Utah Education Funding Study

Summary 2: Overall Conclusions

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An important aspect of Utah's funding system is its coherence with respect to the core principles of the Minimum School Program (MSP). Statute clearly describes the aims of this program and these aims reflect a more general set of principles (Utah Code Annotated § 53F-2-103): (1) reasonably equal opportunity for all, regardless of place of residence, and (2) local participation and determination.

The Minimum School Program (MSP) core principles provide a conceptual framework for understanding the purpose of the analyses included in this study and for understanding what they examine, as well as a lens through which to interpret results of the analyses and their implications for setting programmatic or funding goals in Utah.

With these principles in mind, and through engagements with stakeholders, as well as the results of this study's analyses, a few overall conclusions emerged.

The foundation of the MSP is strong and well designed to support meeting state principles.

These principles have broad resonance and ownership across all levels of the system. They were described in positive terms by stakeholders ranging from school staff to state legislators. The study team often heard comments to the effect that "the basics of the system are strong." The study team agrees with this statement. Fundamentally, the structure of the MSP is based in three components: the Basic School Program (BSP), the Related to Basic (RTB) programs, and the voted and board levies. Altogether, this structure is well designed to address these core principles, and nothing in our findings points to a need for a comprehensive restructuring of the system.

In fact, the study team has concluded that most opportunities for improvement represent a return to the original intent of the MSP when enacted, rather than pointing to a need for a comprehensive change. In some cases, satisfying the original intent may require an evolution beyond specific original policies as the state and the students served change in the coming years. In any case, in the view of the study team, the foundation is well established for adjusting state programs and practices to meet evolving needs in ways that are consistent with the MSP's principles.

A tension exists between the two MSP principles, necessitating a balance between them that cannot wholly satisfy each principle equally.

Although these principles are not necessarily in direct conflict, policies enhancing one principle often diminish the other principle to some extent. This can be most clearly illustrated through the structure of the BSP and how it defines the local share. By setting a local contribution that requires a community to raise funds through a fixed local levy, state policymakers limit the control of local leaders over their contributions to education according to their assessment of local needs and preferences, particularly if they feel that a smaller contribution is more appropriate.

The benefit that balances this limitation is that every district is guaranteed its total BSP funding despite fluctuations in its local capacity to provide for it through local revenue. The stability of this guarantee may be worth the sacrifice of some control.

Ultimately, policymakers and state leaders must determine the appropriate balance of these principles across the whole system and with respect to any particular program.

The final recommendations support system improvements as stand-alone policy changes, but are strongest when implemented in tandem.

Exhibit 39. Policy Recommendations

Domain	Recommendation
Funding Generation	**Recommendation 1.** Increase the Basic Property Tax Levy to rebalance the defined local share of the Basic School Program and minimize the fiscal impact of system improvements to funding distribution.
Funding Distribution	**Recommendation 2.** Establish an add-on Weighted Pupil Unit for economically disadvantaged students in the Basic School Program, replacing existing programs targeted to these students.
Funding Distribution	**Recommendation 3.** Reform the Necessarily Existent Small Schools adjustment in the Basic School Program, drawing on study findings, to expand the scope and size of the funding, primarily to address issues of scale.
Funding Distribution	**Recommendation 4.** Establish within the Basic School Program an adjustment for regional variation in the price of teacher labor, based on study findings.
Targeted Programs	**Recommendation 5.** Reexamine the Related to Basic programs to optimize coherence, stability, continuous improvement, and balance with Basic School Program funds.
Effective Practices	**Recommendation 6.** Establish a competitive grant focused on supporting schools to develop effective processes within two key strategic areas.

This study's recommendations are intended to serve specific and distinct goals. If policymakers were to implement only one recommendation, its goals would still be well served. However, the recommendations are interrelated in important ways and support additional improvements if implemented in tandem.

For example, consider Recommendation 1 and Recommendations 2–4. The latter three recommendations serve specific goals with respect to funding distribution, aiming to adjust funding to better account for how resource needs differ as a result of differences in cost factors, including student needs, scale, and local prices.

Implementing each on its own, or all three together, would require additional investment by the state, assuming the WPU value is maintained. Given the MSP principle that districts pay a reasonable portion of costs, new investments of this kind should be shared between the state and local districts. Recommendation 1 offers a fair approach to increasing local contributions to balance the burden of these new investments. In this way, these recommendations work in tandem.

Another example is how Recommendations 5 and 6 relate to each other. Recommendation 5 calls for the state to examine opportunities to optimize the coherence and stability of the RTB programs and establish a consistent and thoughtful process of testing the innovative programs that are often housed in this component of the MSP. Recommendation 6 proposes a way to immediately apply the considerations proposed in Recommendation 5 to a new program.

Policymakers can, for example, embed in the recommended grant an improvement and evaluation process that aligns methods to the stage of implementation and regularly assesses progress of grantees. In this way, implementing these recommendations in tandem enhances the impact of both recommendations on their respective goals.

As policymakers consider the study team's recommendations, these potential opportunities for coherence across recommendations should also be taken into account.

Analysis is limited in its ability to inform policies with respect to charter schools, although extending some recommendations to the charter sector may be reasonable.

As the study team conducted its analyses, the extent to which the charter sector may be similar to or distinct from the traditional school setting was often considered. For example, when assessing policies related to local tax levies, the analyses were generally not directly applicable to charter schools. However, when considering how educational context impacts resource needs, consideration of the charter setting was clearly important. Unfortunately, charter schools were not included in the cost function analysis, and thus, the results of this analysis do not reflect evidence that is, strictly speaking, applicable to the charter sector.

However, the study team recognizes the importance of the charter sector in the state's public education system. With this in mind, whether recommendations drawing on evidence not directly applicable to charter schools can reasonably be extended to the charter sector has been carefully considered:

- **Recommendation 1 (funding generation)** is focused on local tax levies and is generally not applicable to charter schools.
- The study team concluded that the findings supporting **Recommendation 2 (economically disadvantaged student need)** and **Recommendation 4 (local prices of teachers)** are likely to be sufficiently similar in charter and traditional school settings to allow for broader application of the recommendations.
- The findings supporting **Recommendation 3 (scale of operations)** are more likely to differ by sector, and thus, the recommendation should not be extended to the charter sector without additional supporting evidence.
- **Recommendation 5 (targeted programs)** is generally sector agnostic, and thus should be extended to the charter sector.
- The findings supporting **Recommendation 6 (effective practices)** are based on analysis of charter schools as well as of school districts, and thus, the recommendation should apply to both.