What is Rural?
2019 GS | How Are Rural Schools Defined?

Definitions
- No Clear Definition
- Rural School Transportation (53F-5-211)
  - 4th, 5th, or 6th Class Counties (Pop. <31,000)
- Board Rule (R277-445) NESS Schools
  - Distance: “One-Way Bus Travel” from Assigned School to Nearest District School of the Same Type
- State GOED Rural Development Programs
  - Mostly 4th-6th Class Counties
  - Some 3rd Class Counties (with Limits)
- Federal Definitions (Census/OMB)
  - Population Density Based
MSP – Rural Emphasis Programs
2019 GS | How Are Rural Schools Supported in the Education Budget?

Minimum School Program
- Necessarily Existent Small Schools (NESS)
  - School Enrollment & Distance Limits
- Administrative Costs
  - WPUs Based on Size (< 5,000 Students)
- Pupil Transportation Programs
  - To & From Program
    - Reimbursement Based on Miles/Minutes
  - Rural Transportation/Guarantee Transportation
- Formulas that Use WPUs
  - Distribution Formulas that Use Total WPUs
    - Include NESS & Admin Cost WPUs
    - Examples: Flexible Allocation, Professional Staff
  - Base + Formulas
    - Examples: Early Intervention

Necessarily Existent Small Schools
2019 GS | Not All Rural Schools are Necessarily Existent

Highlights
- Origins from Original MSP
  - Additional Weighting to Recognize Higher Cost
  - Legal Provisions to Determine if “School Should be Allowed to Operate”
- $32.5 Million in FY 2019 | 95 Schools
- Statute (53F-2-304)
  - School Size Limits
  - Board to Establish Qualifying Standards
  - Develop Regression Formula to Distribute WPUs
- Board Rule (R277-445) NESS Schools
  - “One-Way Bus Travel” from Assigned School to Nearest District School of the Same Type:
    - 45 Minutes for Students in Grades K-6
    - 75 Minutes for Students in Grades 7-12

Questions & Observations
- Should Statute Provide More Detail on School Eligibility?
- How do Statutory Maximum Size Limits by School Type Align with Needs?
- Should Total LEA Enrollment Factor into NESS Eligibility?
- How Should Local “Community School” Needs Weigh into State NESS Status?

- Three School Types:
  - Rural
  - Necessarily Existent
  - Isolated (May or May Not be NESS)
**Issue & Recommendation: Isolated Schools**

**2019 GS | Rural, Remote, and Possibly Necessarily Existent**

**Issue**
- Isolated vs. NESS
  - Degree: Most Remote Areas of the State
  - Low Population Density & Distance from Population Center (1,500 in Example)
- Unique Problems Faced by Remoteness
  - Hiring & Maintaining Qualified Educators
  - Provision of Housing/Establishing Roots
  - Multi-Discipline Endorsements
  - State Training Activities – Time Commitment, Travel, Substitutes, Etc.
  - Student Educational Opportunities
    - Limited Course Options & Difficulties Building Student Quantities to Provide More Options
    - Long Travel Times To & From School
    - Difficult to Build Relationships with Teachers

**Recommendation**
- Isolation is a Degree of Severity
  - Component of NESS but Not All Isolated Schools Qualify for NESS
  - 6 “Isolated” Schools do Not Qualify for NESS
    - Elementary Schools: Milford, Panguitch, Montezuma Creek, Tse’Bi’Nidzisgai, & Loa
    - All Due to Size (Enrollment Greater than 160)
- How Can the State Direct Funding to Meet the Unique Challenges of Isolation?
- Recommendation:
  - Rural vs. NESS vs. Isolated Needs Further Study
  - Develop an Isolated Schools Funding Program
  - $1,500,000 Ongoing
Issue: Transportation Outside of “To & From”
2019 GS | Guarantee Transportation Program

**Current Program**
- **$500,000 Ongoing Education Fund**
  - No Funding Changes Since 2003
- Activities, Field-Trips, Non To & From Routes
- Originated as a Property Tax Guarantee
  - Local Board Levied a Dedicated Rate
  - State Funds “Guaranteed” Minimum Amount
- Now a Property Tax Matching Program
  - Rate was Combined into Board Local Levy
  - District Must Expend Equal to a Rate of 0.0002 per Dollar of Taxable Value (Board Levy)
  - District Receives Difference Between 85% of Costs and Amount Expended

**Issues**
- Rural Districts Report High Cost of Activity & Field Trip Transportation
  - Long Distances & Multi-Day Travel
- Not Independently Reported
  - Annual Program Report
  - Revenues/Expenditures Combined with “To & From” Transportation Program
  - Board Levy Expenditures Used in Distribution Formula but Actual Levy Expenditures on Guarantee Program Not Verified
  - Expended on To & From or Guarantee Program

Recommendation: Guarantee Transportation
2019 GS | Rural Transportation Matching Grant Program

**Options & Recommendations**
- Eliminate State Support for Non-To & From Qualifying Transportation
- Status Quo
- Convert to a Matching Grant Program
  - Restrict to Districts in 4th-6th Class Counties
  - Require Dedicated Property Tax Match
  - Restrict to Non-To & From Expenditures
  - Distribute Proportionally Based on Prior-Year Non-To & From Miles/Minutes

- Recommendation
  - Convert to a Matching Grant Program
  - Increase Funding by $500,000 Ongoing
### Issue & Recommendation: Career Pathway Development in NESS Schools

**2019 GS | Career & Technology Education**

#### Issue
- Difficulty in Developing/Expanding Pathways
  - Low Student Enrollment to Justify Cost
  - Finding Qualified Instructors
  - Distance from Tech College
- Distribution of CTE Add-on Funding
  - Bulk of Funding Distributed on Prior-Year CTE Participation + Growth Factor
  - Incentive to Maintain Participation
- Maintain vs. Innovate
  - Locals Front Cost to Create/Change Pathways
    - State Funding Follows Approval of Program & Student Participation
    - Difficult to Justify Cost for Few Students

#### Recommendation
- CTE Pathway Development in NESS Schools
  - Funding for CTE Pathway Development in Necessarily Existent High Schools
  - Competitive Grants for Start-up Costs
    - 1-3 Year Step-Down Grant
    - LEA to Cover Costs After with Increased Add-on Funding (Assuming Greater Student Participation)
  - Coordinate with Other Regional NESS Schools & Tech Colleges

- Recommendation
  - Appropriate Funding to State Board
  - $350,000 Ongoing

### Issue: Regional Service Centers

**2019 GS | Cooperative Regional Support for Rural LEAs**

#### Current Program & Funding
- Appropriation to the State Board of Education
  - $2.0 M One-time
  - $500,000 to Each Service Center
  - Varied Use of State Funds in Centers
- “Eligible Regional Service Center” (53G-4-410)
  - Formed by 2 or More School Districts as an Interlocal Entity
- State Board of Education
  - Distribute State Appropriations Made by Legislature
  - Rule Making Authority
- Charter Participation
  - NUES, SESC, & SEDC

---

#### Notes
- Public Education Appropriations Subcommittee 2/6/2019
- Office of the Legislative Fiscal Analyst
Discussion: Governance of Regional Service Centers
2019 GS | Questions & Governance Options

Questions
- What is the Role of the State Board?
  - Simply Pass Funds or Active Role in Providing/Guiding Services
- Who Holds RSCs Accountable? Local LEA Participants or State Board?
  - Funding: Divided & Dependent
    - Local Board: Funding for Coordinated Services
    - State Board: State Funding Allocation
  - Educational Services for Students
  - Financial Transparency: Not Included in State Annual Reports as Independent Entities

Governance & Funding Options
- Status Quo
  - Support Local Governance
    - Support Interlocal Agreements Made by Participating LEAs
    - RSCs Accountable to Participating LEAs for Services & Funding
    - State Board Distributes State Allocation to LEAs
- Coordinated State Governance
  - Strengthen the Tie with State Board Office
    - USBE Regional Affiliates
  - Local LEAs in Cooperative Oversight Role
  - Enhanced State Funding Role
    - Greater State Funding Obligation (Local Match?)
    - Coordination & Delivery of State Funding Programs