

## Discussion Brief: Methods for determining enrollment—Mitigation strategies

*Charter School Funding Taskforce*

*August 27, 2015*

**Summary:** The current methodology for determining enrollment for funding purposes treats charter schools and school districts differently. For school districts, enrollment is determined by adding the prior year’s average daily membership (ADM) plus an adjustment for enrollment growth (ADM + growth). For charter schools, enrollment is determined based on the higher of October 1 enrollment in the current school year or the prior year’s ADM + growth. Because ADM + growth is generally lower than the October 1 headcount, most charter schools receive more funding than they would under the ADM + growth methodology. USOE estimates that this difference is about \$6 million.

The current methodology for determining enrollment in charter schools is only authorized to continue through the 2015-16 school year. Therefore, without legislative action, charter school enrollment will be determined by ADM + growth beginning in the 2016-17 school year.

At last month’s task force meeting, the chair took an informal straw poll. The results of the straw poll indicated that most task force members would prefer to allow the current methodology to “sunset,” but to mitigate the financial loss to charter schools.

**Study Question:** “Charter school funding provisions under Section 53A-1a-513, including: (ii) the method for determining charter school enrollment for funding purposes.” (H.B. 444, 2015 General Session)

**Study Framework:** Taskforce members will review and discuss the following issues to assist in developing taskforce recommendations on ways to mitigate the financial impact to charter schools of moving to the ADM + growth methodology:

**1. *Option 1: Address any inequities in the distribution of categorical program funds within the Minimum School Program***

For most categorical programs participation is based on meeting defined statutory criteria. However, taskforce staff will summarize categorical program distribution formulas, highlighting any differences between charter schools and school districts.

Discussion:

Taskforce members will discuss any differences, determine if the difference is warranted, and determine whether any action is necessary.

Documents:

- a. Minimum School Program: Summary of Categorical Program Distribution Formulas

2. ***Option 2: Manipulate grade level WPU weightings for charter schools***

Current statute provides a slightly different grade-level weighting schedule for charter schools. Section 53A-1a-513 provides that “charter school pupils shall be weighted, where applicable, as follows: .55 for kindergarten pupils; .9 for pupils in grades 1 through 6; .99 for pupils in grades 7 through 8; and 1.2 for pupils in grades 9 through 12.” The Legislature implemented this weighting schedule to mimic allocation models used by school districts when funding different school types. USOE staff will review data on the effects of manipulating the weighting schedule as a mitigation strategy.

Discussion:

Taskforce members will discuss the current weighting schedule, review impact scenarios, and determine whether manipulating the weighting schedule is a viable mitigation strategy.

Documents:

- a. Weighting Scenarios [USOE]

**Minimum School Program: Summary of Categorical Program Distribution Formulas**

Based on FY 2016 Appropriated Programs

Minimum School Program - Categorical Programs	Appropriation	Distribution Formula	Formula Notes
<b>1. Basic School Program</b>			
Kindergarten	\$87,562,300	ADM	
Grades 1-12	1,740,251,800	ADM	
Necessarily Existent Small Schools	28,931,800	ADM + Factor	Districts Only, School Size & Remoteness
Professional Staff	166,198,100	ADM + Factor	Factor is FTE Educators by Experience & Longevity
Administrative Costs	4,653,500	School Size (Enroll.)	Districts Only, School Size Scale (Less than 5,000 Students)
Special Education - Add-on	213,155,100	ADM	
Special Education - Self Contained	43,056,100	ADM	
Special Education - Preschool	30,542,800	Pr.Yr. Enroll. + Growth	Districts Only
Special Education - Extended Year Program	1,326,500	Base + State ESY Enroll.	
Special Education - State Programs	10,073,700	Qualification	Multiple Programs (Ext. Yr. for Special Educators, Intensive Services)
Career & Technical Education - Add-on	85,351,100	Prior Year Membership	
Class Size Reduction	122,001,000	ADM	
<b>Subtotal</b>	<b>\$2,533,103,800</b>		
<b>The Line</b>			
<b>2. Related to Basic School Program</b>			
To and From School Pupil Transportation	\$75,830,200	Qualification	District Only, Based on Miles & Minutes
Guarantee Transportation Levy	500,000	Qualification	District Only, Proportional Based on Property Tax Revenue Generated
Flexible Allocation	23,106,600	Per-Student/WPU	Based on Total WPUs
Enhancement for At-Risk Students	25,681,000	Base +	4% Base to All LEAs, 20% Grants to LEAs with 75% Poverty, Remaining on Percentage of At-Risk Factors
Youth-in-Custody	20,974,500	Qualification	YIC Students in Jurisdiction
Adult Education	10,303,400	Base +	Districts Only, Equal Base to Districts Offering Program, Remaining Based on Performance Criteria
Enhancement for Accelerated Students	4,557,500	Qualification	Three Categories: Advanced Placement Proportional to Exams Passed, International Baccalaureate Grant, Gifted & Talented Proportional to K-12 NESS WPUS
Concurrent Enrollment	9,766,700	Qualification	Proportional Based on Hours of Successfully Completed Course Work
Title I Schools in Improvement - Paraeducators	300,000	Grant	Application
School LAND Trust Program	39,730,000	Per-Student/WPU	Total Divided by District/Charter Enrollment, District & Charter Amounts Per-Student to Schools, Base for Charters (0.4 Percent of Charter Amount)

## Minimum School Program: Summary of Categorical Program Distribution Formulas

Based on FY 2016 Appropriated Programs

Minimum School Program - Categorical Programs	Appropriation	Distribution Formula	Formula Notes
Charter School Local Replacement	99,946,200	Per-Student/WPU	Charters Only, Fall Enrollment
Charter School Administrative Costs	6,741,000	Per-Student/WPU	Charters Only, Fall Enrollment
K-3 Reading Improvement	15,000,000	Base +	Base on Fall Enrollment, Guarantee Program \$21/WPU Minus Tax Levy Amount, Low Income Program \$21/WPU Minus Tax Levy Amount, Charters State Funded
Educator Salary Adjustments	163,381,000	Qualification	Proportional Based on Number of FTE Educator Positions
Teacher Salary Supplement	6,553,600	Grant	Teacher Qualification and Application
School Library Books & Electronic Resources	1,600,000	Base +	25% Base to All Schools, 75% on ADM
Matching Fund for School Nurses	1,002,000	Grant	LEA Application & Matching Funds
Critical Languages & Dual Immersion	2,915,400	Grant	Application
Year-Round Math & Science (USTAR Centers)	6,200,000	Grant	Application
Early Intervention	7,500,000	Grant Hybrid (Base +)	Total Divided by District/Charter Enrollment, Charter Amount Distributed to Schools with the Greatest Need, School District Amount on Base + Free/Reduced Lunch
Beverly Taylor Sorenson Arts Learning Program	6,500,000	Grant	Application
Teacher Supplies & Materials	6,000,000	Qualification	Proportional Based on Number of Classroom Teachers, Teacher Amounts Vary Depending on Grade Level & Experience
Civics Education - State Capitol Filed Trips	150,000	Grant	Application
K-12 Digital Literacy	5,000,000	Grant	Application
Special Education - Intensive Services	2,000,000	Grant	Application Based on Qualifying Student
<b>Subtotal</b>	<b>\$541,239,100</b>		
<b>3. Voted &amp; Board Local Levy Programs</b>			
Voted Local Levy Program	\$392,419,300	Statute/WPUs	Districts Only, Generated Revenue Below the State Guarantee Rate
Board Local Levy Program	116,162,200	Statute/WPUs	Districts Only, Generated Revenue Below the State Guarantee Rate
Board Local Levy - Reading Improvement Program	15,000,000		Districts Only, See K-3 Reading Above
<b>Subtotal</b>	<b>523,581,500</b>		
<b>Total Minimum School Program</b>	<b>\$3,597,924,400</b>		

Sources: Office of the Legislative Fiscal Analyst, Appropriations Report 2015 General Session, Compendium of Budget Information. Utah State Office of Education, MSP Descriptions.

## Weighting Scenarios

	<b>k-12</b>	<b>Prostaff</b>	<b>Total</b>	
Current K-12 for charters on Oct 1	197,939,862	11,644,741	<b>209,584,603</b>	
K-12 for charters on ADM + growth	192,168,261	11,322,595	<b>203,490,856</b>	
<b>Total Difference</b>	<b>5,771,601</b>	<b>322,146</b>	<b>6,093,747</b>	<b>ESTIMATE BASED ON MOST CURRENT DATA</b>

	<b>K-12</b>	<b>Prostaff</b>	<b>TOTAL</b>	<b>TARGET</b>	<b>Difference</b>
<b>Current weights</b>					
<b>.55,.9,.99,1.20</b>	<b>192,168,261</b>	<b>11,322,595</b>	<b>203,490,856</b>	<b>209,584,603</b>	<b>6,093,747</b>
.55, 1,1,1.05	196,549,786	11,322,595	207,872,380	209,584,603	1,712,223
.55,1,1 1.10	198,761,505	11,322,595	210,084,100	209,584,603	(499,497)
.55, .95,.95,1.20	196,207,239	11,322,595	207,529,834	209,584,603	2,054,770
.55, .95,1,1.20	197,839,865	11,322,595	209,162,459	209,584,603	422,144
.55,.92, 1, 1.25	196,844,537	11,322,595	208,167,131	209,584,603	1,417,472
.55,.93, 1, 1.25	197,913,552	11,322,595	209,236,147	209,584,603	<b>348,456</b>
<b>GOAL SEEK</b>					
.55,.93, 1.02, 1.24	198,262,008	11,322,595	209,584,603	209,584,603	<b>0</b>