

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Public Education

Utah State Office of Education
Minimum School Program

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1.0 Minimum School Program

Summary

The Minimum School Program is codified in statute in section 53A-17a. It supports public school programs for kindergarten, elementary, and secondary schools. The Basic state-supported school program provides support to public schools in each of forty local school districts to enable education for all children in the State. Distribution of State money is made on a formula basis to equalize wealth between "poorer" districts and "richer" districts. The basis for the distribution of the basic program is the Weighted Pupil Unit (WPU). A weighted pupil unit, in general, is one full time student. Specific programs may have other formulas to define a "Weighted Pupil Unit; i.e., one kindergarten student equals .55 of a weighted pupil unit.

The Minimum School Program Act was established to: ". . . provide a minimum school program for the State of Utah in accordance with constitutional mandate." It is the purpose of the Act to describe the manner in which the State and the school districts shall jointly pay for the costs.

The Act specifies the manner by which school districts may qualify for participation in the Minimum School Program and of making tax levies which provide additional school services and programs.

The Minimum School Program Act is unique in comparison with other budgetary acts in that it is amended and revised each year by the Legislature. The specifics of the bill are adjusted each year bringing relevant laws into review each Legislative Session.

2.0 Issues: Minimum School Program

Executive Committee Guidelines

The Analyst's recommendations represented in this report are developed within the guidelines established by the Executive Appropriations Committee of the Legislature.

2.1 Student Enrollment Growth is computed at a -0.03 percent decrease

The method utilized to project student enrollment has historically provided a relatively accurate basis for Legislative appropriations. Over a seven year period the percent of error has averaged at 0.00049 percent. The Legislative Analyst, Governor's Office, and the State Office of Education, using differing methodologies, work together to agree on a projection. If agreement is not reached recommendations cannot be comparable. The actual fall enrollment count for FY 2000 is 475,988 compared to the committee estimate a year ago of 475,869 or an underestimate of 119, a 0.00025 percent variance. The fall enrollment estimate for FY 2001 is 475,832, a decline of 156 for a negative growth of -0.03 percent. Cost reductions resulting from negative growth for FY 2001 is calculated to be \$74,139.

2.2 Voted and Board Leeway's increase; and local revenues provide additional funds

The Voted and Board Leeway Programs have increased by \$13,187,168 while the local revenue has increased by \$13,701,557, thus \$514,389 more funding from local revenues is available to support other program needs. However, some of this funding will be necessary to cover any costs associated with adding more weighted pupil units to the Minimum School Program if the Legislature decides to do so.

2.3 Basic Levy Growth provides new funds of \$6.4 million

New construction growth in the state applied against the Basic School Tax Levy estimated at .001845 provides new local revenue for the Minimum School Program of \$6,436,180 for FY 2001.

2.4 Retirement rate reduction reduces expenditures by \$5.2 million.

There is a calculated retirement rate reduction of 0.5 percent for non-contributory and contributory retirement plans. This reduction in the Minimum School Program results in savings of \$5,193,630. This savings allows funds to be concentrated on other program needs.

2.5 School Trust Program redistributes \$4.775 million

House Bill 350, Use of Interest on State School Fund, redirects Uniform School Funds in the amount of \$4,775,000 for FY 2001. This amount is no longer unrestricted Uniform School Funds but become restricted under the terms of House Bill 350 passed by the 1999 Legislature. The distribution of these funds is governed by the Legislation. The amount has been added as a line item in the Minimum School Program.

2.6 Other funding issues total over \$126.5 million

The State Board of Education prioritized budget requests of \$107,529,600. This included an increase in the weighted pupil unit of 5 percent costing \$79,610,200, reading specialists at \$15,000,000, and textbooks and supplies at \$10,000,000. For each one percent increase in the value of the weighted pupil unit it will cost approximately \$15.8 to \$16.0 million, depending on final numbers of weighted pupil units approved for funding. In addition, the State Board of Education identified another \$19,030,700 “general education needs.”

Summary of Appropriations

The total Minimum School Program as recommended by the Analyst is illustrated on the following page. A comparison is made with the prior 2000 fiscal year appropriations. The funding representations do not include allocations for possible compensation increases. The total recommended increase over FY 2000 is \$4,354,856. This essentially represents the base budget with a few adjustments as previously discussed. This funding does not include one-time funding that may be made available through the Legislative process. This budget also does not include appropriations recommended for agencies governed by the Board of Education. These include the Utah State Office of Education, Utah State Office of Rehabilitation, Applied Technology Centers and Applied Technology Education Service Regions, Utah Schools for the Deaf and the Blind, Fine Arts and Sciences, Educational Contracts, Child Nutrition, and School Building Programs.

3.0 Minimum School Program

**Executive
Committee
Guidelines**

The Analyst's recommendations represented in this report are developed within the guidelines established by the Executive Committee. While the Executive Committee identified an appropriation amount for the Public Education budget, the Appropriations subcommittee is directed to allocate within the various agencies and departments of Public Education as they deem most appropriate. The Analyst's recommendations are developed within the same restrictions. These recommendations, while representing the best advice based on current data and information available, acknowledge that the subcommittee on Public Education, and ultimately, the Legislature has the final authority and responsibility to allocate the resources based on all factors contributed during the Legislative process

**Recommendation
Funding**

The Minimum School Program provides State support to the public schools in each local school district to enable them to provide education for all children in the State from kindergarten through grade 12. Distribution of State money is made on a formula basis in order to equalize wealth between poorer districts and richer districts. The basis for the distribution of State funds is the Weighted Pupil Unit (WPU). A weighted pupil unit, in general, is one full time student. Specific programs may have other formulas to define a "Weighted Pupil Unit; i.e., one kindergarten student equals .55 of a weighted pupil unit.

**Distribution basis is
the Weighted Pupil
Unit**

**Average Student
growth is a minus
.03 percent**

The actual fall enrollment count for FY 2000 is 475,988 compared to the committee estimate a year ago of 475,869 or an underestimate of 119, a 0.00025 percent variance. The fall enrollment estimate for 2001 is 475,832, a decline of 156 for a negative growth of 0.03 percent. Cost reductions resulting from negative growth for FY 2001 is calculated to be \$74,139. This is the fourth consecutive enrollment decline in twenty-five years for the State of Utah Public Education System.

**The Analyst
recommends a total
of \$1.7 Billion**

The Analyst's Minimum School Program budget for FY 2001 was prepared with the 2000 appropriated budget as a base and adjustments made for enrollment changes and other adjustments. The Analyst's total recommendation is \$1,770,595,468 with \$1,445,731,914 recommended from the Uniform School Fund and \$324,863,554 in local revenues. This represents a 0.03 percent decrease in Uniform School Funds, and a 4.3 percent increase in Local Revenues over the FY 2000 appropriation. The Local Revenue represents 18.35 percent of the total budget.

**Each 1 percent
increase in the
Weighted Pupil Unit
value costs
approximately
\$16,000,000.**

Each one percent increase in the value of the Weighted Pupil Unit will cost approximately \$15,800,000 to \$16,000,000 depending on the number weighted pupil units approved by the Legislature.

The Analyst recommends increased program funding of \$18,063,625, and reductions of \$5,267,769. Funding for the Voted and Board Leeway programs are increased by \$13,187,168. Total increased funding is \$4,354,856 over FY 2000.

3.1 Kindergarten

Recommendation

The Analyst recommends 20,222 Weighted Pupil Units, which represent an increase in kindergarten enrollment of 618 Weighted Pupil Units. The growth rate in kindergarten is greater than overall state growth and represents an increase as opposed to overall decrease.

Purpose

Section 53A-17a-106 of the State System of Public Education reads in part:

Kindergarten WPU computed by multiplying ADM by 0.55

(2) The number of units is computed by adding the average daily membership of all pupils of the district enrolled in kindergarten and multiplying the total by .55.

3.2 Grades 1 through 12

Recommendation

The Analyst recommends 426,422 Weighted Pupil Units, which is a decrease of 854 Weighted Pupil Units from the FY 2000 appropriated number of 427,276. The process of projecting student growth is based on actual and projected birth statistics, the multiple year survival cohort statistical analysis method, and the preceding year's average survival rates of children enrolling in the next grade level. In addition, migration factors were incorporated into the formulas and computation process. The State Office of Education, the Analyst's Office and the Governor's Office do independent growth projections and then attempt to come to a consensus prior to budget presentation before the Legislative session. The Analyst, the State Board of Education, and the Governor have utilized the same estimates for FY 2001.

Enrollment growth based on agreement using varied statistical methods and analysis

Grades One through Twelve make up 86 percent of the regular basic school programs.

3.3 Necessarily Existent Small Schools

Summary

The Analyst recommends 5,691 Weighted Pupil Units for Necessarily Existent Small Schools. This includes an increase of 197 weighted pupil units for an additional \$374,497 to accommodate program growth. For every child in the school system, the minimum school program provides a certain amount of funding.

Extra funding provided for small schools where WPU funding formula would be inadequate

However, in smaller schools there may not be enough children in one class to provide funds for even one teacher. For example, in a second-grade class of 25, the school might receive \$47,525 (based on a WPU value equal to \$1,901). However, in a smaller community where there are fewer students and smaller schools, there might only be eight students of second-grade age. The school would receive only \$15,208 - not enough for a teacher for the class or other expenditures associated with teaching those students. The Necessarily Existent Small Schools program provides extra funds for those schools.

Qualifying requirements differ according to grade level

The requirements for Necessarily Existent Small Schools classification include:

1. Number of Students. There must be fewer than 160 students in an elementary school, 400 in a middle or junior high, 450 in a high school and 600 in a six-year high school.

Distance is a factor

2. Location. The school under consideration is so located that the distance to the nearest school of the same type in that particular school district is such that travel to the school over bus routes approved by the State Office of Education would require any student to travel more than 45 minutes for students in kindergarten through grade six and one hour and 15 minutes for students in grades seven through 12, such time to be calculated for one-way travel.

School facilities and consolidation considerations considered

3. Other Criteria. If there is a possibility of consolidation or question of adequacy and safety of the building (refer to Utah State Board of Education, "Criteria for Classifying Small Schools as Necessarily Existent"), the USBE can judge whether it is a Necessarily Existent Small School.

3.4 Professional Staff

Recommendation

The Analyst recommends 41,394 Weighted Pupil Units for the base budget, which is the same as the prior year.

Purpose

Professional Staff costs are determined according to the Professional Staff Cost Formula detailed in the Utah Code in Section 53A-17a-107as follows:

- (1) Professional staff weighted pupil units are computed and distributed in accordance with the following schedule:
 - (a) Professional Staff Cost Formula
 - (b) Multiply the number of full-time or equivalent professional personnel in each applicable experience category in (a) by the applicable weighting factor.
 - (c) Divide the total of (b) by the number of professional personnel included in (b) and reduce the quotient by 1.00.

- (d) Multiply the result of (c) by 1/4 of the weighted pupil units computed in accordance with Sections 53A-17a-106 and 53A-17a-109.
- (2) The State Board of Education shall enact rules in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, which require a certain percentage of a district's professional staff to be certified in the area in which they teach in order for the district to receive full funding under the schedule.
- (3) If an individual's teaching experience is a factor in negotiating a contract of employment to teach in the state's public schools, then the local school board is encouraged to accept as credited experience all of the years the individual has taught in the state's public schools.

3.5 Administrative Costs

Recommendation The Analyst recommends 1,655 Weighted Pupil Units for Administrative Costs. This is the number as currently provided by statute.

Purpose The following section of the School Finance Act (53A-17a-108) governs this appropriation:

- Utah’s statute requires a plan to keep administrative costs low**
- 1) Each school district shall receive additional weighted pupil units to assist in its administrative costs.
 - 2) The State Board of Education shall develop a statewide plan to increase the proportion of funds allocated to instruction and decrease the proportion of funds allocated to general district administration and business administration.

Administrative costs in Utah Schools represent between 8 and 9 percent of the total Maintenance and Operation costs.

Distribution of Administrative Cost funds reward smaller districts Administrative costs weighted pupil units are computed and distributed to districts in accordance with the following schedule:

1 - 2,000 students	53 WPU
2,001 - 10,000 students	48 WPU
10,001 - 20,000 students	25 WPU
20,001 and above	16 WPU

3.6 Special Education Add-On Weighted Pupil Units

Recommendation	The Analyst recommends 52,697 WPU's for the add-on Special Education Program. This is the base budget and the same as was appropriated for FY 2000.
Purpose	More than 48,000 Students in the State of Utah, ages 5 through 21, are identified as being eligible for special education. These students must receive a free, appropriate education consistent with state and federal mandates.
Funds are allocated on the basis of Services delivered	Services needed are determined based on individual needs by a team comprised of parents, teachers, support personnel, and administrators. These services can range from a 15-minute per-week session to one-on-one instruction for six hours each day. Related services, such as physical therapy and occupational therapy, must be delivered if these services are needed for the student to benefit from special education. It generally costs 1.5 to 6.2 times as much to educate a disabled student as to educate a non-disabled student. Costs can go higher for prescriptive speech therapy, physical and occupational therapy, psychological and behavioral management, and adaptive physical education for the more severely disabled
State and Federal mandates govern Special Education programs	State and federal statute mandate special education. The State Board of Education is required to provide proper education and training for all students with disabilities in this State. The Individuals with Disabilities Education Act (IDEA), Part B, requires that a free and appropriate public education be provided all eligible students with disabilities and provides federal financial assistance to carry out the mandate. Utah's Special Education Legislation, passed in 1953 and amended in 1959, predated the federal law (IDEA) which was signed in 1975.
Funds are allocated using base year and adding growth	The allocation of special education dollars to the individual districts is accomplished by using the prior years base WPU's for each district and increasing by growth only. The increase is multiplied by 1.53 weighted pupil units for each new student and added to the foundation allocation to determine each district's total allocation.

3.7 Special Education Self-Contained Program

Recommendation	The Analyst recommends 12,299 WPU's for the Self-Contained Special Education Program.
Purpose	The Self-Contained WPU's are the standard full WPU for every student (average daily membership) that qualifies as a Self-Contained Special Education student. The Add-On is the additional service needed to fund programs for them and for other children who do not qualify as a self-contained special education student. Costs are formula driven as they represent charges for actual services provided.

3.8 Special Education - Preschool

Recommendation The Analyst recommends 4,724 Weighted Pupil Units for the Preschool program. This is the same as was appropriated for FY 2000. The calculation is based on a new formula as adopted by the 1998 Legislature.

Funding Formula A weighting factor of 1.205 of the value of the weighted pupil unit is utilized for computing the funding requirements for Preschool Special Education children. This is based on actual per child costs for service and takes into account all federal and state revenue sources and expenditures. Growth is defined as the actual increase in the number of children, age three through preschool aged five, reported between December 1st child counts. This excludes children served by the Utah Schools for the Deaf and the Blind. A statewide cap of 8 percent is to be used in the formula for budget requests and fund distribution. If this growth is not realized, the budget request will be reduced to equate to the actual growth realized.

The formula is:

"A factor of 1.205 times the current December 1st child count of eligible 3,4 and preschool aged 5 year olds times the WPU value"; (with a limit of 8 percent growth over the prior year December 1st count)

Purpose The Preschool Special Education Program was implemented to help meet the educational needs of children with disabilities who are three to five years of age. Public Law 99-457 requires that children with disabilities three to five years be given an appropriate free public education. A Federal mandate required the state to have this program in full operation by 1992. FY 2001 will be the tenth year the state of Utah has had this program in operation.

Public Law 99-457 requires education for disabled children ages three to five

3.9 Extended Year Program for Severe Disabled

Purpose The Fiscal Analyst recommends a total of 237 WPU's for the Extended Year Program. This is the same as was appropriated for FY 2000. Extended School Year Program for severely disabled is limited to students with disabilities who, because of the severity of their disability will not be able to maintain skills gained in the regular school year unless they receive education during the summer months. For these students a maintenance program will be provided to ensure that these students maintain the skills gained in the regular school year. Without this program many of these students would spend much of the next year regaining the skills they had learned in the previous school year.

Program allows continued education during summer

3.10 Special Education - State Programs

Recommendation The Fiscal Analyst recommends 1350 WPU's for Special Education - State Programs.
1,350 WPUs

This allocation provides funding for special education programs in state institutions as well as for district impact aid. Impact aid is provided to districts for new students and for students with disabilities whose services cost significantly more to the district.

3.11 Adult Education

**Recommendation
3407 WPU's;
includes base plus
growth adjustments**

The Analyst recommends 3,407 WPU'S for the Adult High School, and Adult Basic Education programs. The Adult High School Education program would be allotted 3,116 WPU's and the Adult Basic Skills program would receive 291 WPU's.

**Adult High School
Education**

This program divides the funding among the school districts the following way:

- ▶ 6 percent is distributed equally among districts as a base for the program.
- ▶ 50 percent of the remaining allocation is distributed to the districts according to each district's percentage of adults that do not have a diploma or a GED as determined by the last census.
- ▶ 50 percent is distributed based on the following four performance measures: 1) The number of enrollees, 2) The units of credit awarded, 3) The number of High school diplomas awarded, and 4) The number of clock hours of student attendance.

Purpose

The statutory provisions for the Adult High School Program are found in the UCA 53A-17a-119 as follows:

**Program funds are
allocated based on
the number of adults
without a high
school diploma**

Each district shall receive its pro rata share of the appropriation based on the number of people listed in the latest official census who are over 18 years of age and who do not have a high school diploma and prior year participation. On February 1, of each school year, the State Board of Education shall recapture funds not used for an adult high school completion program and reallocate them to districts that have implemented programs based on need and effort as determined by the State Board of Education. To the extent of monies available, school districts shall provide programs to adults who do not have a diploma and who intend to graduate from high school, with particular emphasis on homeless individuals who are seeking literacy and life skills. Overruns in adult education in any district may not reduce the value of the weighted pupil unit for this program in another district. The board shall provide the Legislature with a recommendation as to if and when any fees should be charged for participation in the programs funded under this section.

Adult Basic Skills

The Analyst recommends 291 WPU'S.

Purpose This program created by the 1995 Legislature is in its fourth year. The program is designed to provide English as a second language and basic skills instruction for adult ethnic/racial minorities and others.

3.12 Accelerated Learning Programs

Recommendation The Analyst recommends 3,841 WPU's.

Purpose The 1987 Legislature created the Accelerated Learning Programs category in the Basic Program of the Minimum School Program. The category includes Advanced Placement Programs, Concurrent Enrollment Programs, and Gifted and Talented Programs.

Accelerated Learning programs include Advance Placement, Concurrent Enrollment, and Gifted and Talented

Utah's Accelerated Learning programs are among the best in the nation as evidenced by both test scores and the high percentage of participants. The funds are distributed according to the rules established by the State Board of Education. Funding language for this program can be found in the Utah State Code, 53A-17a-120.

Funds are distributed based on basic program WPU appropriation

Programs for Gifted and Talented Students

The distribution amounts to school districts for Gifted and Talented Programs for FY 2000 are projected at \$1,458,067 or 767 WPUs. According to the State Board of Education rules "each school district shall receive its share of funds allocated for these programs in the same proportion that its number of weighted pupil units for kindergarten through grade twelve and necessarily existent small rural schools bears to the state total."

District programs are varied and diverse

Districts differ widely in how they use these funds to aid in educating gifted and talented students. According to the Utah Administrative Code (1990) R300-710, programs for the gifted and talented are: "programs for children and youth whose superior performance or potential for accomplishment requires a differentiated and challenging education program to meet their needs in anyone or more of the following areas:

- 1) General intellectual;
- 2) Specific academic
- 3) Visual or performing arts;
- 4) Practical arts;
- 5) Leadership;
- 6) Creative or productive thinking."

Each district is also required to have a plan for these students and a way of identifying gifted and talented students.

Concurrent Enrollment

The Analyst has provided for 2,473 WPU's, \$4,701,173 to provide for the Concurrent Enrollment programs.

Concurrent Enrollment is another program in which Utah's outstanding high school students can move more rapidly through our school system by enrolling in college courses prior to high school graduation for credit toward both high school graduation and full college matriculation. Both district teachers and college professors teach these courses. Who teaches depends on the district, agreements with the different colleges and universities in the state, and the location of the high school. Funds for this program are distributed to the districts in the state on a pro-rated amount based on the total number of quarter hours earned by their students.

Issue:

Concurrent Enrollment

Concurrent enrollment is an opportunity for secondary students to obtain college credit in high school that meets the graduation requirements for both high school and college. For the academic year 2000, there were 19,744 high school students enrolled in concurrent enrollment with a total of 127,694 credit hours successfully completed. Concurrent enrollment programs were designed to address the growing concern over the rising costs of education and the increased demand for services. The purpose of concurrent enrollment is to move a student more quickly through the educational system as an alternative to expensive capital facilities. As the cost of a college education increases, concurrent enrollment offers parents and students a way to reduce the expense of tuition by completing college credits while in high school. The Utah Code Section 53A-15-101 stipulates that concurrent enrollment students are not required to pay tuition, however, a one-time application fee may be assessed by the USHE institution.

The Utah Code Section 53A-15-101 outlines the collaboration between the State Board of Education (SBOE) and the State Board of Regents (SBR) to implement concurrent enrollment programs and delivery systems. The SBR is responsible for approving the concurrent enrollment faculty. Course content, teaching materials, and procedures for the concurrent enrollment curriculum are approved by the USHE institution to ensure the quality of instruction is comparable to courses offered on college and university campuses. This code section also states that each high school receives a proportionate share of the appropriated current enrollment funding based on the number of credit hours successfully completed in the previous academic year. Each USHE institution shall receive concurrent enrollment funds from the school districts based on the Annual Concurrent Enrollment Contract.

In Section 53A-17a-120 of the Utah Code, the public education schools participating in concurrent enrollment may receive up to \$50 per semester for each credit hour successfully completed. This section also states that concurrent enrollment funding shall be spent on these programs according to the standards established by the State Board of Education and that uniform and consistent policies are to be developed for the utilization of concurrent enrollment monies.

1997 – 98 Concurrent Enrollment Credit Hours	
Credit Hours Taken	Number of Students
1-5	7,613
6-10	4,645
11-15	3,338
16-20	1,111
21-25	586
26-30	300
31-35	159
36-40	121
41-45	102
46-50	36
51-60	22

The Analyst has the following concerns relating to the concurrent enrollment program:

- ▶ The passage of Senate Bill 90, “Higher Education Scholarships” (The New Century Scholarships), has increased the demand
- ▶ The issue of sophomore enrollments
- ▶ Increased enrollments and costs
- ▶ The need for academic advising
- ▶ Consistent policies and procedures relating to concurrent enrollment instruction
- ▶ Inconsistency in the use of concurrent enrollment monies.

The passage of the New Century Scholarship Program greatly increased the demand for concurrent enrollment. With the increased demand, several issues need to be addressed to accommodate the requirements associated with the new scholarship as well as the increase in enrollments.

The State Board of Education Rule R277-713-3 states that local school districts and USHE institutions shall jointly establish student eligibility requirements. Most of the students enrolled in concurrent enrollment are juniors and seniors. Typically, sophomores are only admitted to the program on a case by case basis, which varies from school to school. In order for a student to graduate with an associate degree, as well as meet all of the requirements for high school graduation, the student needs to start as early as the sophomore year. Therefore, consistent policies need to be established system-wide regarding the admittance of sophomores.

The increased enrollments have added to the work-load for the higher education staff. The sentiment of many USHE institutions is that “it is not worth the trouble.” The USHE institutions are responsible for the approval, monitoring, and supervision of the concurrent enrollment teachers, curriculum, as well as teaching materials. Each institution receives a contracted amount per credit hour, however, the amount is no longer covering the expenses associated with increased enrollment numbers. High school students taking advanced placement (AP) courses pay \$60 to take an exam at the end of the semester in order to receive college credit. A student at Salt Lake Community (SLCC) pays tuition of about \$187 and \$253.50 with fees for 3 credits hours and approximately \$551 or \$670 with fees for 10 credit hours. A high school student averages about 10.8 concurrent enrollment credit hours. Perhaps it is time to assess a course fee for concurrent enrollment students. At \$20 a credit would cost a student \$60 for a 3 credit hour course, which would be in line with the AP cost. The \$20 per hour would still be an inexpensive way to fund at least part of a college education compared to the full tuition charged by higher education institutions. This would require a change in the statute in Section 53A-15-101 (6) (b) (iii), which states that “higher education tuition and fees may not be charged for participation in this program.” If a student was unable to pay due to economic constraints, a waiver could be granted based in the Utah Code Section 53B-8-101.

High school teachers that teach concurrent enrollment are required to have the same credentials as college instructors. They are also required to attend in-service training and orientation meetings. Preparation for the class as well as the paperwork for the program requires more time than a regular high school course. With the increased demand, a heavier workload, as well as the requirement of a master’s degree, there is very little incentive to teach concurrent enrollment. The concurrent enrollment instructors need a stipend to compensate them for their expertise, time, and effort.

One of the purposes of concurrent enrollment is for students to move through the educational system quicker. The following table shows that 68 percent of the students take between one and 10 credits:

Most USHE institutions lack definitive data to show whether concurrent enrollment leads to accelerated completion of degrees. Concurrent enrollment data generated by Salt Lake Community College (SLCC) indicates that students enrolled in concurrent enrollment do not necessarily complete their Associate Degrees any faster than traditional students. The following table illustrates the credit hours generated by concurrent enrollment and traditional students at SLCC:

	Credits Earned by All Students at SLCC	Average No. of Credits Earned by Concurrent Enrollment Students at SLCC	Difference Between All Students and Concurrent Enrollment Students
HS Senior (1995-96)	0.0	10.8	10.8
SLCC Freshman (1996-97)	28.5	39.4	10.9
SLCC Sophomore (1997-98)	57.0	64.4	7.4

There are several reasons why concurrent enrollment students are not moving through the system faster. As the statistics show, the average credits taken by most concurrent enrollment students are only 10.8 hours. Also, students often randomly take courses that do not necessarily meet general education or the Associate Degree requirements. Parents, students and high school counselors need to understand that an unstructured accumulation of college credits does not necessarily lead to early completion of college or eligibility for the New Century Scholarship. High school and college advisors can play a critical role to ensure students enrolled in concurrent enrollment are taking courses that align with their Student Education Occupation Plan (SEOP), as well as meet the requirements for their particular discipline. Also, each school district and USHE institution determines the programs that are taught. In order to be fair to all students, consistent policies and procedures need to be developed for concurrent enrollment instruction.

Utah Code Section 53A-17a-120 stipulates that concurrent enrollment funding shall be spent on these programs according to the standards established by the State Board of Education and that uniform and consistent policies are to be developed for the utilization of concurrent enrollment monies. Also, the SBOE policy R277-713-8 indicates that the concurrent monies are to be used for the following:

- ▶ Pay students tuition
- ▶ Pay the share of the costs of supervision and monitoring by colleges and universities according to the annual contract agreement
- ▶ Aid in staff development
- ▶ Assist in the costs of distance learning
- ▶ Offset the costs of personnel who work in the program
- ▶ Pay for textbooks and other instructional materials

The allocation of concurrent enrollment funding is not consistent for each school district. Districts are receiving anywhere from \$40.24 to \$15.89 per credit hour out of the possible \$50. The following table indicates the distribution of concurrent enrollment funding:

Concurrent Enrollment							
District	Distribution of Concurrent Enrollment Funding						
	1998-99 High School Hours	1998-99 College Hours	Total 1998-99 Hours Completed	Total			Amount Per Credit Hour
				Total Hrs Calculation x \$548,899	H.S. Hrs. Calculation x \$4,152,274	Concurrent Enrollment Allocation	
Grand	54.0	112.0	166.0	\$714	\$1,941	\$2,655	\$15.99
Piute	64.0	67.0	131.0	563	2,300	2,864	21.86
Daggett	123.0	-	123.0	529	4,421	4,950	40.24
Beaver	171.0	-	171.0	735	6,146	6,881	40.24
Morgan	232.0	-	232.0	997	8,339	9,336	40.24
Park City	303.0	12.0	315.0	1,354	10,891	12,245	38.87
Tintic	322.0	-	322.0	1,384	11,574	12,958	40.24
Kane	403.0	-	403.0	1,732	14,485	16,218	40.24
So. Summit	411.5	-	411.5	1,769	14,791	16,560	40.24
No. Summit	621.5	-	621.5	2,672	22,339	25,011	40.24
Wayne	636.0	-	636.0	2,734	22,860	25,594	40.24
Garfield	680.0	-	680.0	2,923	24,442	27,365	40.24
No. Sanpete	701.0	-	701.0	3,013	25,197	28,210	40.24
Rich	723.0	-	723.0	3,108	25,988	29,095	40.24
Juab	745.0	-	745.0	3,202	26,778	29,981	40.24
Iron	756.0	161.0	917.0	3,942	27,174	31,115	33.93
Ogden	770.0	508.0	1,278.0	5,494	27,677	33,170	25.95
Uintah	906.0	-	906.0	3,895	32,565	36,460	40.24
Emery	1,496.0	-	1,496.0	6,431	53,772	60,203	40.24
So. Sanpete	1,517.0	114.0	1,631.0	7,011	54,527	61,538	37.73
San Juan	1,645.0	119.0	1,764.0	7,583	59,128	66,711	37.82
Millard	1,739.0	-	1,739.0	7,475	62,507	69,982	40.24
Washington	1,461.0	3,068.0	4,529.0	19,468	52,514	71,982	15.89
Tooele	1,857.0	-	1,857.0	7,982	66,748	74,731	40.24
Duchesne	1,952.0	-	1,952.0	8,391	70,163	78,554	40.24
Carbon	2,135.5	-	2,135.5	9,180	76,759	85,938	40.24
Wasatch	2,171.5	-	2,171.5	9,334	78,052	87,387	40.24
Box Elder	2,225.0	-	2,225.0	9,564	79,975	89,540	40.24
Salt Lake	2,358.0	359.5	2,717.5	11,681	84,756	96,437	35.49
Murray	2,468.0	-	2,468.0	10,609	88,710	99,319	40.24
Logan	3,007.0	-	3,007.0	12,926	108,084	121,010	40.24
Sevier	3,178.5	201.5	3,380.0	14,529	114,248	128,777	38.10
Provo	5,240.5	767.0	6,007.5	25,824	188,365	214,188	35.65
Weber	5,502.5	1,033.0	6,535.5	28,093	197,782	225,875	34.56
Cache	6,433.0	220.0	6,653.0	28,598	231,228	259,826	39.05
Davis	8,097.0	2,200.5	10,297.5	44,264	291,039	335,303	32.56
Nebo	8,746.0	1,085.0	9,831.0	42,259	314,367	356,626	36.28
Alpine	11,306.0	1,903.5	13,209.5	56,782	406,383	463,165	35.06
Jordan	14,465.0	242.0	14,707.0	63,219	519,931	583,150	39.65
Granite	17,898.0	-	17,898.0	76,936	643,327	720,262	40.24
Total	115,520.5	12,173.0	127,693.5	\$548,899	\$4,152,274	\$4,701,173	\$36.82

As the above table indicates, the distribution of funding is not proportionate for all school districts. The following table shows the variance in the distribution:

District	Total 1998-99 Hours Completed	Actual Concurrent Enrollment Allocation	Amount Per Credit Hour	Proportionate Allocation	Overage or (Shortage) in Allocation
Grand	166.00	\$2,655	\$15.99	\$6,111	(\$3,457)
Piute	131.00	2,864	21.86	4,823	(1,959)
Daggett	123.00	4,950	40.24	4,528	421
Beaver	171.00	6,881	40.24	6,296	586
Morgan	232.00	9,336	40.24	8,541	795
Park City	315.00	12,245	38.87	11,597	648
Tintic	322.00	12,958	40.24	11,855	1,103
Kane	403.00	16,218	40.24	14,837	1,381
So. Summit	411.50	16,560	40.24	15,150	1,410
No. Summit	621.50	25,011	40.24	22,881	2,130
Wayne	636.00	25,594	40.24	23,415	2,179
Garfield	680.00	27,365	40.24	25,035	2,330
No. Sanpete	701.00	28,210	40.24	25,808	2,402
Rich	723.00	29,095	40.24	26,618	2,477
Juab	745.00	29,981	40.24	27,428	2,553
Iron	917.00	31,115	33.93	33,760	(2,645)
Ogden	1,278.00	33,170	25.95	47,051	(13,880)
Uintah	906.00	36,460	40.24	33,355	3,104
Emery	1,496.00	60,203	40.24	55,077	5,126
So. Sanpete	1,631.00	61,538	37.73	60,047	1,491
San Juan	1,764.00	66,711	37.82	64,944	1,767
Millard	1,739.00	69,982	40.24	64,023	5,959
Washington	4,529.00	71,982	15.89	166,740	(94,758)
Tooele	1,857.00	74,731	40.24	68,367	6,363
Duchesne	1,952.00	78,554	40.24	71,865	6,689
Carbon	2,135.50	85,938	40.24	78,621	7,317
Wasatch	2,171.50	87,387	40.24	79,946	7,441
Box Elder	2,225.00	89,540	40.24	81,916	7,624
Salt Lake	2,717.50	96,437	35.49	100,048	(3,610)
Murray	2,468.00	99,319	40.24	90,862	8,457
Logan	3,007.00	121,010	40.24	110,706	10,304
Sevier	3,380.00	128,777	38.10	124,438	4,339
Provo	6,007.50	214,188	35.65	221,173	(6,984)
Weber	6,535.50	225,875	34.56	240,611	(14,736)
Cache	6,653.00	259,826	39.05	244,937	14,889
Davis	10,297.50	335,303	32.56	379,113	(43,810)
Nebo	9,831.00	356,626	36.28	361,939	(5,313)
Alpine	13,209.50	463,165	35.06	486,322	(23,157)
Jordan	14,707.00	583,150	39.65	541,454	41,696
Granite	17,898.00	720,262	40.24	658,934	61,328
Total	127,693.50	4,701,173	\$36.82	4,701,173	-

The contractual amounts as well as the admission fee for each institution of higher education varies from school to school. The following table indicates the contracted amounts for each USHE institution:

	<u>Concurrent Enrollment</u>		
	One-time	Tuition Charge per Credit Hour	
	Admission	From School District	
	Fee	USHE Teacher	Public Ed Teacher
U of U	N/A	N/A	N/A
USU	\$0.00	\$50.00	\$16.67
WSU	\$0.00	\$17.00	\$17.00
SUU (Iron County)	\$25.00	\$45.00	\$25.00
SUU (All Other)	\$25.00	\$39.00	\$25.00
Snow	\$20.00	\$18.03	\$18.03
Dixie	\$25.00	\$33.33	\$16.67
CEU	\$20.00	\$32.40	\$16.20
UVSC	\$20.00	\$33.00	\$16.50
SLCC	\$20.00	\$16.67	\$16.67

The allocation and uses of concurrent enrollment funding are not uniform and consistent. The utilization of concurrent enrollment monies should be as follows:

- ▶ Fund the direct cost of instruction for programmatic needs
- ▶ Pay students tuition
- ▶ Cover personnel costs for faculty, supervision, and monitoring
- ▶ Evaluate the distribution of funding for faculty, supervision and monitoring
- ▶ The costs of academic advising
- ▶ Assist in the costs of distance learning
- ▶ Pay for textbooks and other instructional material

As the state moves into the 21st Century, concurrent enrollment can become an innovative and creative way for students to gain an education while meeting the high school graduation requirements. Some of the issues relating to concurrent enrollment have been addressed, such as the need for academic advising, as well as the allocation and utilization of the funding. In order for the program to work more efficiently and effectively, the system as it currently exists needs to be evaluated and changed to meet the growing demand of current enrollment. **Therefore, it is recommendation of the Analyst that during the Interim, the Office of the Legislative Fiscal Analyst in conjunction with personnel from the Utah State Office of Education and the Utah System of Higher Education conduct a study of concurrent enrollment education. It is further recommended that a written report of the study with recommendations be reported to Executive Appropriations Committee in the fall of 2000.**

Statute Provisions

The Analyst has provided the following text of the State Board of Education administrative rules governing the operating procedures and working arrangements between Public Education and Higher Education:

R277-713-3. Student Eligibility.

- A. Local schools and institutions of higher education shall jointly establish student eligibility requirements, which shall be sufficiently selective to predict a successful experience.
- B. Local schools have the primary responsibility for identifying students who are eligible to participate in concurrent enrollment classes.
- C. Each student participating in the concurrent enrollment program shall have a current student education/occupation plan (SEOP) on file at the participating high school, as required under Section 53A-1a-106(2)(b).

R277-713-4. Operational Procedures.

- A. Private and public institutions of higher education may participate in the concurrent enrollment program.
- B. Concurrent enrollment courses shall be offered at the most appropriate location using the most appropriate methods for the course content, the faculty, and the students involved.
- C. The delivery system and curriculum program shall be designed and implemented to take full advantage of the most current available educational technology.

R277-713-5. Courses.

- A. Participation in concurrent enrollment begins a student's college experience and a permanent college transcript.
- B. Course registration and the awarding of credit for concurrent enrollment courses are the province of colleges and universities governed by USHE policies.

C. Concurrent enrollment course offerings shall reflect the strengths and resources of the respective schools and institutions of higher education and be based upon student needs. The number of courses selected shall be kept small enough to ensure coordinated statewide development and training activities for participating teachers. Concurrent enrollment offerings shall be limited to a manageable number of courses in English, mathematics, fine arts, humanities, science, social science, and vocational/technical programs to allow a focus of energy and resources on quality instruction in these courses. However, there may be a greater variety of courses in the vocational-technical area.

D. Course content, procedures, examinations, teaching materials, and program monitoring shall be the responsibility of the appropriate higher education institution or department and shall ensure quality and comparability with courses offered on the college or university campus.

R277-713-6. Student Tuition, Fees and Credit for Concurrent Enrollment Programs.

A. Tuition may not be charged to high school students for participation in this program.

B. Students may be charged a one-time enrollment fee per institution and assume responsibility for obtaining textbooks.

C. Concurrent enrollment program fees attributable only to college/university credit or enrollment are not subject to fee waiver under R277-407.

D. All other fees related to concurrent enrollment classes are subject to fee waiver consistent with R277-407.

E. Credit:

(1) Five (5) quarter or three (3) semester higher education hours equal one (1) unit of high school credit.

(2) College level courses taught in the high school carry the same credit hour value as when taught on a college or university campus and apply toward college/university graduation on the same basis as courses taught at the institution of higher education to which the credits are submitted.

(3) Credit earned through the concurrent enrollment program shall be transferable from one USHE institution to another.

R277-713-7. Faculty.

C. Nomination of adjunct faculty is the joint responsibility of the local school district and the participating institution of higher education. Final approval of the adjunct faculty shall be determined by the appropriate college or university department. Selection criteria for adjunct faculty teaching concurrent enrollment courses shall be the same as those criteria applied to other adjunct faculty appointments within the department.

D. Adjunct faculty status of high school teachers:

(1) High school teachers who hold adjunct faculty status with a college or university for the purpose of teaching concurrent enrollment courses shall be included as fully as possible in the academic life of the supervising academic department.

- (2) Universities, colleges and secondary schools shall share expertise and in-service training, as necessary, to adequately prepare teachers at all levels to teach concurrent enrollment students.
- (3) In-service experiences may qualify teachers or professors for graduate level credit.

R277-713-8. Concurrent Enrollment Funding and Use of Concurrent Enrollment Funds.

- C. A proportional amount of the funds appropriated to the USOE under the line item "accelerated learning programs", 53A-17a-120 shall be allocated to concurrent enrollment programs.
- D. Each district shall receive a pro-rated amount of the funds appropriated for concurrent enrollment according to the number of quarter hours successfully completed by students registered through the district in the prior year compared to the state total of completed concurrent enrollment hours.
- E. Each high school shall receive its proportional share of district concurrent enrollment monies allocated to the district pursuant to Section 53A-17a-120 based upon the hours of concurrent enrollment course work successfully completed by students on the high school campus as compared to the state total of completed concurrent enrollment hours.
- F. State funding to school districts for concurrent enrollment is limited to a maximum of 45 quarter hours per student per school year.
- G. Funds allocated to school districts for concurrent enrollment shall not be used for any other program.
- H. Colleges or universities shall receive concurrent enrollment funds from school districts based on the Annual Concurrent Enrollment Contract and approved guidelines.
- I. District use of state funds for concurrent enrollment is limited to the following:
 - (1) to pay tuition for students;
 - (2) to pay for a share of the costs of supervision and monitoring by college or university employees according to the annual contractual agreement;
 - (3) to aid in staff development of adjunct faculty in cooperation with the participating college or university;
 - (4) to assist with costs of distance learning programs;
 - (5) to offset the costs of district or school personnel who work with the program;
 - (6) to pay for textbooks and other instructional materials; and
 - (7) other uses approved in writing through the USOE Concurrent Enrollment Specialist consistent with the law and purposes of this rule.
- J. Concurrent enrollment course credit shall count for completion of high school graduation requirements as well as for college credit.

R277-713-9. Annual Contracts.

Collaborating school districts and institutions of higher education shall negotiate annual contracts including:

- (1) the courses offered;

- (2) the location of the instruction;
- (3) the teacher;
- (4) student eligibility requirements;
- (5) course outlines;
- (6) texts, and other materials needed; and
- (7) the administrative and supervisory services, in-service education, and reporting mechanisms to be provided by each party to the contract.

Advanced Placement Courses

The FY 2001 recommendation for Advanced Placement programs is 601 WPU's or \$1,142,501. The advanced placement courses taught at the high school prepare the student to take the AP test in a certain subject. The test measures competency and grades on a score of 1 (lowest) to 5 (highest). A score of 3, 4 or 5 is passing and students can receive college credit or a waiver of some basic education requirements at most universities in the nation. (In many universities, however, only passing does not assure credits - some requiring up to a 5 to receive credit.) Funds are distributed to the districts on the basis of the total sum available divided by the total number of AP examinations passed.

3.13 At-Risk Programs

The Analyst recommends 10,039 WPU's for the At-Risk Programs. This is the same as the current fiscal year appropriation with the addition of weighted pupil units representing a \$1,000,000 appropriation made as separate line item for the Youth In Custody program in FY 2000.

The "At-Risk" program was initiated to serve the special needs of students who might be "at risk" and help overcome factors which put them at-risk. A number of factors are involved in determining what defines a student "at-risk." According to the Master Plan For Students At-Risk, "a student at-risk is any student who, because of his/her individual needs, requires some kind of uniquely designed intervention in order to achieve literacy, graduate, and be prepared for transition from school to post-school options.

The current budget is divided into six items: Flow-through money; teen-age pregnancy programs; homeless and minority; Mathematics, Engineering, and Science Achievements Program (MESA); Gang Prevention and Youth-In-Custody.

Flow through money

Over ½ of the At-Risk funding goes directly to the districts to use for whatever programs they have to meet some or all of the goals of the At-Risk program. Of this money, 50 percent is given to schools on the basis of the number of Chapter 1 low income students in proportion to the state total, and the other 50 percent is given to districts on the basis of their total student population. A minimum \$10,000 base is guaranteed to all districts.

The programs the districts use to address the at-risk problems are innovative and diverse. In some districts there are alternative high schools or learning centers, which concentrate individualized attention and use outcome-based education, vocational programs, non-letter-grade systems or basic skill learning to work with students who may have difficulty in the regular system. Many districts also have young mother programs or schools geared toward helping teen mothers graduate. Substance abuse programs cross age tutoring, early intervention programs, and other specialized programs geared toward the above-mentioned goals.

Teenage Pregnancy programs

These programs are allocated 439 WPU's or \$834,539 for FY 2000. The FY 2001 recommended base is the same.

All school districts are eligible for this money which they receive through an application process. To receive the money, districts must demonstrate that the program they plan to use complies with the following requirements as found in the UCA 53-17a-121 (3)(a)-(f):

- 1) The teenage pregnancy program requires written consent from a parent or guardian.
- 2) It must comply with Sections 76-7-321 through 76-7-325 of the Utah Code, which says that it cannot promote, teach or encourage the use of contraceptives or abortion.
- 3) The district must demonstrate to the state board of education through prior research and pilot studies with similar student populations that those students attained and retained knowledge, values, attitudes, and behaviors that promote abstinence from sexual activity before marriage, and that the students had a lower pregnancy rate than comparison groups that did not participate in the program.
- 4) All teaching materials must be approved by the state board.

The districts can spend other moneys in the At-Risk regular program for pregnancy programs if they deem necessary.

Homeless and Minority

The recommended allocation for this program is \$1,066,461, or 561 weighted pupil units, which represents the base budget currently appropriated for FY 2000.

The At-Risk homeless and Minority Program was added in FY 1993. The money is distributed based on a weighted count of homeless and minority students in each district.

MESA funds are allocated on a competitive basis

MESA Programs

The MESA (Mathematics, Engineering, and Science Achievements) program is allocated 175 WPU's or \$332,675.

The MESA Program has been funded for several years, but was funded as part of the At-Risk Line Item in FY 1993. The distribution is allocated on a competitive basis by the State School Board.

Youth - In - Custody

Recommendation

The Analyst recommends 6,173 WPU's for Youth-In-Custody. The recommendation includes a \$1,000,000 separate line item amount appropriated by the 1999 Legislature for FY 2000. The State Board of Education is currently completing an audit of the program as was recommended and requested by the 1999 Legislature. Since that audit and program study is not yet completed the Board of Education has not requested any additional funding for FY 2001.

Purpose

The goal of this program is successful release of students into society

This program provides for education of youth that are in the custody of State agencies for reasons of neglect or delinquency. The goal of all custody programs for youth are successful release, not continued custody. Educational programs to which Youth-in-Custody are assigned are to meet applicable standards approved by the State Board of Education. Youth-in-Custody served by or through a school district are considered students of that district. All Youth-in Custody education services are closely coordinated with related social service and judicial agency services to enhance effectiveness and avoid duplication.

Youth in Custody is a person under age twenty-one in custody of a state agency

A Youth-in-Custody is a person under the age of twenty-one who is in the custody of a state agency other than the Utah State Training School, Utah State Hospital, State Division of Corrections, or the Utah State Prison. Custody is pursuant to a determination that the person is neglected, delinquent, or guilty of a criminal act. The term includes residents of detention centers but excludes any child who is in custody solely because his or her parent wanted to provide the child with education at home or in a private school. The Youth in Custody program is also responsible for the educational needs of students who are in the custody of the Tribal Courts.

3.14 Career Ladder

Recommendation

The Analyst recommends 24,253 WPU's for the Career Ladder Program.

Purpose

Utah's Career Ladder Program began with the passage of House Bill 110 by the 1984 Legislature. This was among the major reforms which attempted to meet the challenge issued by the national report "A Nation at Risk" and subsequently supported by two State Reports: "A Call to Action" and "Report of the Utah Commission on Educational Excellence." The 1984 Legislature appropriated just over \$18,000,000 (including social security and retirement costs) to support the program.

The Career Ladder Program began in 1984

Funding commitment has grown to over \$56 million a year

Since 1984 the Career Ladder program has expanded while use of funding has been modified a number of times. School Districts are now funded over \$56,000,000.

The program is reviewed and modified annually

The Utah Career Ladder System continues to be refined yearly as Legislatures change some requirements; also as different districts evaluate the components and their effectiveness in achieving school reformation and teacher improvement.

3.15 Class Size Reduction

Recommendation

The Analyst recommends 29,577 weighted pupil units for class size reduction. Class size information and a historical perspective of funding results can be reviewed in the Education Data Book under the tap with the same name in this report.

Purpose

The statutes for Class size are found in the Utah code as follows:
(2) (a) Except as provided in Subsection (b), each district shall receive its allocation based upon prior year average daily membership in kindergarten through grade six plus growth as determined under Subsection 53A-17a-106(3) as compared to the state total.
(b) The State Board of Education shall distribute 12% of the appropriation to school districts based upon a formula developed by the board that takes into account:

(i) a school district's ability to raise money for growth and accompanying capital facility needs;

(ii) need as reflected by:

(A) the current number of students in the affected grades in the district who are in alternative housing; and

(B) growth in the affected grades both within the district and compared to the state as a whole; and

(iii) the school district's past and present effort to raise money and to construct new or to better utilize existing facilities through scheduling or delivery systems in order to deal with class size reduction.

(c) The formula used to distribute moneys under Subsection (2)(b) shall be phased out as follows:

(i) 12 percent of the moneys shall be distributed by the formula for the fiscal year beginning July 1, 1998;

(ii) the formula percentage shall decrease to 5 percent for the fiscal year beginning July 1, 1999; and

(iii) the formula distribution shall be totally eliminated for the fiscal year beginning July 1, 2000.

(4) (a) A district may use its allocation to reduce class size in any one or all of the grades referred to under this section, except as otherwise provided in Subsection (3)(b).

(b) (i) Each district shall use 50 percent of its allocation to reduce class size in any one or all of grades kindergarten through grade two, with an emphasis on improving student reading skills.

(ii) If a district's average class size is below 18 in grades kindergarten through two, it may petition the state board for, and the state board may grant, a waiver to use its allocation under Subsection (3)(b)(i) for class size reduction in the other grades.

(4) Schools may use nontraditional innovative and creative methods to reduce class sizes with this appropriation and may use part of their allocation to focus on

class size reduction for specific groups, such as at risk students, or for specific blocks of time during the school day.

(5) (a) A school district may use up to 20 percent of its allocation under Subsection (1) for capital facilities projects if such projects would help to reduce class size.

(b) If a school district's student population increases by 5 percent or 700 students from the previous school year, the school district may use up to 50 percent of any allocation it receives under this section for classroom construction.

(6) This appropriation is to supplement any other appropriation made for class size reduction.

(7) (a) The State Board of Education shall compile information on class size, both in average student-teacher ratios and in actual number of students enrolled in each classroom by grade level for elementary grades and by subject matter for secondary grades.

(b) The State Board of Education shall establish uniform class size reporting rules among districts.

(c) Provisions may be made for explaining special circumstances where class size exceeds or is below normal distributions.

(8) (a) Each school district shall provide the State Board of Education with an annual accounting of how its allocation was used for class size reduction during the school year.

(b) The state superintendent of public instruction shall provide the Legislature and the governor with an annual report on the program's progress and success, including the information received under Subsection (8)(a).

(Note: Italics, bold, and underline added for emphasis)

(9) The Legislature shall provide for an annual adjustment in the appropriation authorized under this section in proportion to the increase in the number of students in the state in kindergarten through grade six.

Purpose The amount of base funding for class size reduction has now reached \$57 million dollars.

3.16 Unrestricted Local Program

Recommendation The Analyst recommends 11,549 WPUs for the Local Program.

Purpose The Local Program is intended to give the local districts the decision-making authority to choose programs, which they will fund.

Funds used for maintenance, capital outlay or both Funds for this program may be used for the following purposes:

- (a) Maintenance and operations costs;
- (b) Capital outlay and debt services; or
- (c) A combination of maintenance and operation costs and capital outlay and debt service.

3.17 Retirement and Social Security

Recommendation
\$239,528,357

The Analyst's recommendation for retirement and social security is \$239,528,357. The social security and retirement costs of the minimum school program are determined by formula based on the program (number of weighted pupil units) adopted by the Legislature. The Analyst recommends that the committee approve a motion to adopt social security and retirement costs as will be determined by final weighted pupil unit approvals and the compensation package adopted by the Legislature.

2.4 Retirement rate reduction reduces expenditures by \$5.2 million.

The Analyst has included in the recommendations a reduction in retirement costs. For FY 2001 there is a calculated retirement rate reduction of 0.5 percent for non-contributory and contributory retirement plans. This reduction in the Minimum School Program results in savings of \$5,193,630. This saving allows funds to be concentrated on other program needs.

Purpose

The 1992 Legislature changed the method of funding and distributing social security and retirement costs. The funds are distributed proportionately based on Weighted Pupil Units. Prior to the change the costs were paid on a reimbursement basis to school districts. The statutory provisions provide for changes in the costs of social security and retirement based on prior year costs, inflation, and rate increases.

Funds are distributed on a pro-rata share

Employees on the contributory program pay 1 percent of costs

The current statutes (UCA 53A-17-112) for the social security & retirement allocation are as follows:

The employee's retirement contribution shall be 1 percent for employees who are under the state's contributory retirement program. The employer's contribution under the state's contributory retirement program is determined under Section 49-2-301, subject to the 1 percent contribution under Subsection (2). The employer-employee contribution rate for employees who are under the state's non-contributory retirement program is determined under Section 49-3-301.

3.18 Transportation Recommendation \$50,237,319; includes funding for Deaf and Blind student transportation

The Analyst recommends \$ 50,237,319 for pupil transportation. The Analyst also recommends that if the Legislature increases the value of the weighted pupil unit that the funding for pupil transportation be increased appropriately.

Purpose

Pertinent statutory (UCA 53A-17-107, 108) provisions for transportation in the school finance act are as follows:
53A-17a-126.

- (2)(a) Included in the \$50,237,319 is an amount not less than \$1,397,000 to be deducted prior to any other distribution under this section to school districts, and allocated to the Utah Schools for the Deaf and the Blind to pay transportation costs of the schools' students.
- (b) The Utah Schools for the Deaf and the Blind shall utilize these funds to pay for transportation of their students based on current valid contractual arrangements and best transportation options and methods as determined by the schools.
- (c) All student transportation costs of the schools shall be paid from the allocation received under Subsection (2).
- (3) Each district shall receive its approved transportation costs, except that if during the fiscal year the total transportation allowance for all districts exceeds the amount appropriated, all allowances shall be reduced pro rata to equal not more than that amount.
- (4) Included in the appropriation under subsection 1 is an amount of \$187,000 for transportation of students, as approved by the state board, for school districts that consolidate schools, implement double session programs at the elementary level, or utilize other alternatives to building construction that require additional student transportation.
- (5)(a) Part of the state's contribution for transportation, not to exceed \$200,000, may be used as an incentive for districts to increase economy and productivity in student transportation.
- (5)1 This amount is distributed on a pro rata basis among districts which have achieved the most efficiency according to the state formula.
- (5)2 Districts receiving the incentive funding may expend the monies at the discretion of the local school board.
- (6)(a)[local] Local school boards shall provide salary adjustments to employee groups that work with the transportation of students comparable to those of classified employees authorized under Section 53A-17a-137 , when dividing the weighted pupil unit for salary adjustment purposes.
- (2) The State Board of Education shall conduct a study to evaluate the reimbursement system of funding for pupil transportation with emphasis on looking at methodologies that will provide incentives for districts that will encourage economical practices.

3.19 Contingency Fund

Recommendation
\$421,692

The Analyst recommends \$419,246 for the Contingency Fund for FY 2001. This is the same as currently appropriated for FY 2000.

Purpose

The Contingency Fund is established by law as a part of the Minimum School Program and annual appropriations are made to the Fund. The Fund is used to indemnify school districts that send students to the Edith Bowen Laboratory School at Utah State University and to pay tuition for Utah students who, by necessity, must attend schools in bordering states. The State Board has authority to disburse remaining contingency funds to school districts where inequity or undue hardships exist.

Funds indemnify school districts

**Edith Bowen
Laboratory School
Overview**

The current amount allocated to the Edith Bowen Lab School is \$36,400.

The Analyst includes the following on the Edith Bowen Laboratory School as additional information:

The lab school concept was initially established in 1928, at what was known as the Whittier School. Over the years, the lab school concept developed and in 1958, in cooperation with the Logan City School District, and Utah State University, a new building was dedicated on the university campus. That building bears the name of an influential Utah educator, Edith Bowen.

In 1974, acting upon the request of the Utah State Superintendent of Public Instruction, Utah State Board of Education, Utah Schools Board Association, Utah State University, and the Utah Legislature provisions were made to solidify financial support for programs at the school and created the Edith Bowen Lab School Advisory Board.

The Advisory Board consists of the President of USU or designee, the State Superintendent or designee, the dean of the College of Education or designee, a local superintendent, a staff member each from the USOE, a local school district, the college of education, and two lay citizens.

Funds for the operation of the school come from four sources: (1) state public school funds allocated through the USBOE in cooperation with local school districts; (2) funds from the USBOE contingency fund; (3) state funds allocated through Utah State University; and (4) gifts and grants from state, federal, and private sources. No tuition is charged to students

Edith Bowen provides services for 320 students, enrolled in grades K-5, from the Logan, Cache, and Box Elder school districts. Edith Bowen has two sessions of kindergarten and eight multi-aged, non-graded Learning Communities. (1-4 grades)

Each year, Edith Bowen, in cooperation with the Department of Elementary Education at Utah State University, trains over 200 pre-service teachers preparing to become professional educators.

Edith Bowen operates with a full time staff that includes the school's Director, Associate Director, two secretaries, 12 teachers, 3 part-time teaching assistants, a media director, a technology teacher, a part-time Spanish teacher, movement specialist, and artist in residence, a half-time resource teacher, and lunchroom/custodial workers.

3.20 Incentives for Excellence

**Recommendation
\$614,911**

The Analyst recommends \$614,911 for the Incentives for Excellence Program. This is the same as was appropriated for the current fiscal.

**Funding is to be
matched on dollar
for dollar basis**

The Incentives for Excellence funding provides the opportunity for school districts to leverage state appropriated dollars with private donations through their established foundations. Monies must be matched on a dollar for dollar basis according to State Board of Education guidelines established in Board rule as authorized by the Legislature.

The funds made available through this program can be used for any worthy project as approved by the State Board of Education through the submission of the proposal request process.

Each district receives a base amount from 40 percent of the funds. The remaining 60 percent of the funds are distributed on a request for proposal basis. School districts are encouraged to develop projects that rely on matching private and public monies to promote educational excellence.

A three year district allocation of these funds is detailed in the following chart:

**INCENTIVES FOR EXCELLENCE
Allocation of Funds by District, FY 2000**

District	Incentives for Excellence (IFE) Funds		
	Actual FY 98 Based on October 97 Enrollment	Actual FY 99 Based on October 98 Enrollment	Estimated FY 00 Based on Estimated October 99 Enrollment
Alpine	\$40,885	\$41,351	\$41,748
Beaver	7,352	7,318	7,244
Box Elder	14,931	14,909	14,813
Cache	16,480	16,472	16,391
Carbon	9,901	9,794	9,670
Daggett	6,343	6,327	6,282
Davis	51,844	51,899	51,580
Duchense	9,665	9,549	9,393
Emery	8,703	8,597	8,492
Garfield	7,113	7,050	6,978
Grand	7,455	7,450	7,420
Granite	63,937	62,843	62,843
Iron	11,530	11,590	11,592
Jordan	62,995	63,199	63,199
Juab	7,601	7,582	7,557
Kane	7,358	7,308	7,253
Logan	10,803	10,728	10,624
Millard	9,102	8,990	8,876
Morgan	7,796	7,777	7,717
Murray	11,584	11,465	11,305
Nebo	21,379	21,711	21,992
North Sanpete	8,183	8,172	8,133
North Summit	6,948	6,953	6,926
Ogden	16,130	16,095	15,999
Park City	8,994	9,142	9,244
Piute	6,493	6,474	6,431
Provo	16,811	16,676	16,510
Rich	6,592	6,579	6,536
Salt Lake	26,078	25,793	25,470
San Juan	8,883	8,853	8,764
Sevier	9,923	9,867	9,763
South Sanpete	8,496	8,424	8,372
South Summit	7,180	7,169	7,138
Tintic	6,443	6,449	6,415
Tooele	12,422	12,540	12,643
Uintah	11,200	11,219	11,147
Wasatch	8,908	8,971	8,979
Washington	20,485	20,586	20,708
Wayne	6,633	6,616	6,586
Weber	28,241	28,011	27,791
Totals	\$619,800	\$618,498	\$616,524

3.21 Regional Service Centers

Recommendation The Analyst recommends an appropriation of \$1,111,595 for the Regional Service Centers, which provides the same amount of funds as was appropriated for the current fiscal year.
\$1,111,595

The Analyst recommends that if the Legislature increases the value of the weighted pupil unit that the funding for this program be increased on the same basis.

Summary This program consists of four area centers designated to serve school districts in cooperative projects such as purchasing, media services, in-service, and special education. These centers service small and rural districts or both in the northeast, southeast, southwest, and central areas of Utah.

Four Regional Centers The Central Utah Educational Center (CUES) is located in Richfield; Southwestern Educational Development Center (SEDC) is in Cedar City; Southeastern Educational Service Center (SESC) is in Price; and the Northeastern Utah Educational Service center (NUES) is in Heber City.

Funds are allocated equally among centers The allocations of funds for the centers are governed by the State Board of Education Rule, R277-456-2 as follows:

1. Each Regional Service Center will receive an equal amount of the total funds allocated by the Legislature.
2. Funds will be distributed to an agent district designated by each Regional Service Center.
3. Regional Service Centers will follow accounting and reporting procedures established by the Board.

3.22 Staff Development

Recommendation The Analyst recommends an appropriation of \$1,965,577 for this program.
\$1,965,577 This represents the same as the current year's level of funding.

The 1999 Legislature designated \$500,000 of the current year appropriation to be used specifically for training teachers in implementing reading and literacy initiatives.

Purpose This program is designed to provide in-service education to secondary school teachers including training in the content and process skills of the core curriculum and core assessment programs.
Curriculum & Assessment Training

Performance Measures	It is intended that this program will help to achieve the following outcome measures:
Test scores to increase	Increase norm-referenced test scores by 2-4 percentage points in math and science and increase language arts scores to move toward or above national norms; 25 percent of students will increase performance in math, science, and language arts on criterion-referenced tests;
New instructional role for teachers	Create a new instructional role for teachers in the areas of math, science, and language arts by increasing their understanding of content, improving the classroom environment to promote the investigation and application of knowledge, and effectively incorporate technology in the instructional process;
Trains teacher to provide personalized education plans	Improve the access to schooling for all students, particularly those who are limited English proficient, have disabilities, low income, and minorities by training teachers to provide a personalized education plan to meet the needs of each child.

3.23 Comprehensive Guidance

Recommendation	The Analyst recommends \$7,033,759 for Comprehensive Guidance. The Analyst does not recommend that this program become weighted pupil unit driven at this time.
Purpose	<p>“In 1988, the Utah State Office of Education launched an initiative to restructure the state's public secondary school guidance program based on a model developed by Norman Gysbers at the University of Missouri, Columbia, and program implementation strategies developed in Missouri. Utah is now in the eleventh year of its implementation of the Comprehensive Guidance Program Model.</p> <p>During the decade of the 1980's, there was a growing sense of concern with the counseling and guidance program in Utah's public secondary schools. Counselor numbers were not keeping pace with a burgeoning student population. During this time, pupil/counselor ratios rose from 430/1 to 550/1. The counselor's role was frequently debated, widely varied, and dominated by a myriad of non-guidance activities.</p> <p>The counselor's job was not viewed as being very attractive, counselor training institutions were producing very few counselors, and the shortage of trained counselors was so severe that certification requirements were substantially reduced for entry level counselors.</p>

Counselors in the state were frequently criticized for providing one-dimensional university bound guidance to students and vocational educators had become particularly dissatisfied with the lack of guidance for students seeking to pursue vocational and technical training, work based learning options, and direct entry into the workforce. Program administrators in the State Office of Education and leaders of the local vocational directors' group believed dramatic measures were needed to restructure guidance in the state. They agreed to commit up to ten percent of federal, state, and local vocational education resources for guidance support. However, tied to this commitment was a stipulation that guidance be established as a full-fledged education program.

The Utah Comprehensive Guidance Program Model varies little from the Gysbers' Model described in *Developing and Managing Your School Guidance Program* (Gysbers and Henderson, 1988) and *The Missouri Model* (Starr and Gysbers, 1993). However, Utah adopted the National Occupational Information Coordinating Committee (NOICC) Competencies as its desired student outcomes. While the Comprehensive Guidance Program Model, which has been adopted in Utah, shares all of the major characteristics of the Gysbers/Henderson and the Missouri Models, it is singularly unique in its statewide approach to implementation and the near universal adoption of the Model by the middle/junior high schools and high schools of the state.

By the Fall of 1998, all but four of the 235 middle/junior high schools and high schools have committed to the model and have participated in training, and 226 have met stringent program standards which qualify them to receive their share of \$6.9 million appropriated by the legislature for the program. A collegial system of program management involving the State Office of Education, regional and district administrators, and a peer review process are used to assure that each school's program maintains fidelity to a set of very high programs standards.”

The Comprehensive Guidance program addresses the strategies in the State's Public Education Strategic Plan that relate to developing an individualized educational/occupational program for every student (SEOP). A comprehensive counseling program consists of a guidance curriculum and educational and occupational planning provided to all students and responsive services available to all students.

It eliminates non guidance activities currently being performed by counselors and requires counselors to spend not less than 80 percent of their time on direct services to students.

The program is intended to take school counseling to a new level of performance, holding both counselors and principals accountable for the use of counselors' time while focusing services on student outcomes. It is expected to impact the accountability for not only funding, but all resources going into counseling since the accountability measures address the total counseling program

Performance Measures

Counselors will increase direct services to students from a current 60 percent to 80 percent of their time. Time spent on non-guidance activities will be reduced from a current 24 percent to 0 percent of the counselors' time. On-site review teams will document time allocations.

Schools will meet stringent program standards to qualify for the weighted pupil units. Schools must qualify before they receive the money and districts must invest in the program for two or three years in order to establish the program and bring it up to a level that meets program standards.

All secondary-age students in funded schools will have an SEOP including parental involvement with their students. The Utah State Office of Education will monitor SEOP development in all qualifying schools.

Counselor-pupil ratios in Utah's secondary public schools will decline from the current 550/1 ratio to 500/1. The State Office of Education will provide an annual report based on the fall enrollment reports and total counselor FTEs.

3.24 Educational Technology Initiative

Recommendation is \$8,970,322

The Analyst recommends the base budget of \$8,970,322 for FY. 2001.

Technology is an important budget component in Public Education. Today, fewer people are expected to be more productive using tools that did not exist until recently. As expenditures increase and cross program boundaries, it becomes difficult to examine the budgets traditionally. The Executive Appropriations Committee voted to have the Administrative Services and Capital Facilities Subcommittee address the major issues related to technology. The Electronic Technology Initiative has provided funding for Utah's schools to put thousands of computers and software into schools throughout the state. Currently, money is distributed to districts by a formula which allocates 25 percent of funds to an equal base for each district and 75 percent of the funds according to enrollment. Because of the significant investment in Utah's schools of over \$169,000,000 since the ETI initiative began it becomes important to protect that investment by continued funding support to maintain equipment, provide training, and replace outdated equipment. Much of the equipment is already outdated and unable to run current applications.

Funding ongoing portion of program

The primary goal of this program is to enhance the teaching and learning process and to empower students to become literate, self-directed learners, problem solvers, and productive members of a technology-oriented society. The program is ongoing and much larger in overall scope.

History

The Educational Technology Initiative began as a public education program, which was funded with only one-time funds from FY 1991-93. In FY 1994, the Legislature added an ongoing component of \$1 million to the program to “maintain” the investment. This ongoing portion was increased to \$6,419,162 in FY 1998 and \$8,505,682 in FY 1999. In all, the Legislature has appropriated over \$90,500,000 in supplemental funds and \$28,306,004 ongoing funds to this program. Much of this money was matched by private contributions -- both in kind and capital donations -- to infuse over \$169 million of technology into Utah’s schools.

There is a match rate for school districts

Technology is an important part of the basic education program. Technology is as essential to the education of the future as desks, chairs, books, and teachers. As such, the Analyst continues to recommend appropriations to assist the districts in basic maintenance and in service for technology. Districts should also use their own funds to address these needs. Current state law provides for this philosophy by requiring districts to match state appropriations on a 1:3 basis (one local dollar for every three state dollars.) Some districts have exemplified this philosophy, spending considerably over the necessary 1:3 match.

1999-2000 ETI Legislative Funding

District	Line-Item Allocation	Supplemental Allocation
Alpine	\$697,730	\$350,019
Beaver	75,118	37,683
Box Elder	211,435	106,067
Cache	240,892	120,845
Carbon	121,474	60,938
Daggett	57,256	28,723
Davis	883,138	443,030
Duchesne	117,576	58,983
Emery	98,052	49,188
Garfield	70,352	35,292
Grand	77,679	38,968
Granite	1,065,522	534,527
Iron	154,588	77,550
Jordan	1,087,021	545,308
Juab	79,923	40,094
Kane	74,801	37,524
Logan	136,837	68,645
Millard	107,006	53,680
Morgan	83,676	41,976
Murray	149,221	74,857
Nebo	336,327	168,720
North Sanpete	90,475	45,387
North Summit	68,570	34,398
Ogden	234,007	117,391
Park City	108,618	54,488
Piute	59,960	30,079
Provo	245,115	122,963
Rich	61,888	31,046
Salt Lake City	409,727	205,541
San Juan	103,280	51,811
Sevier	121,062	60,731
South Sanpete	94,852	47,583
South Summit	72,692	36,466
Tintic	59,436	29,816
Tooele	170,369	85,466
Uintah	145,878	73,181
Wasatch	104,207	52,276
Washington	319,719	160,388
Wayne	62,477	31,342
Weber	450,139	225,814
USDB	62,227	31,216
TOTALS:	\$8,970,322	\$4,500,000

3.25 Schools for the 21st Century

Recommendation At present there are no allocations for the 21st Century program. However, the Analyst notes that there are approximately \$355,000 carry forward funds available from the formerly funded Centennial Schools program and another amount of approximately \$855,000 that will carry forward from the 21st Century program. This will provide a base of \$1,210,000 for the FY 2001 allocation. If all schools took advantage of the program and were approved for full funding for FY 2001 it would require another \$741,400 in appropriations.

Program Purpose Enacted into law by the 1998 Utah Legislature, the Schools for the 21st Century program (House Bill 145) challenged Utah schools to embrace the goal of continuous improvement and to address individual needs of students. The program was built upon the foundation laid by the Centennial and Modified Centennial Schools programs.

All public schools were eligible to apply if they had the elements of Centennial Schools reform in place. These elements included a strategic plan, a delegation document between the school and the local board of education, an elected board of school directors, and interagency collaboration. Of the 65 schools that applied in spring 1998, 28 of them (16 elementary schools, nine junior high/middle schools, two high schools, and one special K-12 school from ten districts) were ultimately approved by the Governor's Office and the USBE as Utah's first Schools for the 21st Century.

During 1998-99, these schools began implementing a three-year action plan for improvement consisting of: academic performance with priority in reading, writing, and mathematics; two conditions related to teaching and learning such as safety, discipline, parent involvement, or attendance; objective and quantifiable methods to measure the achievement of both of the above; a professional development plan for the school's educators to improve student performance; and the use of all improvement funds and programs in the school's plan.

Centennial Schools Program Enacted through House Bill 100 by the 1993 Legislature, the Centennial Schools Program was conceived by Governor Leavitt and approved by the State Board of Education as a catalyst to propel the goals of the State Plan into action, showcase the schools' accomplishments, and promote the sharing of ideas that work in schools throughout the system.

Since 1993, 395 schools in 35 of Utah's 40 school districts have participated in this school improvement effort. The final 62 schools were added to the program in 1997, and they will complete their third and final year in spring 2000.

Profiles describing the specific accomplishments of each of these schools were distributed in fall 1998. Since the program is scheduled to conclude in 2000, no new schools were added in 1998-99. During that year, however, the USBE and the Governor's Office approved plans for the 161 renewing Centennial Schools. The USOE continues to administer the program, conduct monthly interactive teleconferences, produce a regular newsletter, and monitor both activities and the budget.

Modified Centennial Schools

The 1996 Legislature created the experimental Modified Centennial Schools Program. This new thrust began in fall 1996 with the selection of ten schools that each had three years of Centennial School experience. Each of these schools, which were funded in the same manner as the Centennial Schools, increased its site-based decision making by means of an elected site council composed of an equal number of school employees and parents/guardians. These schools have now completed their third and final year of Modified Centennial status. They focused on the achievement of clearly stated and measurable student performance outcomes. Two of the original ten Modified Centennial Schools left the program in 1998 to become part of the new Schools for the 21st Century program.

3.26 FACT (Families, Agencies, Communities, Together)

**Recommendation
\$1,250,670**

The recommendation for funding the FACT (Families, Agencies, and Communities Together) program from the Uniform School Fund is \$1,250,670 for FY 2001. Funds are also appropriated to The Department of Human Services; and The Department of Health.

Summary

In 1989, the Coordinated Services for At-risk Children and Youth Act (U.C.A. Title 63, Chapter 75), a council for at-risk children was formed to "Unite the Dept. of Human Services, the State Office of Education, and the Dept. of Health, to develop and implement comprehensive school-based systems of services for each at-risk student in grades kindergarten through three and the student's family in order to help prevent academic failure and social misbehavior." Funding from all three agencies involved are used to address the needs of at-risk students according to the council which was set up to administer these funds.

Three agency cooperative began in 1989

Program expanded in FY 1994

The 1993 Legislature expanded this program for FY 1994 with the passage of House Bill 39.

Families, Agencies, and Communities Together (FACT) is a program to provide flexible, preventive services to families with children at-risk of failing in school, and to prevent abuse and neglect. It is administered by staff in the Department of Human Services and involves the Human Services, Health, Public Education, Workforce Services, and Juvenile Courts.

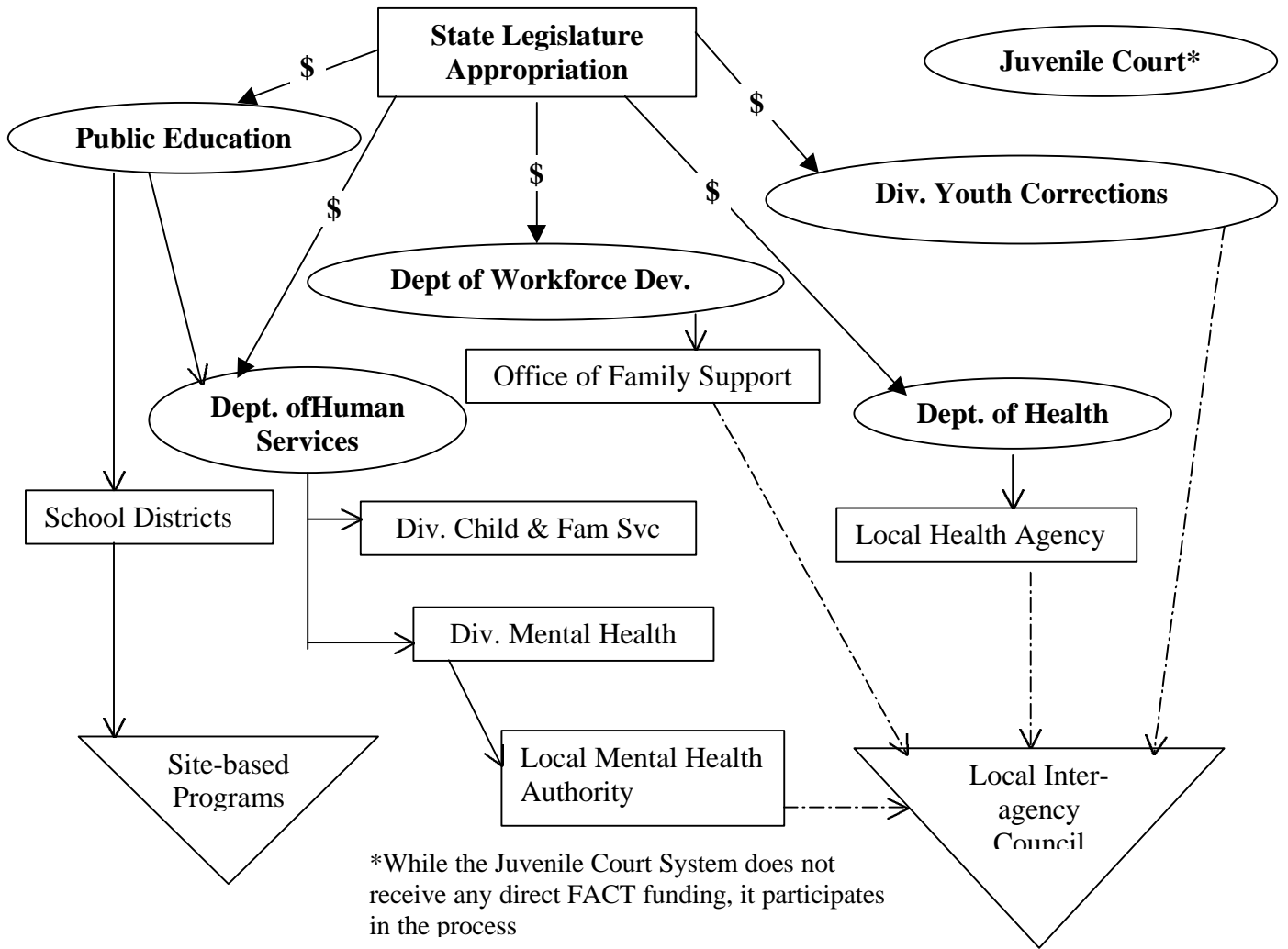
FACT site-based projects operate in 20 school districts, and local interagency councils serve families in all counties in the state.

FACT alternative middle level programs were funded in 20 school districts to support 43 schools in 1999-2000.

During the 1998-99 school year, the Highly Impacted Schools program provided nearly \$5.4 million to 53 schools with the state's highest rates of English language deficiency, student mobility, single parent families, free-lunch eligibility and ethnic minority students. Many of these schools serve communities where virtually all the students are eligible for free lunch, where less than half remain in a single school for an entire school year, and where over half speak a language other than English. The children who attend these schools survive in living conditions that severely limit their potential for school success.

In 1996, the Legislature passed House Joint Resolution 10 which provides for a committee of 18 legislators to meet during the general session to review budget recommendations on FACT related budgets. Last year this committee met and evaluated the budget for this cooperative process and made recommendations to appropriate subcommittees.

F.A.C.T. FUNDING FLOW



*While the Juvenile Court System does not receive any direct FACT funding, it participates in the process

Note: Local Mental Health Authorities or Health Agencies are fiscal agents for the LICs

3.27 Alternative Language Services

Recommendation The Analyst recommends total funding for this program in FY 2001 of
\$2,828,564 \$2,828,564.

Purpose The purpose of the Alternative Language Services Program is to provide a Bilingual Education program designed to help districts meet OCR (Office of Civil Rights) standards by providing for a personalized education for those students who speak a language other than English. The funding provides in-service training to teachers for implementation of bilingual instructional models that meet national and regional criteria standards.

The Bilingual Education or Alternative Languages program was first implemented by the 1995 Legislature and provided an initial appropriation of \$1,600,000. For FY 1997 it also received a one-time appropriation of \$2,000,000.

The statutes are found in UCA - 53A-17a-131.4 as follows:

- (1)The state's contribution of \$2,828,564 for an Alternative Language Services Program is appropriated to the State Board of Education as a funding base for school districts to meet the limited-English-proficient and second language acquisition needs of Utah's language minority student population.
- (2)The board shall allocate the appropriation to school districts based on submission of grant applications and assurances of and compliance with qualifying criteria established by the state board pursuant to its rulemaking authority.

3.28 Highly Impacted Schools Funding

Recommendation The Analyst recommends total funding for this program in FY 2001 of
\$4,873,207 \$4,873,207.

For FY 2000 the funds are allocated to eight school districts as follows:

Granite	\$925,076
Jordan	201,201
San Juan	537,176
Tooele	154,294
Uintah	193,672
Salt Lake	1,579,376
Ogden	903,557
Provo	378,855
Total	<u>\$4,873,207</u>

Purpose The 1995 Legislature passed House Bill 172, “Highly Impacted Schools” to provide additional resources for individual assistance to students at schools determined to be highly impacted.

The infusion of Highly Impacted Schools funds has encouraged schools to plan more thoroughly and to develop schoolwide strategies to achieve their goals rather than to implement disjointed programs in an uncoordinated fashion. The Highly Impacted Schools program is a powerful catalyst for meaningful school reform designed to significantly improve the quality of education in Utah's neediest schools.

Schools that have received funding through this program have reported positive results. The schools are identified for funding by five factors: student mobility, student ethnicity, limited English proficiency, single parent family, and eligibility for free lunch.

3.29 Character Education

Recommendation The Analyst recommends \$397,680 for Character Education. It is noted that the State Board of Education has also received over \$4,000,000 in federal funds for this initiative. The FY 2000 funding is distributed to twenty-one school districts with the greatest allocated just over \$50,000 out the least amount just over \$5,000.

Purpose This funding has been for districts to develop and implement character education programs that are a result of cooperation with district stakeholders and that fit within state guidelines. Funds have been distributed based on applications from districts to the State Office of Education and based on board guidelines and funding formulas. The funding has allowed for pilot programs in schools that receive allocations.

The Character Education program was begun by the 1995 Legislature. In addition to the Legislative allocation of \$550,000 for FY 1997 the State Board of Education received over \$4,000,000 for a four-year grant in 1996 from the U.S. Department of Education to provide teacher training in character development and statewide curriculum. The character education manual I CARE, a Salt Lake District character education program, has been developed and distributed among schools.

Statutory Provision Utah Code on Character Education, Section 53-14-4.3, Annotated 1953 provides that:

“Honesty, temperance, morality, courtesy, obedience to law, respect for the Constitution of the United States and the state of Utah, respect for parents and home, and the dignity and necessity of honest labor and other skills, habits, and qualities of character which will promote an upright and desirable citizenry and better prepare students for a richer, happier life shall be taught in connection with regular school work.”

The following information is from the USOE annual report:

Measures

"Many statewide Character Education inservices and trainings were offered this past year, and focused on curriculum integration, creating safe, caring and healthy school environments, and character building strategies and methodology. In addition, character education training was provided in collaboration with a variety of core curriculum trainings, and other school programs, such as School to Careers and Prevention Dimensions. In summer, a statewide youth conference for junior and senior high schools was attended by over 220 people, which included student teams, parents and teachers from across the state to learn how to develop character based leadership, and to create character leadership teams in schools to focus on character building activities and service opportunities. In addition, districts from across the state offered their own character education staff development training and youth character leadership workshops, and two districts collaborated on a character education conference which drew almost 400 participants.

This past year collaboration with higher education and the state teacher certification committee has led to the development of pre-service teaching standards which more explicitly focus on character development, as outlined in the state strategic plan for education. This strand will help prepare the next generation of Utah teachers to more clearly understand their dual roles as instructional leaders and role models, to have expertise in nurturing character development and in supporting parents in their fundamental role as children's first and most important moral educators for children."

3.30 Technology/Life Careers; Work Based Learning

Recommendation

The Analyst recommends \$2,235,000 for Technology/Life Careers and Work Based Learning. Every school district receives its pro rate share of the funding.

Purpose

"Technology, Life, and Careers (TLC) is Utah's introductory level, one-year ATE curriculum for middle/junior high school to help seventh grade students explore various careers. After 13 successful years, TLC is entering its first phase of revision during the 1999-2000 school year with approximately 65 pilot schools receiving new, ongoing funding from the Utah Legislature. This new source will provide an average of \$15,000 per year per school to maintain state-of-the-art equipment, provide for supplies used for student exploration activities, and support teacher development. Refinement of the TLC curriculum is expected to continue through 2001-2002."

The technology, life, and careers applied technology education is designed to help students explore life's work. Concepts are planned, and taught through interactive, hands-on activities using current technology.

Students are involved in discovering self, viewing future life options within the context of work and family settings, developing the positive relationships required for communication and teamwork, and identifying the skills required for life's roles. Students are expected to develop skills and accept responsibility for decision making, planning, and preparing for life's work. School-to-Careers is an approach to education which is expected to broaden the educational, career, and economic opportunities for youth through partnerships between businesses, schools, community-based organizations, and state and local governments. Creative transition programs such as tech-prep, youth apprenticeship, cooperative education, and career academies, are foundations on which School-to-Careers system is built. Employers become joint partners with educators in training youth through paid work experiences for jobs that exist in the local economy.

3.31 School Nurses

Recommendation The Analyst recommends \$496,949 for the School Nurse program. The nurse to student ratio goal is 1:5000.

Purpose "In July 1999, all 40 Utah school districts applied for and received School Nurse Incentive Act funds. The funds are matched on the basis of one-third from the state and two-thirds from districts and local health organizations.

This funding has brought the school nurse-student ratio to one nurse for approximately 6,370 students (closer to the Utah 2000 goal of 1:5,000). School nurses strengthen and facilitate the educational process by improving and protecting the health of individual children, educating staff about health conditions, and preventing, through early detection, illnesses and disabilities that could otherwise interfere with successful learning."

3.32 Truancy Intervention and Prevention

Recommendation The Analyst recommends \$150,000. This is the third year of line item funding for this purpose. The funds are used to help curb truancy in schools where the problem is significant. The funds were allocated to three school districts (Granite, Iron, and Provo) for FY 2000.

Purpose Over 2,300 students were served in the Salt Lake Valley in 1998. Districts must show an existing effort to combat truancy and leverage other monies in order to receive funds from this program. The funding supports Truancy Support Centers.

3.33 Guarantee Transportation Levy

Recommendation The Analyst recommends program funding of \$225,000 for the Guarantee Transportation Levy.

Purpose

The statutes governing this appropriation are as follows:

(6) (a) A local school board may provide for the transportation of students who are not eligible under Subsection (1), regardless of the distance from school, from:

(i) general funds of the district; and

(ii) a tax rate not to exceed .0003 per dollar of taxable value imposed on the district.

(b) A local school board may use revenue from the tax to pay for transporting participating students to interscholastic activities, night activities, and educational field trips approved by the board and for the replacement of school buses.

(c) (i) If a local school board levies a tax under Subsection (6)(a)(ii) of at least .0002, the state may contribute an amount not to exceed 85% of the state average cost per mile, contingent upon the Legislature appropriating funds for a state contribution.

(ii) The State Office of Education shall distribute the state contribution according to rules enacted by the State Board of Education.

(d) (i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (6)(c) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (6)(d)(i) applies for a period of two years following the change in the certified tax rate.

(7) There is appropriated for the fiscal year beginning July 1, 1999, \$225,000 to the state board as the state's contribution under Subsection (6)(c)(i).

3.34 Reading Initiative

**Recommendation
\$5,000,000**

The Analyst recommends \$5,000,000 for the Reading Initiative that was funded for the first time by the 1999 Legislature.

**Reading activities
reported**

Many efforts are taking place in the promotion of reading literacy. The State superintendent' annual report summaries some of these as follows:

"In 1998-99, over 11,000 K-12 Utah teachers received reading/language arts training. English teachers who attended the Utah Council of Teachers of English Conference in April received a draft of the new K-12 Language Arts Core Curriculum.

Elementary teachers of reading/language arts attended training in varied formats, from a one-day workshop to monthly meetings organized around a core topic. Four hundred K-12 teachers attended the Summer Reading Institute.

Teachers in rural Utah attended training to set up peer tutoring projects to support emergent reading, strengthen reading instruction in Grades K-2, and establish balanced literacy programs.

Utah Reads

Utah Reads is a new initiative sponsored by the Governor's Office in collaboration with Utah's Promise, the Utah PTA, and the USOE. The project has as its goal that all Utah children will be reading on grade level by the end of the third grade. In order to achieve this goal, early childhood providers, educators, and community members have joined together in a series of community and school projects. Utah's Promise is collaborating with the USOE and Utah PTA to create volunteer tutoring programs for K-3 children.

Utah's First Lady, Jacalyn Leavitt, is spearheading a campaign designed to help parents understand the importance of reading to their children. She has produced a pamphlet and authored a book on reading to children. She is also working on a baby kit to send home to new parents as they leave the hospital. Utah Reads has also received a federal grant for \$7 million to work with families, early childhood and day care providers, family literacy programs, and schools to improve reading achievement of children in Grades K-3."

The statutory provisions for the new reading initiative approved by the 1999 Legislature are as follows:

53A-1-606.5. Reading achievement in grades one through three -- Monitoring Reporting -- Additional instruction.

(1) (a) The Legislature recognizes that:

- (i) reading is the most fundamental skill, the gateway to knowledge and lifelong learning;
 - (ii) there is an ever increasing demand for literacy in the highly technological society we live in;
 - (iii) students who do not learn to read will be economically and socially disadvantaged;
 - (iv) reading problems exist in almost every classroom;
 - (v) almost all reading failure is preventable if reading difficulties are diagnosed and treated by no later than the end of the third grade; and
 - (vi) early identification and treatment of reading difficulties can result in students learning to read by the end of the third grade.
- (b) It is therefore a goal of the state to have every student in the state's public education system reading on or above grade level by the end of the third grade.

(2) In order to ensure that all students are reading on or above the third grade level by the end of the third grade, the State Board of Education and local school boards shall work with the Legislature, through its interim committees and any task force that may be created to study review accountability in public education.

- (3) Each school district shall work with the elementary schools within its district boundaries to develop a school plan at each school focused on having all students reading at the third grade level by the end of the third grade.
- (4) The school district shall approve each school's plan prior to its implementation.

Funds distribution

Section 2. Appropriation.

(1) There is appropriated from the Uniform School Fund for fiscal year 1999-2000, \$5,000,000 to the State Board of Education for distribution to school districts as follows:

- (a) each school district shall receive \$5,000 as a base amount; and
 - (b) the board shall distribute the balance of the appropriation to each district based on the district's average daily membership in the first, second, and third grades as compared to the state total average daily membership in the first, second, and third grades.
- (2) Each district shall use its allocation to fund the program required under Subsection 53A-1-606.5 (3).
- (3) Each district shall distribute its allocation to the elementary schools within the district based on the need for reading improvement at the schools in the first, second, and third grades.
- (4) A school district may not use any of the monies received under this section for administrative costs.

3.35 Reading Performance Improvement Awards

The Analyst recommends \$9,000 for the Reading Improvement Awards program. This was funded for the first time by the 1999 Legislature with the passage of House Bill 75, "Incentive for Elementary Reading Performance Improvement."

House bill 75 established "... a Reading Performance Improvement Awards Program to recognize and reward nine elementary schools with \$1,000 awards when they demonstrate significant reading performance improvement in grades kindergarten through three. The State Board of Education must select nine schools to receive the awards and establish rules for determining significant reading improvement.

Each school is required to use its award to purchase books and other reading materials."

3.36 Alternative Middle School

Recommendation
\$2,000,000

The Analyst recommends \$2,000,000 for the Alternative Middle School Program. This was funded for the first time by the 1999 Legislature with the passage of House Bill 329. The Act included a FY 2000 appropriation of \$2 million dollars from the Uniform School Fund to establish an alternative middle schools program The Families, Agencies and Communities Together (FACT) Council was granted authority to collaborate the Alternative Middle Schools Program with the Utah State Board of Education.

Program Purpose

The purpose of the Alternative Middle Level Schools Program is to improve the school learning climate and help ensure safety for middle school students in the state's public education system. Local school boards shall have overall responsibility for implementation of the program, subject to the following considerations:

- (a) that the FACT Council established in Title 63, Chapter 75, and a designated steering committee of persons with expertise in alternative middle school strategies shall be involved in collaborating the program with other state and local agencies that provide services to youth at risk who are middle school students, and their families under Chapter 75;
- (b) Collaboration with SHOCAP, Serious Habitual Offender Comprehensive Action Program, established under Title 63, Chapter 92, in those districts where SHOCAP has been implemented. UCA 53A-11-909 §1 (3) (a & b)

The Alternative Middle Schools program shall include the following components:

- (a) (i) the school's location shall be geographically close to the student's home as resources for the program allow, with the preference given to a school within the student's regular school;
(ii) other options may include separate classrooms within the same building, extended hours, or after school hours or off-site placement if the circumstances dictate and are what is required to meet local needs;
- (b) alternative schools must be established on the basis of a transitional setting structure to prepare students to return to their regular classrooms as responsible, productive students;
- (c) alternative middle school classrooms shall be small, with an ideal size of between 8-12 students, instructed by specially trained teachers, with particular consideration given to the problems faced by rural schools in attracting and retaining qualified personnel;

- (d) each student placed in an alternative middle school must have an individualized student education and occupational plan that has been reviewed and approved by the student, the student's parent or guardian, and a representative of the school;
- (e) the school shall use an approach in dealing with students that is highly structured and requires substantial parental involvement;
- (f) its programs shall include state-approved curriculum, parent and family support services, and sufficient clinical diagnosis, assessment, counseling, and treatment services to meet the individual needs of students at the school;
- (g) the school shall collaborate with local law enforcement agencies to be able to utilize and expand upon the availability of resource officers; and
- (h) the programs as related to each student must specify the intended outcomes and results and the methods for measuring the accomplishment of results. UCA 53A-11-909 §1 (5) (a – h)

3.37 Experimental/ Developmental Programs

The Analyst recommends \$5,933,056 for Experimental/Developmental Programs. This maintains the base budget. These Research and Development programs are the seed for school reform.

Experiments are on a three-year basis. The funds for the Experimental and Developmental programs are utilized as directed in the School Finance Act as follows:

53A-17a-132 Experimental and developmental programs.

(1) The state's contribution of \$5,933,056 for experimental and developmental programs is appropriated to the State Board of Education for distribution to school districts as follows:

the board shall distribute the first part, 34 percent of the appropriation, equally among the state's 40 school districts;

the board shall distribute the second part, 41 percent of the appropriation, to each district on the basis of its kindergarten through grade 12 average daily membership for the prior year as compared to the prior year state total kindergarten through grade 12 average daily membership; and

the board shall distribute 25 percent of the appropriation pursuant to standards established by the board in accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act.

(a) A school district may fund a new experimental or developmental program with monies appropriated under Subsection (1) for a maximum of three consecutive years.

(b)After the third year, the district shall either fund the program with regular ongoing program monies or terminate the program.

(3) (a)The State Board of Education shall allocate \$100,000 of the experimental-developmental appropriation for programs to improve the efficiency of classified employees in the public schools.

The programs should include training components, classified staffing formulas, and preventative maintenance formulas.

(a)The State Board of Education shall allocate \$584,900 of the appropriation for the planning, development, and implementation of alternative experimental pilot programs, using certificated teachers, which are cooperative ventures that have demonstrated support of parents, the recognized teachers' organization, administrators, and students.

The State Board of Education shall select schools for the pilot programs by a grant process using selection criteria developed by the state board.

Models for experimental activities similar to the nine district consortium activities are permissible under the experimental and developmental appropriation.

3.38 School Trust Program

Trust lands amount estimated at \$4,775,000 for FY

The amount estimated to be available from this restricted account for FY 2001 is \$4,775,000.

Summary

The U.S. Congress, in exchange for not taxing federal land, gave lands to Utah schools at statehood. The lands are held in a legal trust for schools. Schools own 3.4 million acres. The lands are managed by the School Trust Lands Administration and must, by law, be used to generate money for schools. The money is put in a permanent savings account, which is never spent, but invested. Prior to FY 2000 the interest earned from the permanent fund went into the Uniform School Fund as unrestricted revenue available for appropriations. With the passage of House Bill 350 by the 1999 Legislature the interest now goes to each school in the state. Schools will get their share of the Trust Lands interest money according to the provision of the bill.

The provisions of the Legislation are presented as follows:

53A-16-101.5. School LAND Trust Account -- Contents -- Purpose -- Distribution of funds -- School plans for use of funds.

(1) (a) There is established a School LAND Trust Program for the state's public schools to enhance student academic performance and improve educational excellence.

(b) As used in this section, "academic or educational excellence" means student performance in acquiring and mastering skills in the required state school curriculum.

(2) The program shall be funded from that portion of the Uniform School Fund consisting of all the interest and dividends on

the State School Fund remaining after the deduction of the amount retained in the State School Fund to protect the fund against losses due to inflation as prescribed by the Utah Constitution Article X, Section 5.

(3) (a) The State Board of Education shall allocate all the monies referred to in Subsection (2) annually for the fiscal year beginning July 1, 2000, and for each fiscal year thereafter as follows:

(i) school districts shall receive 10% of the funds on an equal basis; and
(ii) the remaining 90% of the funds shall be distributed on a per student basis, with each district receiving its allocation on the number of students in the district as compared to the state total.

(c) Each school district shall distribute its allocation under Subsection (3)(a) to each school within the district on an equal per student basis.

(d) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the board may make rules regarding the time and manner in which the student count shall be made for allocation of the monies.

(4) (a) In order to receive its allocation under Subsection (3), each school shall establish a local school committee by October 1, 1999.

(b) The committee shall consist of seven members:

(i) the school's principal;
(ii) two teachers appointed by the faculty at the school; and
(iii) four parents selected by the parents of students at the school and representing various grade levels at the school, one of whom shall be the school's PTA president if the school has one.

(c) The school may use its directors under Subsections 53A-1a-301(3) or 53A-1a-303.5(4)(a) or its community council under Section 53A-1a-108 to fill the requirements of Subsections (4)(a) and (b).

(5) (a) The committee shall develop a plan to include:

(i) the school's identified most critical academic needs;
(ii) a recommended course of action to meet the identified academic needs;
(iii) a specific listing of any programs, practices, materials, or equipment which the school will need to implement its action plan to have a direct impact on the instruction of students and result in measurable increased student performance; and

(iv) how the school intends to spend its allocation of funds under this section to enhance or improve academic excellence at the school.

(b) The school may develop a multiyear plan, but the plan must be presented and approved by the local school board of the district in which the school is located annually and as a prerequisite to receiving funds allocated under this section.

(6) (a) Each school shall:

(i) implement the plan as developed by the committee and approved by the local school board;

(ii) provide ongoing support for the committee's plan;

(iii) meet school board reporting requirements regarding financial and performance accountability; and

(iv) publicize to its patrons and the general public on how the funds it received under this section were used to enhance or improve academic excellence at the school, including the results of those efforts.

(b) (i) Each school through its committee shall prepare and present an annual report to its local school board at the end of the school year.

(ii) The report shall detail the use of funds received by the school under this section and an assessment of the results obtained from the use of the funds.

The current estimated distribution for Utah's School Districts is shown in the following chart:

School Trust Land Interest	
Current Estimate by School District	
Alpine	\$395,042
Beaver	23,611
Box Elder	106,460
Cache	123,523
Carbon	50,633
Daggett	12,804
Davis	510,151
Duchesne	47,959
Emery	37,576
Garfield	20,690
Grand	25,054
Granite	629,692
Iron	70,235
Jordan	633,402
Juab	26,497
Kane	23,509
Millard	41,863
Morgan	28,628
Nebo	180,692
North Sanpete	32,932
North Summit	19,629
Park City	43,510
Piute	14,408
Rich	15,546
San Juan	40,369
Sevier	51,431
South Sanpete	35,683
South Summit	21,989
Tintic	14,128
Tooele	80,601
Uintah	66,194
Wasatch	41,651
Washington	168,416
Wayne	15,953
Weber	249,448
Salt Lake City	225,244
Ogden	119,406
Provo	125,739
Logan	60,829
Murray	68,877
Total	\$4,500,004

3.39 Voted and Board Leeway Programs

Voted Leeway Program

The Analyst recommends a total Voted Leeway program of \$121,162,483. Of this amount the Uniform School Fund contributes \$10,750,167 with the remaining amount coming from local property tax revenues. The final appropriation amount will vary slightly based on the total Minimum School Program and associated weighted pupil units adopted by the Legislature. Because of this **the Analyst recommends committee action that would allow adjustment based on final program adoption.** The statutes require an increase in the state guarantee on tax rates levied from .0012 to .0014 in FY 2001. The Analyst has built this increase into the recommendations.

Increases based on a number of factors

Voted Leeway Increases - The recommendations include increases mandated by the Legislature. For FY 2001 this includes three areas. Assessed valuations on new growth; statutory provisions which require a state guarantee contribution on an additional .0002 tax rate levy; and statutory provisions requiring an inflationary increase based on the value of the prior year weighted pupil unit value.

Summary

In 1954, the State Legislature authorized a "voted leeway program." In 1965, the name was changed to "voted board leeway program." The 1991 Legislature set dollar amounts as a guarantee instead of a value equal to a percentage of the prior year's WPU. In the current "state-supported" "voted leeway program," the FY 1996, Legislature set a dollar amount as a guarantee based on a percentage of the prior year's WPU, thus reinstating an inflationary mechanism.

The statutes governing this program are as follows:

- 53A-17a-133. State-supported voted leeway program authorized -- Election requirements -- State guarantee -- Reconsideration of the program.
- (1)An election to consider adoption or modification of a voted leeway program is required if initiative petitions signed by 10 percent of the number of electors who voted at the last preceding general election are presented to the local school board or by action of the board.
 - (2)(a)To establish a voted leeway program, a majority of the electors of a district voting at an election in the manner set forth in Section 53A-16-110 must vote in favor of a special tax.
 - (2)1The district may maintain a school program which exceeds the cost of the program referred to in Section 53A-17a-145 with this voted leeway.
 - (2)2In order to receive state support the first year, a district must receive voter approval no later than December 1 of the year prior to implementation.
 - (2)3The additional program is the state-supported voted leeway program of the district.
 - (3)(a)(i)Under the voted leeway program, the state shall contribute an amount sufficient to guarantee \$12 per weighted pupil unit for each .0001 of the first .0004 per dollar of taxable value.

(ii) The guarantee shall apply to the first .0006 per dollar of taxable value beginning July 1, 1996, and shall apply to an additional .0002 per dollar of taxable value each year thereafter so that the guarantee shall apply to the first .0016 of taxable value beginning July 1, 2001, and for each year thereafter.

(2)(i) The same dollar amount guarantee per weighted pupil unit for the .0004 per dollar of taxable value under Subsection (a) shall apply to the board-approved leeway authorized in Section 53A-17a-134, so that the guarantee shall apply up to a total of .0008 per dollar of taxable value if a school district levies a tax rate of up to .0004 in both programs.

(ii) Beginning July 1, 1996, if a district levies up to .0006 in the voted leeway program and up to .0004 in the board leeway program, the guarantee shall apply up to a total of .001 for both programs and shall apply to an additional .0002 per dollar of taxable value each year thereafter through July 1, 2001, as described in Subsection (3)(a)(ii) so that the guarantee shall apply up to a total of .002 per dollar of taxable value beginning July 1, 2001, and for each year thereafter.

(3) Beginning July 1, 1997, the \$12 guarantee under Subsections (3)(a) and (b) shall be indexed each year to the value of the weighted pupil unit by making the value of the guarantee equal to .0075 times the value of the prior year's weighted pupil unit.

(4)(i) The amount of state guarantee money to which a school district would otherwise be entitled to under Subsection (3) may not be reduced for the sole reason that the district's levy is reduced as a consequence of changes in the certified tax rate under Section 59-2-924 pursuant to changes in property valuation.

(ii) Subsection (3)(d)(i) applies for a period of two years following any such change in the certified tax rate.

(4)(a) An election to modify an existing voted leeway program is not a reconsideration of the existing program unless the proposition submitted to the electors expressly so states.

(2) A majority vote opposing a modification does not deprive the district of authority to continue an existing program.

(2) If adoption of a leeway program is contingent upon an offset reducing other local school board levies, the board must allow the electors, in an election, to consider modifying or discontinuing the program prior to a subsequent increase in other levies that would increase the total local school board levy.

(2) Nothing contained in this section terminates, without an election, the authority of a school district to continue an existing voted leeway program previously authorized by the voters.

3.40 Board Leeway Program

Recommendation The Analyst recommends a total Board Leeway program of \$36,068,963. Of this amount the Uniform School Fund contributes \$4,098,439 with the remaining amount coming from local property tax revenues. The final

Final recommendation to be adjusted appropriation amount will vary slightly based on the total Minimum School Program adopted by the Legislature. Because of this the Analyst recommends committee action that would allow adjustment based on final program adoption.

Summary **Board Leeway Cost Increases** - The recommendations include increases mandated by the Legislature. For FY 2001 this includes three areas. Assessed valuations on new growth; statutory provisions which require a state guarantee contribution on an additional .002 tax rate levy; and statutory provisions requiring an inflationary increase based on the value of the prior year weighted pupil unit value.

The statutes governing this program are as follows:

53A-17a-134. Board-approved leeway -- Purpose -- State support -- Disapproval. (1)Each local school board may levy a tax rate of up to .0004 per dollar of taxable value to maintain a school program above the cost of the basic school program as follows:

(1)a local school board shall use the monies generated by the tax for class size reduction within the school district;

(2)if a local school board determines that the average class size in the school district is not excessive, it may use the monies for other school purposes but only if the board has declared the use for other school purposes in a public meeting prior to levying the tax rate; and

(3)a district may not use the monies for other school purposes under Subsection (b) until it has certified in writing that its class size needs are already being met and has identified the other school purposes for which the monies will be used to the State Board of Education and the state board has approved their use for other school purposes.

(2)(a)The state shall contribute an amount sufficient to guarantee \$21.50 per weighted pupil unit for each .0002 per dollar of taxable value.

(b) The guarantee shall increase in the same years and for the same amounts as provided for the voted leeway guarantee in Section 53A-17a-133.

(3)The levy authorized under this section is not in addition to the maximum rate of .002 authorized in Section 53A-17a-133, but is a board-authorized component of the total tax rate under that section.

(4)As an exception to Section 53A-17a-133, the board-authorized levy does not require voter approval, but the board may require voter approval if requested by a majority of the board.

(5) An election to consider disapproval of the board-authorized levy is required, if within 60 days after the levy is established by the board, referendum petitions signed by the number of legal voters required in Section 20A-7-301, who reside within the school district, are filed with the school district.

(6)(a) A local school board shall establish its board-approved levy by April 1 to have the levy apply to the fiscal year beginning July 1 in that same calendar year except that if an election is required under this section, the levy applies to the fiscal year beginning July 1 of the next calendar year.

(6)1 The approval and disapproval votes authorized in Subsections (4) and (5) shall occur at a general election in even-numbered years, except that a vote required under this section in odd-numbered years shall occur at a special election held on a day in odd-numbered years that corresponds to the general election date. The school district shall pay for the cost of a special election.

(7)(a) Modification or termination of a voter-approved leeway rate authorized under this section is governed by Section 53A-17a-133.

(7)1 A board-authorized leeway rate may be modified or terminated by a majority vote of the board subject to disapproval procedures specified in this section.

(8) A board levy election does not require publication of a voter information pamphlet.

4.0 Additional Information: Minimum School Program

4.1 Funding History

	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Financing	Actual	Actual	Actual	Estimated	Analyst
Uniform School Fund	\$1,372,254,400	\$1,376,685,000	\$1,441,540,200	\$1,474,582,683	\$1,474,089,914
Uniform School Fund, One-time				9,450,000	
Dedicated Credits Revenue			78,800		
Federal Mineral Lease					
Local Property Tax	252,258,900	290,062,400	291,449,700	311,574,929	324,863,554
Transfers - Interagency			2,500,000		
Beginning Nonlapsing	8,686,800	18,453,500	30,300,900	16,480,800	16,480,800
Closing Nonlapsing	(18,453,500)	(30,300,900)	(16,480,800)	(16,480,800)	(16,480,800)
Lapsing Balance			(78,800)		
Total	<u>\$1,614,746,600</u>	<u>\$1,654,900,000</u>	<u>\$1,749,310,000</u>	<u>\$1,795,607,612</u>	<u>\$1,798,953,468</u>
% Change		2.5%	5.7%	2.6%	0.2%
Programs					
Minimum School Program	\$1,588,388,600	\$1,628,542,000	\$1,718,452,000	\$1,766,249,612	\$1,770,595,468
School Building Program	26,358,000	26,358,000	30,858,000	29,358,000	28,358,000
Total	<u>\$1,614,746,600</u>	<u>\$1,654,900,000</u>	<u>\$1,749,310,000</u>	<u>\$1,795,607,612</u>	<u>\$1,798,953,468</u>
Expenditures					
Personal Services					(\$5,193,630)
Other Charges/Pass Thru	1,614,746,600	1,654,900,000	1,749,310,000	1,795,607,612	1,804,147,098
Total	<u>\$1,614,746,600</u>	<u>\$1,654,900,000</u>	<u>\$1,749,310,000</u>	<u>\$1,795,607,612</u>	<u>\$1,798,953,468</u>