

MINUTES OF EQUALIZATION TASK FORCE

Monday, October 15, 2007 – 2:00 p.m. – Room W135 House Building

Members Present:

Rep. David Clark, House Chair
Sen. Chris Butters
Sen. Lyle W. Hillyard
Sen. Scott D. McCoy
Sen. Howard A. Stephenson
Sen. Michael G. Waddoups
Rep. Melvin R. Brown
Rep. Brad L. Dee
Rep. James R. Gowans
Rep. Carol Spackman Moss
Rep. Merlynn T. Newbold
Rep. LaWanna Lou Shurtliff

Rep. Aaron Tilton
Rep. Carl Wimmer

Members Absent:

Sen. Dan R. Eastman, Senate Chair
Sen. Mike Dmitrich

Staff Present:

Mr. Phillip V. Dean, Policy Analyst
Ms. Angela D. Oakes, Associate General Counsel
Mr. Ben Leishman, Fiscal Analyst
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 2:16 p.m. Sen. Dmitrich and Sen. Eastman were excused from the meeting.

2. Statewide Equalization Proposals

Rep. Newbold distributed "Rep. Newbold, School Funding Equalization Proposal." Rep Newbold thanked Task Force staff for help on the proposal. She introduced her proposal to fully equalize school district tax rates, allocating funding using the Weighted Pupil Unit (WPU), and adding a growth component to the WPU. She noted the importance of "principles" when considering equalization of education funding. Rep. Newbold mentioned two principles for the Task Force to consider: (1) that all students should have equal funding available to them, regardless of the district; and (2) the efforts of tax payers should be more equalized throughout state. Chair Clark opened up discussion to the Task Force.

Rep. Brown noted that property tax values and population shifts are likely to change in the future.

Sen. McCoy commented on equalization lawsuits in other states.

Sen. Stephenson asked questions regarding the disparity of property tax burdens between the urban and rural areas. Sen. Stephenson noted the need to correct disparities between the different areas.

Rep. Newbold noted the drastic funding disparities between school districts due to the differences in the property tax bases of school districts.

Rep. Moss noted the need to define what the "disparity" between the school districts throughout the state includes. She noted that certain disparities in student populations are not currently compensated for with funding.

Sen. Waddoups commented that the Task Force is not meant to equalize all funding for education and needs to refocus.

Sen. McCoy noted that there are two issues that the Task Force should focus on: (1) equalization, whether there is an issue that students are disadvantaged in material ways from one district to another and (2) how to fund the new school building in areas where they are needed. He asked the following questions to the Task Force: (1) do we need to equalize? and (2) is there a discrepancy between funding and the value of a student's education currently in Utah?

Sen. Hillyard noted that all school districts are different. He explained that citizens should have the freedom to choose where they live and what education they receive. He concluded by noting that the Task Force should look into increasing the guarantee of equity for the smaller districts.

Sen. Stephenson stated that limiting the Task Force's scope can help make it successful. He explained how focusing efforts on politically achievable capital equalization and finalizing a capital outlay formula would be a good goal.

Chair Clark invited public comment on the proposals.

Mr. Rob Smith, Utah Association of School Business Officials (UASBO), Alpine School District, noted he would defer questions until making his presentation.

Sen. Buttars introduced Ms. Oakes, who distributed "State Building Authority Governing Bodies." She briefly outlined the six questions asked to six states regarding state building programs that were examined last meeting. Ms. Oakes stated that her presentation would focus on the structure of each state's governing body for state building authority programs, including, how it is staffed, controlled, instigated, and funded. Ms. Oakes proceeded to explain each state's commission.

Sen. Stephenson asked if Sen. Buttars' proposal could coincide with Rep. Tilton's proposal which was introduced in a past meeting. Rep. Tilton noted that it could be used or not used.

Several school business officials were asked by the Task Force to present a proposal.

Mr. Bruce Williams, UASBO, Davis School District, and Mr. Rob Smith, UASBO, Alpine School District, distributed "School Capital Outlay Equalization Recommendations." Mr. Smith outlined the five recommendations in the handout. These included: (1) retain local autonomy in building decisions; (2) develop facility benchmarks; (3) infuse new money into existing facility programs; (4) expand revenue sources into capital program; and (5) maintain existing capital tax levies and bond authorization.

Rep. Tilton asked about charter schools being included in the recommendations from UASBO. Mr. Smith noted that charter schools are growing and recognizing their growth and facility needs is important.

Sen. Stephenson noted that Mr. Davis and Mr. Smith represent Alpine and Davis School Districts, which are among the fastest growing and lowest property tax value per student districts. Sen. Stephenson asked the Task Force whether property tax rich, low enrollment growth districts should help contribute to funding capital facility needs.

Mr. Davis outlined Alpine School District's funding as an example to clarify UASBO's Capital Outlay Foundation and Enrollment Growth program.

Mr. Larry Newton, School Finance Director, Office of Education, helped explain the formula used to determine Capital Outlay Foundation and Enrollment Growth Program distributions.

Mr. Leishman noted that columns 12 and 13 on the school business officials' handouts are not part of the current capital outlay program.

Chair Clark invited the public to comment.

Mr. Rob Wall, City Attorney, South Jordan, expressed that full equalization should be the ultimate goal, although he realizes that this is impossible. He expressed that money does drive education to some point.

Ms. Leona Winger, Council Member, South Jordan City, explained that the Task Force must have courage to raise money for quality education. She noted that elderly constituents in her area are worried about higher property taxes.

Mr. Ray Timothy, Superintendent, Park City School District, noted that currently there is a heavy property tax burden on some citizens of Park City. He explained that Park City already contributes heavily to education funding.

Ms. Caroline White, board member, Beaver School District, expressed that local control in a facility program is important and she would not like to see local control taken away.

The Task Force discussed direction for future action.

Rep. Brown requested to have Task Force staff gather numbers for enrollment projections for the next five years.

Rep. Dee stated that he would rather see Sen. Buttars present a proposal for a state building authority program than a summary of other states' programs.

Sen. Buttars noted that he will work up a state building program proposal.

3. Other Items / Adjourn

MOTION: Rep. Wimmer moved to adjourn. The motion passed unanimously with Rep. Tilton absent for the vote.

Chair Clark adjourned the meeting at 5:05 p.m.