

MINUTES OF EQUALIZATION TASK FORCE

Thursday, September 20, 2007 – 8:00 a.m. – Room W110 House Building

Members Present:

Sen. Dan R. Eastman, Senate Chair
Rep. David Clark, House Chair
Sen. Chris Buttars
Sen. Mike Dmitrich
Sen. Lyle W. Hillyard
Sen. Scott D. McCoy
Sen. Howard A. Stephenson
Sen. Michael G. Waddoups
Rep. Melvin R. Brown
Rep. James R. Gowans
Rep. Carol Spackman Moss
Rep. Merlynn T. Newbold
Rep. LaWanna Lou Shurtliff
Rep. Aaron Tilton
Rep. Carl Wimmer

Members Absent:

Rep. Brad L. Dee

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Ms. Angela D. Oakes, Associate General Counsel
Dr. Andrea Wilko, Chief Economist
Ms. Chelsea Barrett, Legislative Secretary

Note: A list of others present, a copy of related materials, and an audio recording of the meeting can be found at www.le.utah.gov.

1. Task Force Business

Chair Clark called the meeting to order at 8:14 a.m. Task Force members and staff introduced themselves.

2. Background on Public Education Enrollment Trends and School Finance, Including Current Capital Outlay Funding

Dr. Wilko discussed public education enrollment data. She commented on school enrollment trends and noted how enrollment is expected to grow.

Mr. Dean presented an overview of current public education funding. He outlined existing public education revenue sources from income taxes and property taxes summarized in a "School Facility Funding" research packet. The Task Force discussed the existing public education funding system.

Mr. Larry Newton, State Office of Education, commented on the voted leeway, board leeway, and reading achievement programs.

Dr. Wilko discussed the Weighted Pupil Unit (WPU), a common factor used to allocate funding for the basic program on a uniform basis for each student. The Task Force discussed the WPU history over the past 15 years, and noted the overall upward trend in funding.

Mr. Bruce Williams, Davis School District, commented on the comparative levels of funding equity in the basic program and in the voted leeway, board leeway and capital outlay programs. The Task Force discussed the difference between equity and equalization and the need to look at other factors in addition to growth when deciding how to fund capital needs.

Mr. Dean explained the basic process by which the operations side of the public education budget is

currently equalized. The Task Force discussed the possibility of measuring the effort made by each school district to help determine capital funding allocations.

Mr. Dean outlined existing state capital outlay assistance to school districts, comprised of two programs: the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program. He noted that these programs assist school districts in constructing or renovating school facilities and paying debt service obligations. He also reviewed potential policy considerations for funding school capital outlay costs.

Sen. Hillyard suggested staff prepare a model to formulate capital funding options similar to how the WPU functions.

Sen. Waddoups mentioned that macro plans play a large role in equalization. The Task Force noted the importance of public involvement. Sen. Buttars commented on the importance of focusing on a state-wide capital funding system.

MOTION: Sen. Buttars moved that the Task Force efforts focus on a state-wide equalization program. The motion passed unanimously with Sen. McCoy absent for the vote.

Sen. Buttars requested time on the next meeting's agenda to discuss the concept of a state building authority.

The Task Force took a 10 minute break.

The Task Force heard public comments. Mr. Rob Smith, Alpine School District, requested that the Task Force consider input from school business officials and other school district administrators. The Task Force noted that proposals and insights from the public are encouraged.

Mr. Steve Peterson, Utah School Boards Association and Utah School Superintendents Association, noted that equalizing capital funding would be difficult without putting more money into the system. Additionally, he noted the importance of a base amount that would provide every district with a minimum amount of capital funding.

Mr. Brent Thorn, Utah Rural Schools Association, commented on the impact of federal lands on property taxes. He noted that small districts need support as well.

Mr. Ray Timothy, Superintendent, Park City School District, noted that Park City has "average" citizens as well, and that these citizens are being squeezed with the high property taxes. He complimented the focus on a local effort component to capital outlay in this Task Force meeting. He concluded by noting that the Task Force needs to consider needs in school districts as well.

Sen. Stephenson commented on property taxes and on the disparity in property tax rates among school districts.

Ms. Lisa Kirckenheiter, Park City School District Board member, commented on Park City and its contribution to funding the education system statewide and on Park City property taxes.

Sen. Hillyard commented on property tax shifts.

3. Schedule For Future Meetings

The Committee decided on the following meeting times:

Tuesday, October 9th at 2:00 p.m.
Monday, October 15th at 2:00 p.m.
Monday, October 29th at 2:00 p.m.
Monday, November 12th at 2:00 p.m.

4. Other Task Force Business / Adjourn

MOTION: Sen. Waddoups moved to adjourn. The motion passed unanimously.

Chair Clark adjourned the meeting at 11:44 a.m.