



LEGISLATIVE FISCAL ANALYST

PUBLIC EDUCATION STUDENT ENROLLMENT COUNT

Fall 2020 | Estimates & Timelines

Refresher: Legislative Actions on Enrollments

House Bill 6012 | Public Education Funding & Enrollment Amendments

- State Board Can Adjust Student Enrollment Count Date
 - Any Day or Days in School Year
 - Count Used to Calculate Enrollment Growth Factor for LEAs
- Approved Resources for Higher Estimated Online Charter School Enrollments
 - State Board Approved Additional Capacity in Online Charter Schools
 - Identified up to \$8.0 M to Pay Potential Cost Increases in the Charter School Local Replacement Program

H.B. 6012

Enrolled Copy

86 (a) for the 2020-2021 school year the state board may use a count of average daily
87 membership on any day or days of the current school year in 2020 to calculate a growth factor
88 for the 2020-2021 school year; and
89 (b) when calculating the growth factor as described in Subsection (5)(a), the state board
90 shall comply with all applicable federal requirements.

385 (8) For fiscal year 2021, in addition to an appropriation described in Subsection
386 53F-2-704(2)(a), for the guarantee described in Section 53F-2-704, the state board may use up
387 to \$8,000,000 from the following sources in priority order:
388 (a) funds from the federal Elementary and Secondary School Emergency Relief Fund
389 described in the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. 116-136; and
390 (b) notwithstanding anything to the contrary in Subsection 53F-2-205(3)(b), nonlapsing
391 Minimum School Program funds.

Terminology

2020 Interim | Average Daily Membership, Fall Enrollment, & Growth

Average Daily Membership (ADM)

A method to determine a full-time equivalent pupil over the course of a school year. Generally, a student enrolled for 990 hours over 180 school days is considered one ADM student. A student enrolling fewer hours/days is a partial ADM student. The hour/day requirement varies for students in Kindergarten and First Grade.

Fall Enrollment

A one-time count of students initially enrolled in a school. Conducted each fall (October), the fall enrollment count provides a snapshot of student movement, enrollment growth, and enrollment decline. An enrollment count is generally higher than average daily membership.

Growth

The change in student enrollment from one fall count to the next.

Prior-Year ADM + Growth

A hold harmless provision in Utah statute that distributes funding to local education agencies (LEAs). If fall enrollment for an LEA is flat or declines, state funding is distributed using prior-year ADM. If fall enrollment is higher than prior-year ADM, funding increases based on ADM + Growth.



State Board Enrollment Count Timeline

2020-21 School Year | Phases to Address Student Enrollment Variations

Initial (August-November)

- Unofficial September Count
 - Snapshot on Enrollment Changes – Compare to Estimate
 - Identify Potential Over/Under LEAs & Potential Impacts
- Official October Count
 - Confirm September Snapshot
 - Allow for “Enrollment Settling” due to Late-Start or Additional Student Movement
- Finalize 2019-2020 School Year Average Daily Membership (ADM)

Mid-Year (December-February)

- Determine LEA Budget Impacts
 - Recalculate WPU's Based on Enrollment Changes
 - Adjust State Funding Distributions to LEAs
- Statutes & Contemplating a “Hold-Harmless”
 - Prior-Year + Growth
 - 53F-2-207 – Loss in Student Enrollment
 - Initial Projection Compared to Actual Count
- Projecting Fall 2021 Enrollment

Year-End (February-June)

- Unofficial January Count
 - Snapshot of Mid-Year Changes
 - Students Returning/Migrating Between LEAs
- Determine How to Calculate 2020-21 School Year ADM
 - Forms the Base for FY 2022
 - Increased Student Mobility Can Impact ADM

Initial Phase Enrollments

Unofficial Count – September 9

Fall 2020 Enrollments Down

- 2,150 from Fall 2019
- 9,002 from Fall 2020 Projection

School District Enrollment Down

*Some Shift to Charter Schools –
but Enrollment Below Projection*

- Additional \$8.0 M Local
Replacement Funding Likely Not
Needed

Official October Counts Pending

September Enrollment Counts

	2020	2019	Difference	Percent
District	586,627	590,471	(3,844)	-0.7%
Charter	78,978	77,290	1,688	2.2%
USDB	185	179	6	3.4%
Total	665,790	667,940	(2,150)	-0.3%

Enrollment Compared to Projection

	2020	Projection	Difference	Percent
District	586,627	595,160	(8,533)	-1.4%
Charter	78,978	79,632	(654)	-0.8%
USDB*	185		185	
Total	665,790	674,792	(9,002)	-1.3%

Note: Utah Schools for the Deaf and the Blind enrollments are not projected.

Source: Utah State Board of Education



Initial Phase

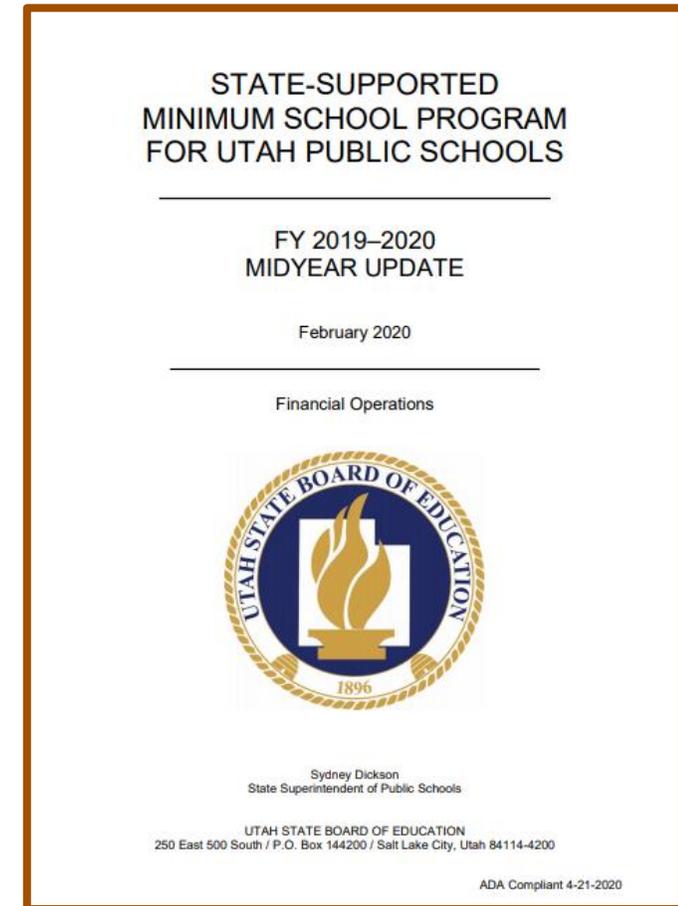
2020-21 School Year | Outstanding Issues

- Verify Enrollments
 - Student Movement & Education Type
 - Research Reasons for Reduction
 - Less In-Migration
 - Increased Home/Private School Participation
 - Lower Kindergarten Participation
- Monitor COVID-19 Conditions
 - School Closures
 - Subsequent Student Shifts
- Prior-Year Average Daily Membership
 - 2019-20 School Year ADM Impacts FY21 Base WPU's
 - School Closures Disrupted ADM Process
 - State Board Working on Pro-Rating Methods for March – End of Year
 - How to Estimate Usual Spring ADM Decline
 - Not Inflate FY21 Base WPU's

Mid-Year Phase

2020-21 School Year | State Fund Distribution Impacts on LEA Budgets

- State Funds Adjusted 3x Annually
 - Initial “Legislative Estimates” Based on Projected Enrollment
 - “Mid-Year Update” Adjusts for Enrollment Changes
 - Final Reconciles State Funds with Local Property Tax Collections
- Mid-Year Update – Recalculates WPUs
 - Identifies LEAs Enrolling Over/Under Projection
 - Shifts “Growth” Funding to LEAs Enrolling Over Projection
 - Traditionally “Holds” LEAs Enrolling Under Projection at Prior-Year ADM



Mid-Year Phase

2020-21 School Year | Statutory Hold Harmless Provisions

Prior-Year ADM + Growth – 53F-2-302

(3)(a) The state board shall use prior year plus growth to determine average daily membership in distributing money... (b) the current year is based on the actual kindergarten through grade 12 average daily membership for the previous year plus an estimated growth factor... (c) the growth factor is the percentage increase ... on the first school day of October as compared to the ... previous year.

- 1-Year Hold Harmless for Declining Enrollment
- “Growth” Cannot Be Negative
- Subcommittee Confirmed Calculation Methodology in February 2013

Loss in Enrollment– 53F-2-207

To avoid penalizing a school district financially for an excessive loss in student enrollment due to factors beyond its control, the state board may allow a percentage increase in units otherwise allowable during any year when a school district’s average daily membership drops more than 4% below the average for the highest two of the preceding three years in the school district.

- Contemplates a Negative Growth Situation
- Potential Conflict with Prior-Year + Growth
- Several LEAs May Exceed the 4% Loss in Enrollment
- Generally Applied to All LEAs – District & Charter

Mid-Year Phase

2020-21 School Year | Outstanding Issues

- What Does “Hold-Harmless” Mean?
 - Develop Cost Estimates on LEA Distribution Scenarios:
 - Prior-Year + Growth
 - Some LEAs Want to Hold at Initial Projection
 - Greater than 4% Enrollment Loss
 - What Can the State Afford?
 - Potential for Hold-Harmless Costs to Exceed Current Appropriations
 - Minimum School Program Nonlapsing Balances
- Projecting Fall 2021 Enrollments
 - Used to Build FY 2022 Budget/Enrollment Growth Cost Estimate
 - How to Adjust for Changing Enrollment
 - Projection Due Early November

Year-End Phase

2020-21 School Year | Outstanding Issues

Student Enrollment Changes

- State Board Plans January Enrollment Count
 - Look at Mid-Year Trends
 - Students Returning/Migrating LEAs & Education Delivery Models
- Evaluate if Subsequent LEA Budget or Distribution Issues Emerge

2020-21 School Year ADM

- If Enrollments Remain Stable
 - How to Determine ADM Base for LEAs
 - LEAs that Over-Enrolled – Avoid Creating Budget Wind-Fall in FY22 if Students Leave
 - LEAs that Under-Enrolled – Avoid Penalizing for a 1-Year Enrollment Shift in FY22
- If Enrollments Continue to Fluctuate
 - How to Determine ADM Base for LEAs
 - Reference Year or Average of Multiple Years
- What does Funding Look Like if Students Don't Return to an LEA in FY22?



RECOMMENDATIONS

- Direct the State Board of Education to report the following to the subcommittee during the 2021 General Session:
 - Preferred method to calculate ADM for the 2019-20 and 2020-21 school years,
 - Cost impacts associated with using the preferred ADM calculation and the two statutory hold harmless provisions, and the
 - Results of the January 2021 enrollment count.
- If the cost to hold LEAs harmless is greater than the FY21 state-fund appropriation to the Minimum School Program, report to the chairs of the Public Education Appropriations Subcommittee and Executive Appropriations Committee prior to using nonlapsing balances in the program.

QUESTIONS?