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**H.B. 172 1st Sub. (Buff) - Utah Virtual Schools**

**Fiscal Note**

2007 General Session  
State of Utah

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**State Impact**

Enactment of this bill will appropriate \$200,000 in one-time Uniform School Fund revenue in FY 2007 to the State Board of Education to provide start-up funds for the Utah K-8 Online School and the Virtual Charter School outlined in the bill. In addition, implementation of this bill will require an ongoing appropriation of \$3,226,200 from the Uniform School Fund beginning in FY 2008. This includes \$1,450,200 for the Utah K-8 Online School and \$1,776,000 for the Virtual Charter School.

Students enrolling in the Utah K-8 Online School generate funding equivalent to 0.4 times the value of the Weighted Pupil Unit. Based on the current value of the Weighted Pupil Unit, \$2,417, this provision generates an additional cost to the state of \$1,450,200. The total cost to the state to support this bill provision may increase based on the total number of enrolled students and the value of the Weighted Pupil Unit.

Categorical programs within the Minimum School Program generate an additional cost to the state for the Virtual Charter School. The Local Replacement Funding Program provides \$1,184 per student enrolled in a charter school. The added cost to the Local Replacement Funding Program is estimated at \$1,776,000 and would require an ongoing appropriation from the Uniform School Fund to the Minimum School Program beginning in FY 2008.

This fiscal note assumes that each of the 3,000 students allowed under provisions of this bill (1,500 Utah K-8 Online & 1,500 Virtual Charter Schools) is currently funded through the Minimum School Program based on their actual or anticipated enrollment in a public school in the fall of 2007. However, some students receiving educational services through private sources (private school or home school) may opt to enroll in Utah K-8 Online or the Virtual Charter School. Since these students are not included in the current or anticipated enrollments driving the costs of the Minimum School Program budget, the state may incur additional costs. The increased cost to the state may range from \$241,700 to \$404,400 for every 100 new to the system students enrolling in either the Utah K-8 Online or the Virtual Charter School respectively.

Legislation currently before the Legislature proposes to increase the per student Local Replacement Formula amount and provide additional state revenues to charter schools to support school level administration costs. Funding for both of these programs is based on the total number of students enrolled in charter schools. Approval of these measures by the Legislature may impact this cost estimate.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
Uniform School Fund	\$0	\$3,226,200	\$3,226,200	\$0	\$0	\$0
Uniform School Fund, One-time	\$200,000	\$0	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$200,000</b>	<b>\$3,226,200</b>	<b>\$3,226,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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*2/26/2007, 2:30:17 PM, Lead Analyst: Leishman, B.*

**Office of the Legislative Fiscal Analyst**