## Minutes June 30, 2004 Utah State Charter School Board

Excused: Brian Allen, Eric Smith, Barbara Killpack, Anne Petersen

Present: Scott Smith, Dave Moss, Sonia Zisumbo

adjusted.

Guests: Catina Martinez-Hadley, Patrick Ogden, Patty Murphy, Patricia Bradley

Dave Moss acknowleged the lack of a quorum and requested staff to present information as outlined in the agenda.

Patricia Ogden, Associate Superintendent of Public Instruction, provided prepared materials on the FY 05 State Budget for Charter Schools. He explained to the Board that the majority of funding for charter schools is from state sources. The Minimum School Program represents the bulk of state funding for Public Education and in total for FY 05 it is over 2 billion dollars.

The budget process for public education begins about this time each year with the USOE preparing budget requests for new funding. During October the Common Data Committee assembles to agree upon the student enrollment numbers that will be used by the Governor's Office and the Legislative Branch when making budget recommendations in the up coming Legislative Session. The State Board of Education adopts a budget and forwards it to the Governor's Office of Planning and Budget and the Fiscal Analysts Office. In December the Governor announces his/her proposed budget. During the Session, the various budget committees receive the recommendations of their analysts, the Governor's recommendations and the State Boards and towards the end of the session adopt their budget. The majority of Public Education funding is passed as part of the annual Minimum School Program Act (MSPA). After the session, the USOE sifts assembles the MSPA and various other bills that may carry Public Education appropriations and prepares its Legislative Estimates, which it releases to districts and Charter Schools mid March. This document can be seen at http://www.usoe.k12.ut.us/data/sfrm.htm. Most of the funding to districts is sent out in 12 monthly payments beginning in July. When the October 1 student counts are known, these monthly allotments (for charter schools who have inaccurately projected enrollment) are

The USOE updates the Legislative Estimate publication in the fall of each year as the data that drive the allocations and the schedule for discretionary grant awards make changes to these figures throughout the year.

Patrick explained various line items both above and below the line and explained which items were fixed amounts that are affected by the number of students eligible to be counted. Example,

the Administrative Costs appropriation of 48 WPUs or \$\$104,736 for FY 05 is pro-rated to charter schools based on their percent of the total charter school enrollment.

Patrick explained two central issues to understanding the Public Education budget: prior year funding and base allocations. These two generally accepted budgetary approaches do not always work well for charter schools. Patty Murphy explained the work her office has done to provide suggestions to the legislature about how to deal with the Administrative Costs funding which is an example of base allocation that does not work well for charter schools. She also commented that some of the solutions require increased funding which has been difficult to get. Board member Smith spoke of need for State Charter School Board to help present the case on behalf of Charter Schools. It was agreed that the Administrative Cost formula needs to be re examined for charter schools.

Special education funding based on data from two years prior is another formula that does not work for charter schools. The USOE has been accommodating charter schools, but no policy has been established.

The importance of having accurate enrollment projections for charter schools in the overall budget timeline was discussed. Ogden suggested that absent a certain figure being known at the time of the Common Data Committee meeting in October. The following might work. First, if the figure were firm by November or even January, and if Fiscal Analysts would work with the numbers, data could come in after the Common Data Committee. Second, if the legislature agreed to use charter school numbers known at the time of the Common Data Committee AND set aside an amount for a specified number of additional charter schools(students), that would allow for an authorizer to approve an expansion or even additional schools beyond what was planned for without negative consequences on the budget. Finally, if the charter enrollment funding were guaranteed in a supplemental each year, the budgets would also be held harmless for unpredicted growth.

Murphy informed the group that the charter school *In Lieu of Local Funding* budget was underfunded by about 1 million dollars for this fiscal year (July 1, 2004 – June 30, 2005).

Moss suggested another meeting of the board be scheduled for the morning of July 6. It was mentioned that the board could review the current statute and associated administrative rules and look at making recommendations for amendments to those rules.