time, student enrollment has increased by 123,883 students, an increase of approximately 25 percent.

Figure 1

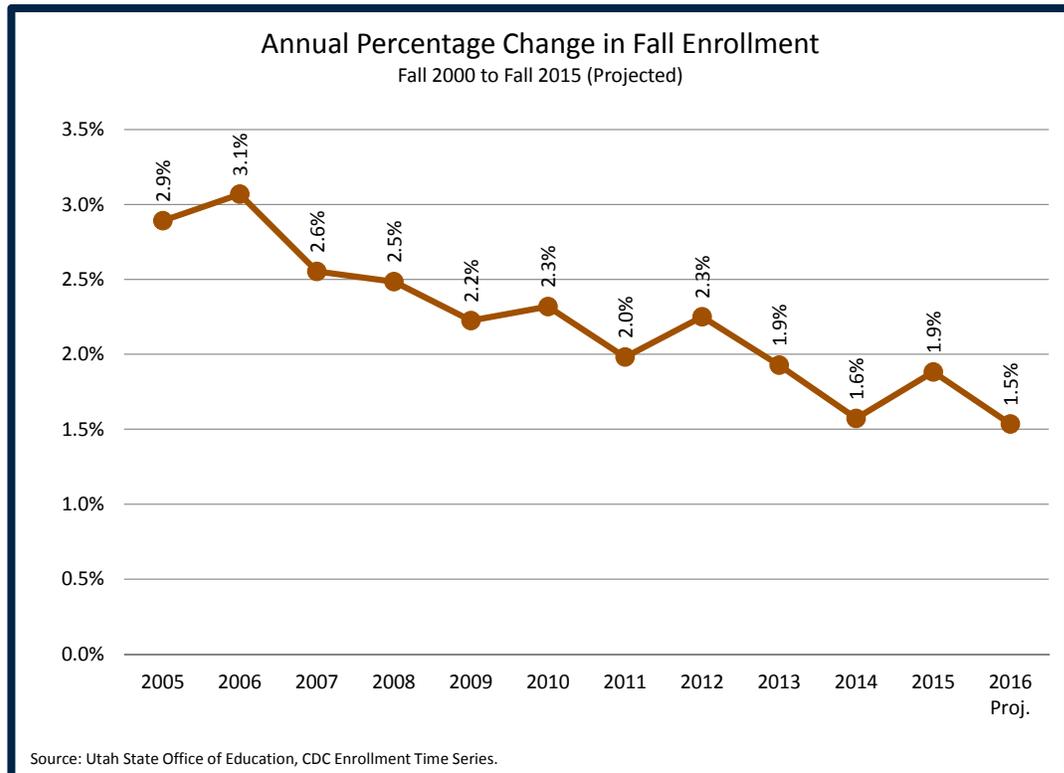


The following charts show the year-over-year change in the number of students (Figure 2) and the percent increase (Figure 3).

**Figure 2**



**Figure 3**



**ENROLLMENT GROWTH PROJECTIONS**

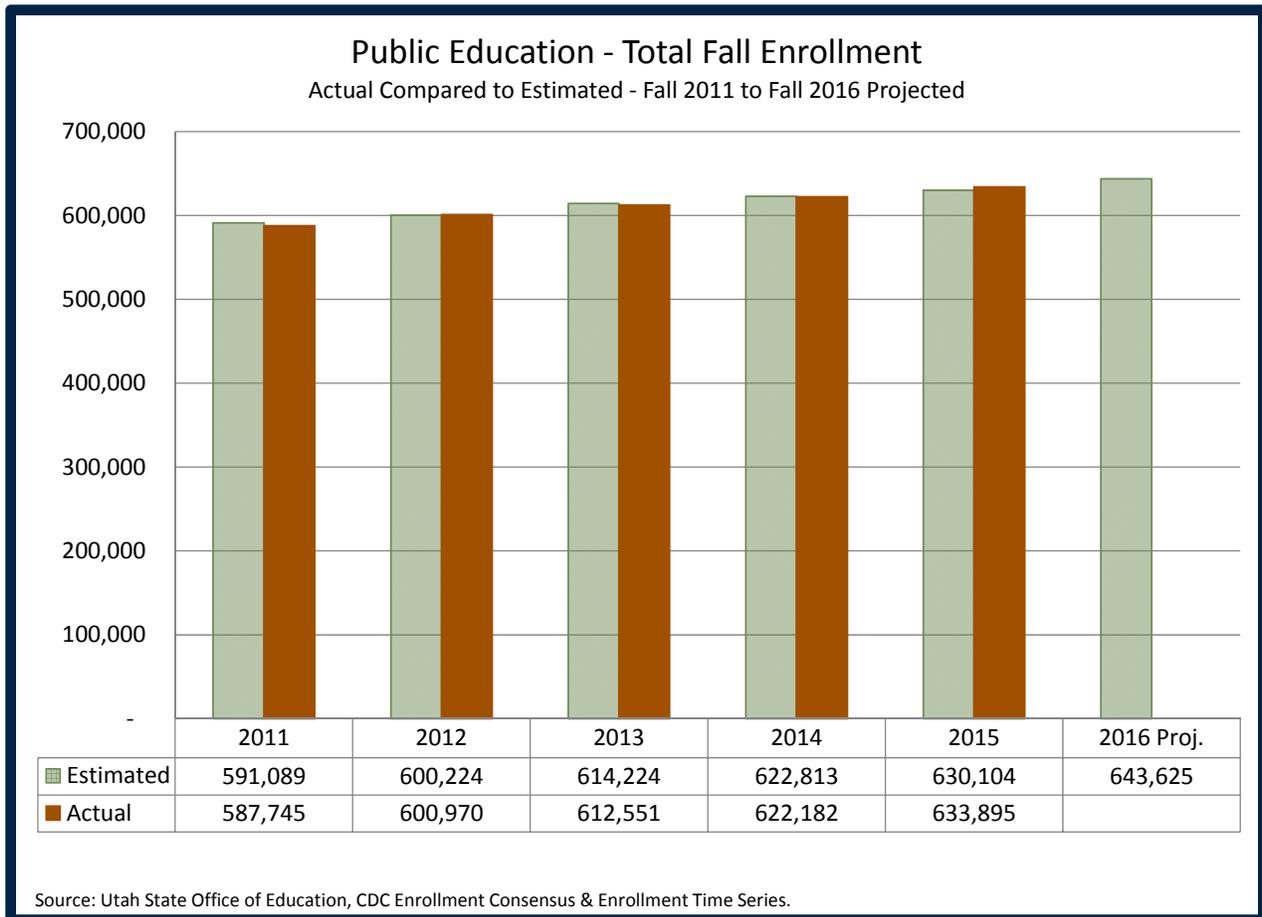
Following each fall enrollment count, an informal group called the Common Data Committee (CDC) establishes a consensus projection for student enrollment for the next school year. The CDC includes representatives from the Legislative Fiscal Analyst (LFA), Governor’s Office of Management and Budget, and the Utah State Office of Education (USOE).

***Estimates Compared to Actuals***

Historically, the number of students projected each year is very close to the actual number of students that enroll in the fall. Figure 4 shows the estimated number of students compared to the actual headcount for each of the past five years. In three years the estimate was slightly higher than actual experience and in two years the estimate was slightly lower.

The new-year enrollment projection is also used to estimate growth WPU’s for the Basic School Program. The variance between estimate and actual may result in the Basic School Program being over or under funded. The enrollment estimate produced last fall for 2015 was under by 3,791 students. The impact this underestimate will have on the budget is still being analyzed.

**Figure 4**



**ENROLLMENT GROWTH COST ESTIMATE**

Two CDC participants, the USOE and the LFA, use prior year enrollment data and the fall enrollment projection to develop independent estimates of the number of WPUs based on statutory formulas. Again, through a consensus process, the CDC develops a consensus estimate of the total number of WPUs by program for the next school year.

Based on current projections, as illustrated in the preceding charts, student enrollment is anticipated to increase by approximately 1.53 percent in fall 2016 (FY 2017). This is an increase of 9,730 students, for a total enrollment of 643,625.

Figures 2 and 3 (on page 2) detail the annual year-over-year change in fall enrollment since 2005. The current growth pattern peaked in 2006 with a net increase of 15,648 new students. Although fall enrollment in Utah is still growing, the chart shows that growth is slowing.

***Cost Estimate***

Figure 5 shows the preliminary FY 2017 enrollment growth cost estimate by major program. This estimate makes adjustments to certain programs in the Minimum School Program to account for increased costs associated with having more students in the public education system.

Funding additional WPUs in the Basic School Program represents the largest cost. In FY 2017, an estimated increase of \$57.5 million will provide the FY 2016 WPU Value for each of the 18,812 new WPUs projected in fall 2016.

Statute requires school districts to levy the Basic Property Tax in order to participate in the Basic School Program. The revenue generated from this property tax is applied to the WPU costs in a school district. Estimates indicate that the property tax revenue from the Basic Levy is projected to generate an additional \$12.1 million. This increase reduces the state’s cost for the Basic School Program. The total net estimated cost for statutory related enrollment growth costs is \$45.4 million.

Figure 5 also provides growth amounts for certain programs that have statutory formulas that require annual adjustment or have been increased by the Legislature on a discretionary basis. This includes programs in the Related to Basic School Program (below-the-line) and the Voted & Board Local Levy Programs. The total estimated cost to adjust these programs is \$20.6 million ongoing and \$2.5 million one-time.

The following estimate includes adjusting the Voted & Board Local Levy Programs for anticipated changes associated with increased enrollments and implementing the statutorily required increase in the state guarantee rate. The total estimated cost for these adjustments is \$23.9 million.

**Figure 5**

<b>Enrollment Growth Cost Estimate</b>		
FY 2017 Preliminary Estimate Based on Fall 2016 Enrollment Projections		
<b>Program</b>	<b>Calculation Method</b>	
	<b>Statutory</b>	<b>Historic</b>
Basic School Program (WPUs)	\$57.5	\$65.0
<i>Basic Rate New Growth Revenue (Offset)</i>	(\$12.1)	(\$12.1)
Basic School Program Subtotal	\$45.4	\$52.9
Related to Basic School Program (Below-the-Line)	\$20.6	\$20.6
Voted & Board Local Levy Programs	\$23.9	\$23.9
<b>Total Enrollment Growth Cost Estimate:</b>	<b>\$89.9</b>	<b>\$97.4</b>

***Statutory vs. Historical Cost Estimates***

Beginning in FY 2017, statute requires that the same methodology be used in determining WPUs for students attending school district schools and students attending charter schools. The “Statutory” column in Figure 5 shows the WPUs calculated using this method. The “Historic” column shows WPUs calculated using the method from prior years.

Prior to FY 2017, the base WPU count for a charter school was determined using a different methodology than WPUs in a school district school. Statute, 53A-17a-106, requires that WPUs be based on a methodology called “Prior-Year + Growth.” WPUs for charter schools were based on the higher of Prior-Year + Growth or the school’s October 1 fall enrollment count. The fall enrollment count is generally higher than Prior-Year + Growth.

In response to an audit finding by the State Auditor on the different methods, the Legislature allowed the State Board of Education to continue using the “higher of” methodology to determine charter school WPUs through FY 2015. This authority was provided in Senate Bill 272, “Charter School Funding Amendments” (2013 General Session). The authorization was extended again to include FY 2016 during the 2015 General Session.

Using the “higher of” methodology would require an additional 2,444 WPUs and cost an additional \$7.5 million.