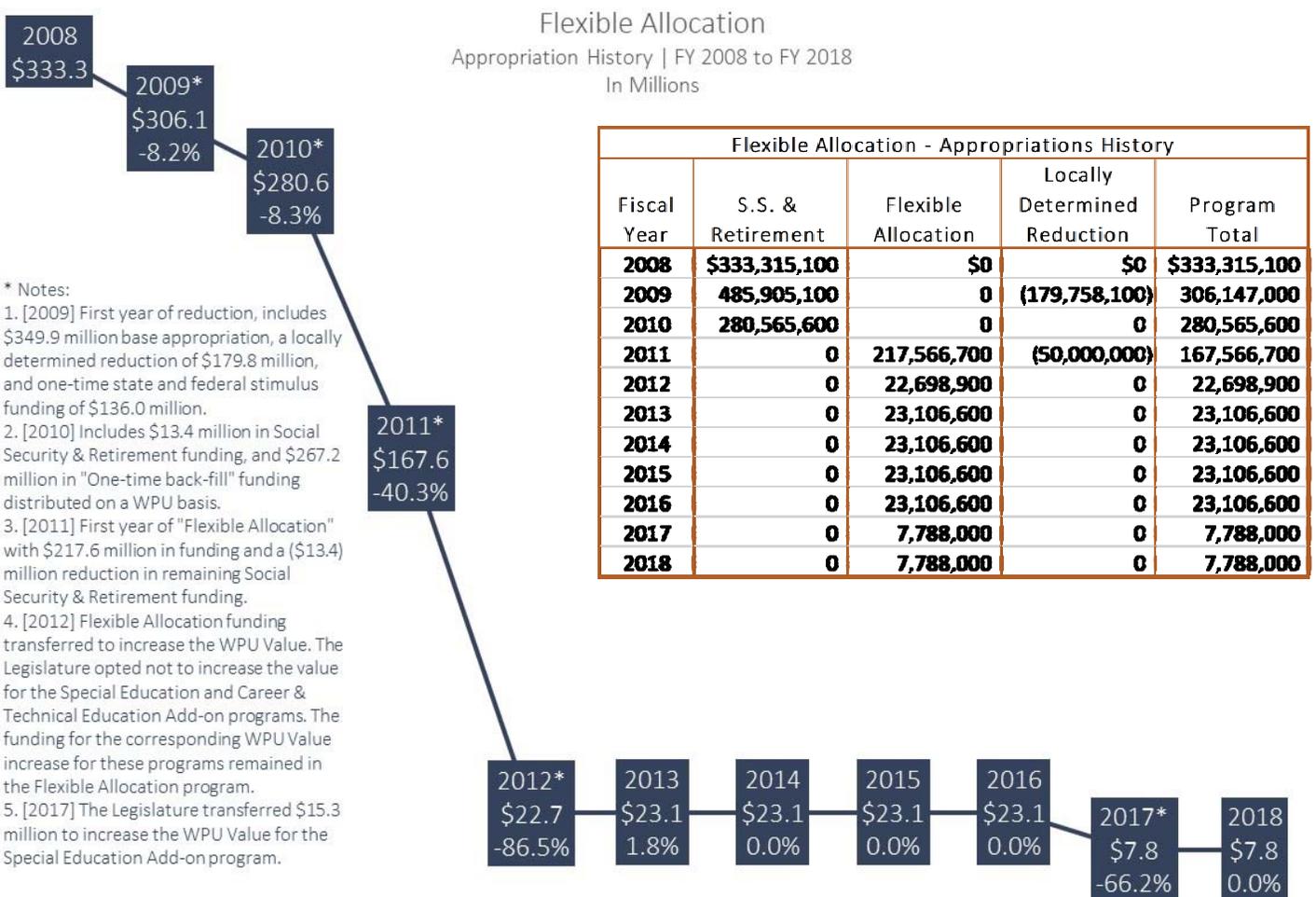


Flexible Allocation Budget Review

The Flexible Allocation program provides a pool of unrestricted funding to school districts and charter schools. The program was created by the Legislature as a way to deliver budget reductions during the economic downturn in 2010.

Not wanting to reduce the WPU Value during the downturn, the Legislature opted to deliver budget reductions through a categorical program called "Social Security & Retirement." The program distributed funding to school districts and charter schools on a WPU basis. Schools received the same dollar amount for each WPU they generated in the Basic School Program, essentially an add-on to the WPU Value. Since the program was outside the traditional definition of the WPU Value, the program was used as a proxy to deliver across-the-board reductions to school districts and charter schools.

At the height of funding, the Social Security & Retirement program distributed nearly \$350 million to school districts and charter schools. This funding was distributed on a WPU basis and was not tied to the actual social security or retirement costs. Once funding was reduced, the program was re-named as it no longer had a direct link to paying social security & retirement costs. School districts and charter schools still have these costs, but now must use unrestricted WPU funding to pay them.



Funding Distribution

- Proportional to the number of Weighted Pupil Units generated by the school district or charter school in the Basic School Program. All WPU programs are included in the calculation.

Flexible Allocation Budget Review - Continued

Discussion Items

- With 860,472 WPUs, the program provides school districts and charter schools with approximately \$9 per WPU.
- Although school districts and charter schools still have Social Security and retirement costs, the Legislature has opted not to re-dedicate funding in the Minimum School Program for this purpose. Instead, the Legislature has increased the WPU Value, where locals have the ability to prioritize unrestricted funding to meet local needs.
- School districts and charter schools do not report specific program expenditures back to the state. Flexible Allocation expenditures are summed and reported with other unrestricted revenue sources.
- Moving the funding to the WPU Value should not impact the way funding is distributed to school districts and charter schools, it simply adds \$9 to the WPU Value. However, program allocations change each year as the distribution of WPUs among school districts and charter schools change. As the number of WPUs increases, the amount allocated per WPU decreases.

Flexible Allocation - Distributions to Local Education Agencies in FY 2018

LEA	Amount	LEA	Amount	LEA	Amount	LEA	Amount
Alpine	\$910,000	Granite	\$778,100	Piute	\$8,100	Wayne	\$10,700
Beaver	23,400	Iron	113,300	Rich	11,000	Weber	382,900
Box Elder	140,600	Jordan	616,300	San Juan	46,100	Salt Lake	273,700
Cache	209,200	Juab	31,100	Sevier	61,400	Ogden	141,700
Carbon	44,500	Kane	24,500	South Sanpete	44,200	Provo	206,400
Daggett	5,900	Millard	40,500	South Summit	21,400	Logan	68,000
Davis	836,400	Morgan	36,200	Tintic	7,500	Murray	76,200
Duchesne	67,900	Nebo	392,500	Tooele	177,600	Canyons	393,100
Emery	33,700	North Sanpete	29,400	Uintah	85,400	Charter Schools	879,900
Garfield	20,300	North Summit	16,600	Wasatch	81,700	Unallocated	
Grand	20,000	Park City	55,900	Washington	364,700	Total	\$7,788,000

Recommended Legislative Action

The Legislature may wish to consider the following:

- Eliminate the Flexible Allocation program as a separate categorical program in the Related to Basic School Program and move program funding into the WPU Value.