

**MINUTES OF THE
PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE**
Room 445 Capital Building State Capitol Complex
January 28, 2016

Members Present: Sen. Howard A. Stephenson, Senate Co-Chair
Rep. Steve Eliason, House Co-Chair
Rep. Michael S. Kennedy, House Vice Chair
Sen. J. Stuart Adams
Sen. Lyle W. Hillyard
Sen. Jani Iwamoto
Sen. Stephen H. Urquhart
Rep. Joel K. Briscoe
Rep. LaVar Christensen
Rep. Bruce Cutler
Rep. Rebecca P. Edwards
Rep. Justin L. Fawson
Rep. Bradley G. Last
Rep. David E. Lifferth
Rep. Marie H. Poulson
Rep. Kraig Powell
Rep. Norm Thurston

Members Excused: Pres. Wayne Niederhauser
Rep. Francis D. Gibson

Members Absent: Sen. Daniel W. Thatcher

Staff Present: Mr. Ben Leishman, Fiscal Analyst
Ms. Jill Curry, Fiscal Analyst
Ms. Lori Brinkerhoff, Secretary

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

1. Call to Order

Vice Chair Kennedy called the meeting to order at 8:15 a.m. He welcomed everyone and recognized special guests from the State Board of Education and the State Office of Education.

2. Budget Review Basic School Program

a. Minimal School Program WPU Tables and Discussion Mr. Leishman reviewed the [Minimum School Program](#). He briefly discussed several documents: [Minimum School Program & School Building Program - Budget Detail Tables](#), [Categorical Program Oversight](#), and the [Program Distributions by LEA-FY 2016](#) which is a breakdown by school district. He gave a brief historical overview of the Minimum School Program. He explained that this is Utah's response to the equity movement from the 1970s. He stated the program was first funded in 1974 and the last comprehensive review was completed in 1990. He reported that the constitution states that income

taxes are dedicated to public and higher education systems and established the permanent State School fund and the Uniform School Fund. He stated that the about 8-10 years ago the Educational Fund now collects most of the income tax that used to be collected by the Uniform School Fund.

Sen. Hillyard asked for some clarification regarding the constitutional language regarding the funding of Pre-K education. Mr. Leishman explained that if Pre-K was designated as a function of public education in statute, it would still qualify for education funding.

Rep. Lifferth asked when the income tax component for public education was established. Mr. Leishman stated that it was prior to 1974 but he wasn't sure of the exact year.

Mr. Leishman stated that state and local participation in equity is brought up in statute. He discussed the [The WPU and The Basic Levy](#). Statute directs that districts are empowered to provide educational facilities and opportunities beyond the minimum school program through property tax levies. This gives the local board the authority to determine how the educational system within their jurisdiction is built. He stated that programs distribute state funding to the Local Education Agencies (LEAs) through the appropriations act.

Rep. Cutler asked for clarification regarding the voted and board local levy programs and the limits involved. Mr. Leishman mentioned that this would be discussed in more detail later. He stated that the levy that is voted on by the tax payers within a district and is generally used as unrestricted revenue to the local board. He stated that the board levy allows the board has to implement the tax. He stated the limits are specified in COBI, which will be discussed later.

Mr. Leishman discussed the Basic School Program – “Above-the-Line” which is Utah’s Funding Formula. He stated that all of the programs are funded by the Weighted Pupil Unit (WPU). He explained the basic formula is that one WPU equals one student in average daily membership. He clarified the WPU weightings and primary and add-on student counts. .

Sen. Hillyard asked about the difference between student head count and WPUs. Mr. Leishman stated that in general there is a ratio of about 1.3 WPUs for every headcount student.

Rep. Cutler asked how often this student count is calculated. Mr. Leishman explained that average daily membership isn't necessarily based on attendance, but on enrollment status. He explained how this average daily membership was calculated and discussed the 10-day rule. Rep. Briscoe further clarified the average daily membership from his perspective.

Mr. Leishman explained that the Legislature sets a value of how much will be allocated for the WPU. He showed a chart regarding the historical WPU Value. He stated that the WPU hasn't ever decreased from one year to another, but during economic downturns, it has remained flat. He explained that in FY 2012 the Legislature split the WPU value with respect to the WPU add-on programs. Mr. Leishman explained funding equalization and the [WPU Equalization Charts FY 2016](#) with respect to property taxes. He explained how enrollment growth impacts these formulas.

Rep. Cutler asked if Legislation would be required to have the WPU returned to one value rather than split or if it could be accomplished through appropriation changes. Mr. Leishman answered that more money would be need to be appropriated to increase the WPU values, but additional legislation would not be required because it is just a function of the budget.

Rep. Briscoe asked for clarification regarding the authority to adjust allocations. Mr. Leishman explained that statute provides that if enrollment estimates are underestimated, the board can move money from programs where WPUs were overestimated. There are many statutes that must be followed in moving the money.

Rep. Lifferth asked about the 3,800 students that were underestimated for growth this year and how often projections are off by this many students. Mr. Leishman explained that the growth of 3,800 was an anomaly. He said that generally growth is due in small part to population growth from existing families, but most of the growth is from in-migration. They are looking to determine if this anomaly is becoming a trend.

Mr. Leishman briefly discussed the [Audit Report](#) regarding the \$1 million in grants regarding CTE comprehensive guidance programs.

Mr. Leishman explained the [Overview of WPU Formulas FY 2016](#). He stated that it would cost \$28.6 million dollars, \$19.2 for special education, and \$7.6 million for the CTE add-on to consolidate the WPU back into one amount. He said that if the flexible allocation money were repurposed to include the WPU value in those two programs, it would be short by between \$925,000 and \$2 million. He mentioned that the primary WPU value could be lowered by about \$32 and raise the add-on WPU value to about \$223. He indicated that another possibility would be to change the weighting mechanisms within the CTE and special-education add-ons.

b. H.B. 1 Base Budget Bill. Mr. Leishman explained how to find the [H.B. 1 - Public Education Base Budget Bill](#) and [COBI](#). He discussed the process for establishing the WPU value. For FY 2017 the WPU has been initially set at \$2,837 for the add-on programs and \$3,092 for all other programs.

Rep. Cutler stated that it would be helpful to identify which of the WPUs that WPU applies to. Mr. Leishman answered that there are only two programs that are on the lower WPU.

Mr. Leishman discussed the total funding of \$27 million from the Uniform School Fund, \$2.1 billion from the Education Fund, the revenue from the basic rate and the remaining balances in the program. Later in the session the committee will be asked to take action confirming the WPU amounts.

3. Budget Review: Related to Basic School Program

Mr. Leishman explained the Related to Basic School Program and the [Distribution Formula Summary-FY 2016](#). He stated that all of the programs “Below the Line” do not have WPUs associated with them. Each year through the appropriations process the Legislature determines how much money is allocated to each program. He explained the four categories of funding for these programs. He mentioned the issue regarding using minimum school funds for administrative costs that were discussed at an earlier meeting.

Mr. Leishman reported on the School Land Trust Revenue increases and the issue with the teacher salary supplement specifically for math, science and computer science teachers.

Co-Chair Stephenson asked about the special education component of this salary supplement. Mr.

Leishman said the program is called the extended day for special educators which is part of the Minimum School Program. He informed committee members that a suggestion has been made that some additional pay be included for teachers who have certain endorsements such as dyslexia other endorsements. Mr. Leishman indicated the statute for the teacher salary supplement program lists specific positions and degree requirements. This could be expanded and the statute amended.

Rep. Cutler asked if this would need to be done through legislation. Mr. Leishman stated this could not be done through appropriations, and would probably require legislation. Rep. Cutler indicated that he would be willing to sponsor this legislation.

Rep. Poulson asked for clarification regarding the teacher salary supplement. She asked when it was moved from DHRM to the State Board and did the rules and/or funding allocation change. Mr. Leishman answered that it was moved to the State Board in FY 2014 but no funding allocations or requirements were changed.

Ms. Sydnee Dickson, Interim State Superintendent for USOE, answered that when the program was moved there were some appropriations being made to educators that were not aligned with the state code. They had to ensure that they followed what was in statute, which did cause some confusion.

Rep. Last commented that last year computer science teachers with an actual computer science degree were added to this listing, but it only impacted 12 teachers in the whole state.

4. Critical Languages & Dual Immersion

Ms. Dickson gave a broad overview regarding the Critical Languages Program and [Dual Language Immersion](#). She stated that Sen. Stephenson sponsored this bill in 2007 and it received great support from the Legislature. She mentioned the great success of the program especially in earlier grades and as a seamless K-12 program.

Mr. Gregg Roberts, Language Specialist State Office of Education discussed the great success of the program. He mentioned there are 138 schools, five languages in 22 school districts and four charter schools. They are looking at expanding the program into other schools as well as adding other languages. He stated that it is getting nationwide and international attention because of its great success and tremendous cost effectiveness. Mr. Roberts indicated that the first cohort of students are taking AP language in 9th grade. He said that because of this, Co-Chair Stephenson would be introducing a bill later to the Higher Education Appropriations Subcommittee to allow these students to take 3000 level college-level courses in 10 – 12th grade.

Rep. Christensen voiced his concern about the students' grasp of the actual subject matter such as U.S. History that was being taught in the foreign language. Ms. Dickson indicated that the former isolated way of learning a foreign language was not very successful. It has been very important to assess the students' proficiency in the subject matter that was being taught in the targeted language. They have found that they do keep up with their peers, but also excel. Mr. Roberts indicated that in fourth grade, Utah history is taught in English, and in fifth grade U.S. History is taught in English. Sciences and math are taught in the target language.

Rep. Christensen asked if all of the USOE goals and objectives are on track for each of these students and that dual immersion is not impeding that progress at all. Mr. Roberts indicated that this was the

case. They would be gathering and sharing data regarding comparing SAGE scores of students in dual immersion with those not.

Rep. Poulson asked about the class size; she has reports that sometime the classes are too large, and also the classes are so small, that it makes the non-dual immersion classes overcrowded. Mr. Roberts stated that this is a local control issue, so this does vary by school district. Their suggestion is that the dual immersion start out with four or five more students in the earlier grades because of a small amount of attrition. Rep. Poulson expressed concern that because the dual-immersion classes don't have students with special needs, sometimes the other classes have more special-needs students. Mr. Roberts indicated that this was a misconception because dual-immersion is open to all students, special-needs students included. They are encouraging school districts to make sure this is the case. Rep. Poulson asked if it was difficult to find qualified teachers for this program. Mr. Roberts said they have had to recruit teachers internationally.

Rep. Briscoe mentioned there is a great deal of research that shows that students who participate in an immersion program at an early age actually also do better at their native language. He asked if it was particularly difficult to find and keep teachers in some of the languages. Mr. Roberts indicated that all of the four-year institutions are producing dual-language immersion teachers. He said that they have also a great relationship with the Chinese government to allow the teachers to stay up to six years. Ms. Dickson indicated that many of the teachers do find other ways to stay in the country.

Co-Chair Stephenson stated that when legislation is passed, it requires a champion in order to come to fruition. He reported that Mr. Roberts has played a critical role in getting the school districts to participate in the program. He mentioned that research has shown the tremendous success of this program for students in math and science, which are taught in the target language. He specifically discussed the findings regarding areas of the brain research. Co-Chair Stephenson asked about the funding request of \$400,000 for the next fiscal year. Mr. Roberts answered that this would be used to introduce the program into additional schools, as well as a proficiency assessment program. Co-Chair Stephenson mentioned the transition to secondary schools. Mr. Roberts indicated that this bill would be coming out of the Higher Education committee.

5. Adult Education

Ms. Dickson introduced Mr. Travis Cook, Specialist Alternative and Adult Education Services and Jennifer Johnson, Utah State Board of Education Vice Chair. Ms. Dickson explained the [Adult Education](#) report. She stated that Adult Education focuses on literacy, numeracy, English acquisition, and high school completion. She said another key component is career awareness and transition, and working with other state agencies.

Mr. Cook said it is critical to understand that the Adult Education program is aligned with the K-12 program. He mentioned the educational contract for individuals in corrections facilities.

Rep. Lifferth asked about the fees charged to participate in the Adult Education program. Ms. Cook answered that nominal fees are charged. He discussed the importance of investment and commitment to these programs and the great return on this investment.

Rep. Briscoe praised the Horizonte Training Center. He asked if funds were used to help individuals from Sudan or Kenya complete high school education who came here as adults. Mr. Cook answered

that the process is quite complicated. He stated that all of the inputs to the educational system are realized in these same lanes for adults.

Ms. Johnson stated that the federal laws regarding adult education, rehabilitation, and workforce services changed significantly regarding the definition of out-of-school youth. She said that the new definition is much more specific, which drives more collaboration between state agencies, and expands the age range to 16 -24. These changes require a statewide unified plan.

6. Youth- in Custody

Co-Chair Eliason complemented the success of the Youth in Custody program and specifically Mr. Cook for the passion for his job.

Rep. Poulson praised the Youth in Custody program and said that students were very motivated to receive their high school diploma. She mentioned that her colleagues who teach in these programs enjoy working with these determined students. She wanted to ensure the continuation of funding for this program.

Ms. Dickson presented the [Utah Coordinating Council for Youth in Care](#) report. Mr. Cook explained that the program is now referred to Youth in Care rather than Youth in Custody. He stated that in many instances this is the first time these youth realize something to celebrate in an academic context. He agreed that the teachers in this program stay.

Co-Chair Stephenson echoed Co-Chair Eliason's comments about Mr. Cook's exemplary service. He asked about the year-round availability of these services for youth in care and asked how many days per week they would not receive educational services. He stated that this education is critical and provides much better outcomes for society in general when this goal is met.

Mr. Cook stated that this program used to be above the line in the budget process, but in 2002 they were brought below the line in a block-grant function. He stated that in 2009 they received a \$2.4 million reduction and at that time had to cut some of the extended-year services. Some federal dollars were used to backfill that function. They have put those summer school functions back in place and have now funding for a 210 day school year for these students. He discussed the [Youth in Custody - Summer School](#) report. He said that generally there are three weeks for a summer break.

Co-Chair Stephenson stated that most of these youth happen to be from an unsupportive environment. He expressed concerns about the students in traditional high schools who have found easier paths to a diploma through make-up packets and other options. Mr. Cook agreed that there are now more choices in education than have ever been realized, there may be some who choose those routes, but that isn't the case for the youth in care population. Mr. Cook highlighted the top ten strengths of the Coordinating Council for Youth in Care.

7. Budget Review: Voted & Board Local Levy Program

Mr. Leishman reviewed the [Voted & Board Local Levy Programs - Distribution of State Guarantee Funding](#) issue brief.

8. State Guarantee Rate (SB 97 Implementation)

Mr. Leishman reported on the implementation and the release of funds to school districts that qualify for these funds [Voted & Board Local Levy Programs - State Guarantee](#). He explained how to interpret this data. He said if everything was funded in FY 2017, the rate would increase as estimated through the enrollment growth process to \$38.54. The major issue to discuss is the impacts of the guarantee rate from last session. He summarized S.B. 97 and H.B. 2 from last year and stated that the impact of this legislation meant that the rate was too low to distribute all of the money. In order to distribute this money to school districts that qualify, statute has to be changed; the rate needs to increase from the \$33.27 currently in statute to \$35.55 per WPU. He discussed the index that guides setting the rate for the next fiscal year. Mr. Leishman stated that Rep. Cox and Sen. Hillyard were possibly presenting legislation regarding this, but if the committee wanted to, they could put this in the base budget bill.

Rep. Lifferth stated that he would like to reserve a right to make a motion in the future in regard to raise the current rate in the base budget bill.

Co-Chair Stephenson mentioned that in spite of the best of intentions, the legislation doesn't allow for the complete distribution of the money, but that this is a positive thing because of the checks and balances it produces. He agreed with Rep. Lifferth to make this part of the base budget bill. He mentioned that there is often pressure to put this in the WPU, but he felt that equity has a greater priority than WPU growth.

MOTION: Rep. Eliason made the motion to substitute H.B. 1 so that the substitute bill would include language to increase the Voted and Board Local Levy Programs Distribution of the State Guarantee Funding rate and the index sufficient to distribute the undistributed but appropriated money in the current fiscal year with an immediate effective date.

Mr. Rob Smith, Alpine School District Assistant Superintendent spoke in favor of the motion.

POINT OF ORDER: Vice-Chair Kennedy determined because a quorum was not present, the vote would have to be delayed until the next meeting.

MOTION: Rep. Cutler moved to adjourn. The motion passed unanimously. Vice Chair Kennedy adjourned the meeting at 11:00 a.m.