MINIMUM SCHOOL PROGRAM: PROFESSIONAL STAFF COST PROGRAM

PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

The Professional Staff Cost Program provides revenue to Local Education Agencies (LEAs) to assist in "recruiting and retaining highly educated and experienced educators for instructional, administrative, and other types of professional employment in the public schools."[1] The program provides additional Weighted Pupil Units (WPUs) to LEAs based on the experience and educational level of their educators.

Through this program, the state recognizes the cost differential associated with more experienced educators. Program allocations to LEAs are largely unrestricted and may be used to support the salary schedule or to provide other forms of compensation.

Program Origin – 1974 Original Program

Professional Staff Cost originated as a basic program with the Minimum School Program in 1974.

The Utah School Finance Study in 1972 found that the "highest cost factor for any school district is that of salaries for professional personnel."[2] This study highlighted two factors explaining the inclusion of a professional staff cost factor in the program:

1. The variance in the average amount of professional training and the amount of practical experience of its instructional and administrative personnel has a disequalizing effect upon school districts.
2. Districts with high staff turnover may enjoy a financial advantage over those with lower turnover for they may replace experienced teachers with less experienced ones who are lower on the salary schedule.

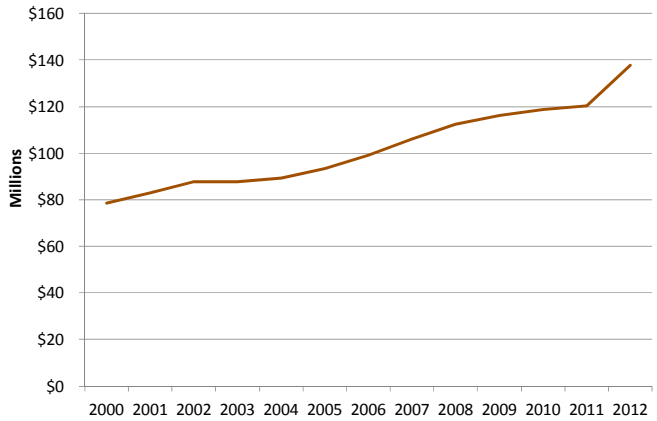
Figure 1. MSP Professional Staff Cost Program
Funding History - FY 2000 to FY 2012
Including Annual Percent Change in WPUs and Funding

Fiscal Year	Total WPUs	Funding Amount	% Change WPUs	% Change Funding
2000	41,394	$78,689,994		
2001	41,394	83,036,364	0.0%	5.5%
2002	41,394	87,589,704	0.0%	5.5%
2003	41,187	87,810,684	-0.5%	0.3%
2004	41,548	89,328,200	0.9%	1.7%
2005	42,814	93,420,148	3.0%	4.6%
2006	43,541	99,273,480	1.7%	6.3%
2007	43,909	106,128,053	0.8%	6.9%
2008	44,724	112,436,136	1.9%	5.9%
2009	45,133	116,307,741	0.9%	3.4%
2010	46,033	118,627,041	2.0%	2.0%
2011	46,698	120,340,746	1.4%	1.4%
2012	48,886	137,662,976	4.7%	14.4%

Source: Office of the Legislative Fiscal Analyst, Appropriations Reports, 2000 to 2012.

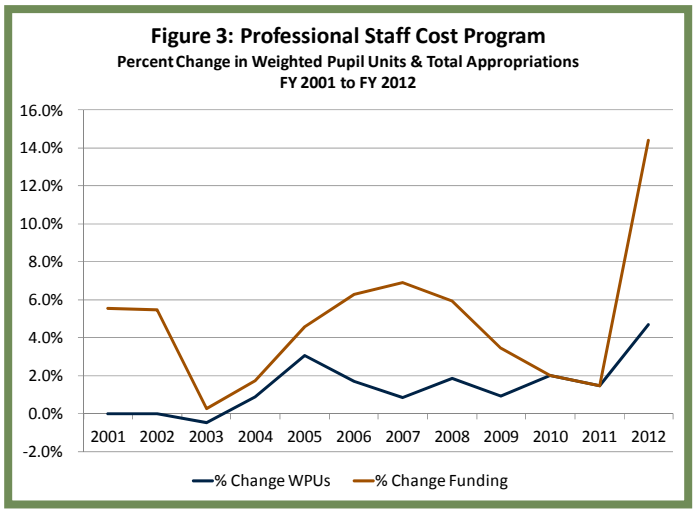
Note: The significant increase in funding in FY 2012 is due to program consolidations in the Minmum School Program. The Legislature moved the Flexible Allocation program into the WPU Value resulting in significant funding increases in all programs except in the Special Education Add-on Program and the Career & Technology Education Add-on Program.

Figure 2: Professional Staff Cost Program
Appropriations History - FY 2000 to FY 2012



[1] Utah State Office of Education, School Finance. Minimum School Program Descriptions. November 2011.
[2] Utah School Finance Study: A Report to the Education Committee of the Utah Legislative Council. December 1972.

The state identifies the varying costs LEAs may experience as a result of their professional staff and makes an allowance for these factors in the formula.



FUNDING HISTORY

Figure 1 details program WPU and total appropriation amounts since FY 2000. For FY 2012 the Legislature appropriated 48,886 WPUs for a total program cost of $137,662,976. The cost is calculated by multiplying the total number of program WPUs by the WPU Value of $2,816.

In 2001-2003, the total number of WPUs did not increase but there was an increase in the total program amount. This indicates that a change in the WPU Value was approved by the Legislature.

Figure 2 shows the annual appropriations supporting the program over time. Program appropriations have increased approximately $59 million since FY 2000.

Figure 3 charts the percent change in total Weighted Pupil Units and program appropriations. In most cases, the annual percent change in funding is greater than the percent change in WPUs. Again, this indicates that the WPU Value increased greater than the growth in the total number of WPUs.

Each figure shows a significant increase in FY 2012. This increase is due to a combination of increased total WPUs and a significant increase in WPU Value.

The Legislature consolidated funding for some non-WPU categorical programs into the WPU Value. This consolidation increased the total value applied per WPU. In FY 2011 the WPU Value was $2,577 and in FY 2012 the value increased to $2,816 for this program. This change represents an increase of approximately 9.3 percent.

Similarly, the total number of WPUs in the program increased 4.7 percent. Indications suggest that this increase is due to staffing changes in the LEAs. Staffing factors influencing this change may include the retention of more experienced educators or shifting educators from district administrative positions back to classroom teaching. In both cases the cost of the program would increase because the formula recognizes more experienced teachers at a higher ratio than new teachers.

PROFESSIONAL STAFF COST FORMULA

Statute outlines a formula to calculate program WPUs which determine the total program cost. The formula in statute is as follows:

1. Multiply the number of licensed staff in each applicable experience category by the applicable weight
2. Divide the product from #1 by the number of licensed staff used in #1 and reduce the quotient by 1.00
3. Multiply the result from #2 by one-fourth (0.25) of the total WPUs generated by the Kindergarten, Grades 1-12, and Necessarily Existent Small Schools programs.[3]

The following table, Figure 4 details the statutory weightings for years of experience and educational attainment.

[3] 53A-17a-107

Professional Staff Cost Formula – Weightings

Figure 4: Professional Staff Cost Formula

Statutory Weighting Schedule for Determining Program WPUs

Years of Experience	Bachelor's Degree	Bachelor's Degree + 30 Qt. Hr.	Master's Degree	Master's Degree +45 Qt. Hr.	Doctorate
1	1.00	1.05	1.10	1.15	1.20
2	1.05	1.10	1.15	1.20	1.25
3	1.10	1.15	1.20	1.25	1.30
4	1.15	1.20	1.25	1.30	1.35
5	1.20	1.25	1.30	1.35	1.40
6	1.25	1.30	1.35	1.40	1.45
7	1.30	1.35	1.40	1.45	1.50
8	1.35	1.40	1.45	1.50	1.55
9			1.50	1.55	1.60
10				1.60	1.65
11					1.70

Source: UCA 53a-17a-107

Prepared by: Office of the Legislative Fiscal Analyst (11/06BL).

LEA DISTRIBUTION & COMPARISONS

The series of tables below (Figure 5) show how program funding was distributed to LEAs in FY 2010. The first box "Distribution of WPUs and State Appropriations" lists the total WPUs each school district generated through application of the formula. Again, the funding amount is calculated by multiplying the total number of WPUs by the WPU Value. In FY 2010 the WPU Value was $2,577. Charter schools are summed together.

In the remaining two boxes, ranking scenarios highlight the distributional impact of the Professional Staff Cost Formula. Each scenario takes the total funding allocated to a school district, again charter schools are summed together, and divides that amount by total licensed educators (second box) and total fall enrollment (third box).

The first scenario "Ranked by Estimated Amount Per Educator" shows how LEAs would rank if the total amount of funding were divided by the total number of licensed full-time equivalent employees. LEAs higher in the ranking benefit from the formula likely due to having veteran educators or educators with advanced degrees.

The second scenario "Ranked by Estimated Amount Per Student" does the same calculation as the first but uses total fall enrollment of the LEA. This shows how LEAs with lower student populations benefit from the formula. This benefit is primarily due to the inclusion of the WPUs generated for the Necessarily Existent Small Schools program in the formula. Also, districts with high amounts of veteran educators or educators with advanced degrees would also rank fairly high in this comparison. This may explain the inclusion of Salt Lake School District, Park City School District, and Davis School District ranking above the median.

Figure 5 – FY 2010 Program Distribution & Comparisons

Public Education: Minimum School Program - Professional Staff Cost Program

FY 2010 Distribution of Weighted Pupil Units and State Appropriation by School District & Total Charter Schools

Ranking Comparison by District & Total Charter Schools of Amount by Total Licensed Educators and Total Student Enrollment

Distribution of WPUs and State Appropriation				Ranked by Estimated Amount Per Educator			Ranked by Estimated Amount Per Student		
	LEA	WPUs	Amount	LEA	Licenced Educators	Estimated Amt Per Educator	LEA	Fall 2009 Enrollment	Estimated Amt Per Student
1	Alpine	4,663	$12,016,760	Tintic	22	$5,476	Tintic	233	$525
2	Beaver	157	404,228	Sevier	252	5,132	Daggett	147	520
3	Box Elder	967	2,491,964	No. Summit	62	4,956	Garfield	931	412
4	Cache	1,234	3,179,376	Kane	79	4,934	Piute	328	391
5	Canyons	2,711	6,985,868	Garfield	78	4,917	Rich	457	362
6	Carbon	288	741,661	Emery	143	4,655	Kane	1,194	328
7	Daggett	30	76,395	Beaver	89	4,533	Wayne	561	316
8	Davis	5,809	14,969,999	Uintah	317	4,511	San Juan	2,953	309
9	Duchesne	397	1,024,092	Rich	37	4,472	No. Summit	1,003	306
10	Emery	258	665,935	Millard	170	4,449	Emery	2,316	288
11	Garfield	149	383,769	Wayne	41	4,354	Sevier	4,528	285
12	Grand	144	370,890	Davis	3,467	4,318	Millard	2,820	268
13	Granite	5,957	15,350,689	Box Elder	583	4,273	So. Sanpete	3,025	263
14	Iron	727	1,872,477	Murray	354	4,269	Beaver	1,600	253
15	Jordan	3,837	9,887,720	Piute	30	4,244	Salt Lake	23,850	245
16	Juab	165	426,287	Weber	1,584	4,175	Park City	4,563	243
17	Kane	152	391,129	So. Sanpete	191	4,158	Grand	1,526	243
18	Logan	507	1,307,157	Granite	3,713	4,134	So. Summit	1,424	240
19	Millard	293	756,007	Cache	779	4,082	Murray	6,515	232
20	Morgan	175	451,707	Daggett	19	4,077	Duchesne	4,436	231
21	Murray	587	1,511,895	Jordan	2,473	3,998	Davis	65,452	229
22	Nebo	2,093	5,394,542	Iron	475	3,945	Box Elder	11,052	225
23	No. Sanpete	198	509,117	Salt Lake	1,495	3,911	Granite	68,131	225
24	No. Summit	119	307,013	Duchesne	262	3,909	Iron	8,365	224
25	Ogden	1,050	2,706,443	San Juan	234	3,907	Wasatch	4,959	223
26	Park City	431	1,110,089	Canyons	1,808	3,865	Uintah	6,489	220
27	Piute	50	128,376	So. Summit	89	3,845	No. Sanpete	2,319	220
28	Provo	981	2,529,006	Juab	114	3,756	Weber	30,417	217
29	Rich	64	165,464	Morgan	120	3,750	Ogden	12,578	215
30	Salt Lake	2,268	5,845,721	Logan	349	3,745	Carbon	3,462	214
31	San Juan	354	913,224	Washington	1,433	3,743	Logan	6,123	213
32	Sevier	501	1,292,270	Ogden	725	3,734	Cache	14,917	213
33	So. Sanpete	309	795,783	No. Sanpete	138	3,694	Washington	25,202	213
34	So. Summit	132	341,190	Alpine	3,270	3,675	Canyons	33,184	211
35	Tintic	47	122,271	Wasatch	302	3,658	Jordan	48,411	204
36	Tooele	997	2,569,424	Grand	104	3,557	Tooele	13,180	195
37	Uintah	554	1,428,898	Park City	315	3,520	Morgan	2,338	193
38	Wasatch	428	1,103,974	Carbon	214	3,467	Provo	13,241	191
39	Washington	2,081	5,362,350	Nebo	1,557	3,466	Nebo	28,282	191
40	Wayne	69	177,207	Tooele	760	3,380	Juab	2,244	190
41	Weber	2,567	6,615,391	Provo	755	3,352	Alpine	64,351	187
42	Charters	1,444	3,720,481	Charters	1,797	2,070	Charters	34,166	109
43	Unallocated/Other	86	222,802						
44	**Total**	**46,033**	**$118,627,041**		**30,798**	$3,852		**563,273**	**$211**

Source: Utah State Office of Education, Superintendent's Annual Report - Licensed Educators and Fall Enrollment. Minimum School Program Distributions.