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A Level Playing Field?

Funding for Utah Students at Risk of Academic Failure

UTAH K-12 SPENDING SERIES: PART 2 | AUGUST 2018

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INTRODUCTION

The Governor's Education Excellence Commission, led by Governor Herbert, released its "Education Roadmap" in 2018. The result of a years-long effort by a variety of commission members,[1] the Roadmap focuses on strategies around innovation, collaboration, and family and community support to accomplish four primary goals:

1. Ensure early learning.
2. Strengthen and support educators.
3. Ensure access and equity.
4. Complete certificates and degrees.

Support for Utah students with disabilities approaches national benchmarks; however, the extra spending on lower-income students and English learners is relatively low.

Figure 1: Increased Funding Amounts for Utah Students At Risk of Poor Academic Outcomes, 2017-18

	Average increase per pupil	Percentage increase
Lower-income students	$473	7%
Students with disabilities	$5,832	90%
English learners	$226	3%

Note: These calculations are based on the per-pupil current spending for 2015-16 school year from the U.S. Census Bureau: $6,953. See more details in the report.

The Commission voted to focus its efforts in 2018 on "providing support to students at risk of academic failure."[2] It suggests a strategy for the Utah Legislature to "consider additional state funding … based on student risk factors."[3] Demographic and economic factors can affect the cost of promoting academic success. Lower household income, disability status and lower English fluency can all be rough indicators of the need for a different type and higher level of support.

This report focuses on this issue, specifically addressing the additional funding provided for students at risk of having poor educational outcomes. The idea is that instead of providing all students with the same type of education, it is important to provide "at-risk" students with the unique supports they may need to succeed in school.[4] These supports might include additional time after school, summer classes, smaller group settings or one-on-one attention.

This is Part II of the *Utah K-12 Spending Series*. Part I looked at overall spending. This report examines the level of funding districts receive from federal and state

KEY FINDINGS OF THIS REPORT

- Utah receives the lowest per-pupil federal funding in the nation. These federal funds are primarily directed toward students at risk of poor academic outcomes.
- In Utah, combined federal and state funding for lower-income students is about 7% higher than per-pupil spending for other students. This is far below suggested levels from the federal government and various independent studies.
- The federal government expects states to carry most of the financial burden of supporting English learners, but it is not clear that Utah is even matching the federal spending for English learners.
- Compared with other states, Utah comes up short in English learner educational spending, providing only about a 3% increase in combined federal and state funding.
- The federal government estimates that students with disabilities require twice the spending of other students. Utah's combined federal and state funding suggests that Utah nearly reaches that mark, even though the federal government's commitment to funding special education comes up short.
- In light of Utah's low overall per-pupil spending, the challenge of reaching adequate funding for targeted groups may be more acute. Increases in targeted funding for at-risk populations should be viewed in this context.

TERMINOLOGY

General terms:

- **LEAs** or local education agencies – These are the school districts (Utah has 41) and charter schools (Utah has 131) that receive and expend the funding described in this report.
- **ESSA or** Every Student Succeeds Act – This was originally passed in 1965 as the Elementary and Secondary Education Act and later as No Child Left Behind. It provides the bulk of education funding from the federal government, including for the three main at-risk groups discussed in this report.

The three main groups of students at risk of poor educational outcomes are:

- **Lower-income students** – This is a category generally determined by students' enrollment in the free and reduced-price lunch program. Funding is often referred to as "Title I," after the federal program that provides Utah's primary source of revenue to improve educational outcomes for lower-income students.
- **Students with disabilities** – Sometimes referred to as special needs students, this is a broad definition of physical and cognitive disabilities under the Individuals with Disabilities Education Act (IDEA). LEAs determine whether students are eligible and at which point to develop an Individualized Education Plan (IEP), which may require that students be placed in special education classes or require less aggressive interventions.
- **English learners** – Often referred to as English language learners, these are students with a non-English mother tongue who are at risk of academic failure due to a lack of proficiency in English.

State funding terms:

- **Minimum School Program** – This is the state's primary funding method for public schools, which goes a long way toward equalizing district funding based upon formulae and/or categorical grants.
    - **Basic School Program** – This includes the main formula-funded programs under the Minimum School Program, which uses the state's weighted pupil unit or WPU.
    - **Related to Basic School Program –** This includes the non-formula programs under the Minimum School Program; these are the categorical (or lump sum) programs, though they often use formulae to aid in the distribution to LEAs.
- **WPU** or weighted pupil unit – This is the main value for funding the Basic School Program. Each unit was valued at $3,311 in the 2017-18 school year. While the WPU does not correspond to the estimated cost educating of a student, it does provide a uniform basis for distributing funds to LEAs, often through formulae based upon numbers of students or teachers.

sources for lower income students, students with disabilities and English learners. It also looks at these students' performance. Finally, the report explores various standards of funding adequacy and whether funding levels are measuring up.

OVERVIEW OF UTAH'S K-12 EDUCATION FUNDING

As noted in Part I of the *Utah K-12 Spending Series*, Utah's K-12 public education costs state and local taxpayers about $5 billion per year for operations, with another half billion in federal funds. An additional half billion of in-state sources support capital costs – such as the construction of school buildings.[5] Nearly 23% of the state's budget was used for K-12 education during the 2017-18 school year.[6]

States rely primarily on a mix of local, state and federal revenues. In Utah, the 2016-17 mix of funding was divided as follows:

- State: 54%
- Local: 38%
- Federal: 8%[7]

Local-Level Funding

School districts raise most of their funding through property taxes, generating money for both operating and capital needs. A portion of this comes from the basic levy. The state-controlled basic levy rate is set by the Utah Legislature each year, and the revenue is then distributed by the state. Districts also raise funds through property taxes approved by school district boards or by voters. Districts with lower property tax values receive a guaranteed amount of revenue on the basic levy and on portions of the board- and voter-approved levies. This guaranteed amount can help equalize funding across districts. (Charter schools do not have taxing authority and are therefore funded differently by the state.)

While local-level funding can play a role in providing a small proportion of the funding for at-risk populations, this report focuses primarily on state- and federal-level funding.

State-Level Funding

The state's portion of school revenue comes mainly from income taxes. Utah distributes the funding primarily though the Minimum School Program. The program funding is divided and distributed two different ways, via the Basic School Program on a formula funding basis, and the Related to Basic School Program on a more categorically-funded basis.

The Utah Legislature distributes funding for the Basic School Program portion of the Minimum School Program to local education agencies based upon their respective district and charter school data. (See Figure 2.) These data are used to create the number of "weighted pupil units" (WPUs) for each Basic School Program line item. Once available funding is determined, it is divided by the total number of WPUs to determine the value of one WPU. In 2017-18, this funding totaled $2.85 billion (which includes about $399 million from the aforementioned local, state-controlled property

Special Education ranks prominently in Utah's primary funding formula.

Figure 2: Per Pupil K-12 Funding and Differences, 2015

Line Item	Number of WPUs	Amount in millions	Percent of Basic School Program
Grades 1-12	587,693	$1,945.9	68%
Special education	109,076	361.2	13%
Professional staff	55,808	184.7	7%
Class size reduction	40,909	135.4	5%
Career and technical education	28,480	94.3	3%
Kindergarten	27,099	89.7	3%
Small schools funding	9,514	31.5	1%
Administrative additions	1,565	5.2	<1%
Foreign exchange students	328	1.1	<1%
Total	**860,472**	**2849**	**100%**

Note: The total amount ($2.85B) includes local Basic Levy funding of $399M. The "Special education" total represents combined Basic School Program funding.

Source: Office of the Legislative Fiscal Analyst.

tax basic levy).[8] In 2017-18, the value of one WPU was $3,311. The weighted funding covers more than 45% of schools' budgets.[9]

The largest portion of Basic School Program – more than two-thirds of it – is directed at general education for grades 1 through 12. This line item has 587,693 WPUs – which is the average daily membership of grades 1 through 12 for the state in the 2016-17 school year. To determine the number of WPUs for the grades 1 through 12 program, the Utah Legislature uses the "average daily membership" of schools to approximate how many children are part of the state's public-school system. Most students are 1 WPU, so each local education agency receives one portion of funding – or $3,311 in 2017-18 – for most students in grades 1 through 12.

The second greatest focus of Basic School Program funding is on special education; the seven special education programs totaled $361.2 million in 2017-18. The WPU for special education funding is 109,076, which is more than the number of students with disabilities. This is because the funding is for multiple programs and because some special education funding has a multiplier of greater than 1 to increase the amount of funding for children with disabilities. All of the $361.2 for special education cannot be considered additional LEA funding since some students in special education are not counted in the main average daily membership and thus do not receive the regular WPU for general education for grades 1 through 12. This special education funding is described in detail in the students with disabilities section of this report.

The WPU also funds kindergarten. However, for kindergarten funding, the student count is multiplied by 0.55 since those funds are used for a half day of instruction (though districts and schools can choose to fund optional extended-day kindergarten). Accordingly, the student count for average daily membership among kindergarteners is closer to 50,000 students than to the 27,099 WPUs that were used to fund the program during 2017-18.

Other Basic School Program items are based upon different WPU equations. The pro-

SCOPE AND METHODOLOGY

This report focuses on the funding directed at improving K-12 educational outcomes for lower-income students, students with disabilities and English learners. These groups tend to have a greater risk of poor educational outcomes.

This report excludes certain programs from analysis. For instance, school nutrition programs require and receive a lot of funding, but this funding does not directly relate to instruction or student educational success and therefore is not analyzed in this report. Programs such as those which assist younger children, migrant youth, homeless students, as well as some state-funded programs, may have more direct linkages to instruction and student success, but their funding amounts are much smaller than the three main programs detailed herein.

In addition, this report focuses on state and federal funding, only briefly mentioning local funding since it is rarely directed specifically at lower-income students, students with disabilities and English learners.

Finally, this report excludes discussion of relevant pre-K and post-secondary programs. While important, they are outside of the K-12 scope of this report.

Data in this report come from the most recently available Utah State Office of Education sources, typically from the 2016-17 and 2017-18 school years. The report also uses data from offices that work with the Utah Legislature and the Utah Governor. For state comparisons, Utah Foundation uses numerous sources within the U.S. Department of Education from the 2016 school year, and data from nonprofits such as the Education Commission of the States. Other, less-commonly used sources are noted within the report.

fessional staff WPU is based upon teachers' years of experience, their degree levels and students' average daily membership.[10] Other funding includes class size reduction which is based upon average daily membership for kindergarten through 8th grade, career and technical education which is based upon numerous related factors, and small schools funding which is based upon a statistical model. See Figure 2 for the other Basic School Program WPUs and their equivalent funding amounts.

In addition to the WPU-funded Basic School Program, the state supplements school budgets with specially designated funding for the Related to Basic School Program. Within this type of funding, the Utah Legislature directs tax revenues to just over two-dozen additional state programs. These are categorically-funded programs; the amounts allocated to LEAs are not based on the WPU value but upon participation in programs and other formulae.

In 2018, the $637 million in the Related to Basic School Program was used as follows:

- Teacher salary increases outside of the WPU: $181 million.
- Charter school funding outside of the WPU (admin and local replacement): $178 million.
- Pupil transportation: $85 million.
- Amounts for "Special Populations" such as an Enhancement for At-Risk Students: $78 million. (See Figure 3.)
- Smaller programs including K-3 reading ($15M), digital learning ($10M), arts ($10M) and early intervention ($8M): $67 million.
- School LAND Trust Program funds for school community council projects: $50 million. [11]

The "Special Populations" at-risk students funding is described in detail in the lower-income and English-learner students sections of this report. Also included in this

Funding for "at-risk" populations has the largest appropriation of special groups' funding, but is a small portion of the Related to Basic School Program.

Figure 3: Special Populations Funding Amounts in the Related to Basic School Program, 2017-18

Line Item	Amount	Percent of Related to Basic School Program
Enhancement for At-Risk Students	$28,034,600	4.40%
Youth-in-Custody	22,716,200	3.60%
Adult Education	11,159,000	1.80%
Concurrent Enrollment	10,784,300	1.70%
Enhancement for Accelerated Students	5,032,400	0.80%
Title I Schools in Improvement - Paraeducators	300,000	< 0.1%
Centennial Scholarship Program	250,000	< 0.1%
Total	**$78,276,500**	**12.30%**

Source: Office of the Legislative Fiscal Analyst.

FOLLOWING THE MONEY

The actual spending on students at risk of academic failure is less than clear for several reasons. First, while local education agencies report their funding and spending for different programs, these amounts are simply tagged as general expenditures, such as salaries and benefits, while specifics on spending are not included in financial reports. Second, funding does not follow each of those students. Instead, funding is utilized where administrators deem it to be most needed. Third, the vast majority of school funds are fungible. For instance, the funds in the Basic School Program from the WPU are spent on a wide variety of educational activities, including, as necessary, for programming that serves lower-income, special education and English-learner students. In short, local districts have significant flexibility in redirecting funds to address the needs of students at risk of poor educational outcomes.

category are funds to educate incarcerated students, help adults complete their secondary education, cover the cost of classes that can be counted toward higher education credit and provide for certain accelerated students' needs. (See the sidebar below.) Numerous additional small amounts are provided to LEAs both within and outside the Minimum School Program. However, due to the low funding amounts, they are outside of the scope of this report.

Federal Funding

As noted in previous Utah Foundation research, Utah is last in K-12 education funding from the federal government.[12] This is due in part to both Utah's low per-

ACCELERATED STUDENTS

Students at risk of academic failure are not the only target populations for additional funding. Utah's Enhancement for Accelerated Students was $5,032,400 in 2017-18.[i] In Utah, the term "accelerated students" means those "whose superior academic performance or potential for accomplishment requires a differentiated and challenging instructional model."[ii] Enhancement funding helps pay for International Baccalaureate (IB) programs, Advanced Placement (AP) courses and tests, and gifted and talented programs.

The IB program does not receive much state funding ($100,000 annually), but it is offered in some fashion at only 12 schools in the state. Schools receive half of the funding based upon participation and half based upon IB testing success.[iii]

The bulk of the funds go to other uses. A large portion, 38% ($1,874,312), is for AP courses and AP test fees for lower-income students. Approximately 25,000 students took the AP test in 2017. That year, AP appropriations averaged approximately $71 per test taker.[iv]

The remaining 62% ($3,058,088) is for gifted and talented programming. Programs may include magnet schools, pull-out programs or other supports. Gifted and talented programs are fully funded in four states and partially funded in 28 more – including Utah.[v] Most of Utah's urban and suburban districts have established programs, while many rural districts have not. The Utah State Board of Education suggests that districts typically identify between 5% and 10% of their students for gifted and talented programs.[vi] If in fact 7.5% of students in the state are in gifted and talented programs, increased funding would equate to approximately $63 per student in 2017-18. Unfortunately, the state lacks hard data on the actual student counts and per-pupil spending.

i Office of the Legislative Fiscal Analyst, Budget of the State of Utah and Related Appropriations, 2017-2018, revised June 20, 2017, pp. 305-308.

ii Utah Administrative Code, Rule R277-707, Enhancement for Accelerated Students Program, https://rules.utah.gov/publicat/code/r277/r277-707.htm.

iii Information provided by Utah State Board of Education.

iv $1,772,320 in 2016-17. Ibid; Office of the Legislative Fiscal Analyst.

v Davison Institute, www.davidsongifted.org/Search-Database/entryType/3.

vi Information provided by Utah State Board of Education.

Federal funding for lower-income students is far higher than state funding; the reverse is true for students with disabilities.

Figure 4: Funding Amounts for Students At Risk of Poor Academic Outcomes, 2017-18, in Millions

	State	Federal	Total
Lower-income students	$26.8	$81.7	$108.5
Students with disabilities	$318.9	$120.8	$439.7
English learners*	$5.6	$4.3	$9.9

**Estimates; see pages 10 and 19 for details. State funding for English learners is also counted in the state funding for lower-income students.*

centage of lower-income students and Utah's modest state and local funding, which in turn affect federal funding formulae.

Federal funds accounted for 8% of education funding in Utah in 2016-17.[13] The federal government allocates these funds both directly to districts and charter schools and indirectly through the Utah State Board of Education using per-pupil formulae, competitive grants and other approaches.[14]

There are 113 total federal funding programs in the U.S., such as grants to improve education for students from lower-income households, students with special needs, for English language learning, charter schools, career and technical education, preschool, rural schools, gifted and talented programs, and arts education.[15] More than three-quarters of Utah's $458 million in federal education revenue in 2016-17 was from the three largest federal education programs:

- School breakfast and lunch programs that provides free and reduced-price meals to lower-income students: $144 million.[16] As noted, this report does not focus on funding for nutrition programs because they do not pertain directly to instruction.
- Special education: $116 million.[17]
- Title I, which is used to benefit lower-income students' education: $87 million.[18]

The revenue for English language learning adds another $4 million.[19]

The following discussion first looks at funding for the education of lower-income students, then at students with disabilities, and finally on English-learning students. An overview of state and federal funding for the three groups is shown in Figure 4.

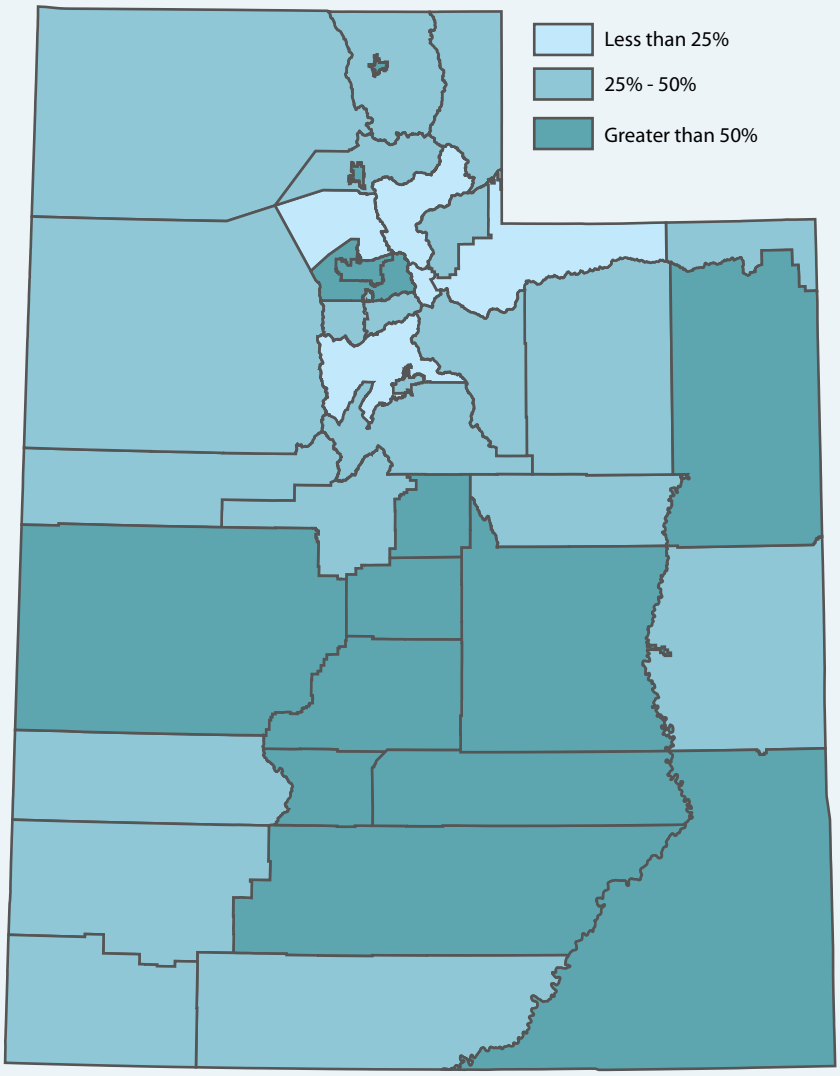
Funding Lower-Income Students

Lower-Income Student Definitions. There is no single definition declaring who qualifies as a lower-income student. Federal agencies and state governments use different definitions. Commonly used metrics are poverty data from the U.S. Census Bureau and data from schools on whether students are enrolled in free and reduced-price lunch. Many programs use these data to target funding toward schools and districts based upon their numbers and percentages of lower-income students.

Utah uses the federal free and reduced-price lunch enrollment count on October 1

Districts' proportions of lower-income students vary significantly across Utah.

Figure 5: Utah School Districts by Proportion of Lower-income Students, by Quartile



Source: Utah State Board of Education.

The percentage of students qualifying as low-income is up since the beginning of the millennium.

Figure 6: Utah and National Rates of Free and Reduced-Price Lunch Students

	2001	2006	2011	2016
Utah	28%	32%	38%	36%
U.S.	34%	41%	48%	50%

Source: U.S. Department of Education. Utah Foundation calculations.

of each year for its "economically disadvantaged" definition.[20] Eligibility in the program is higher than the federal poverty line; reduced-price lunch is 185% of poverty while free lunch is 130% of poverty.[21] Not all students who qualify are enrolled. Some families may not know about the program or simply do not want to enroll.

Utah's Lower-income Students. As of October 1, 2017, 35% (229,790) of the 652,348 Utah public school students in kindergarten through 12th grade were receiving free and reduced-price lunch – 36% in districts and 32% in charter schools.[22] Of the state's 41 school districts, 14 have more than half of their students receiving free and reduced-price lunch. The school districts with the highest percentage are San Juan (100%), Ogden (80%) and Piute (65%).[23] All San Juan students are eligible for free and reduced-price lunch under the Community Eligibility Provision due to the district's particularly high concentration of students in poverty.[24] By contrast, Alpine, Morgan and South Summit school districts have less than 20% of their students receiving free and reduced-price lunch.

Nationally, the percentage of lower-income students has increased since 2001, but in Utah, growth has slowed and even fallen in recent years.[25] (See Figure 6.) The Utah rate tends to be about two-thirds to three-quarters of the national rate.

Federal Funding. Federal funding for lower-income students comes from the Title I program, one of the largest federal education programs. Title I was created in 1965 as part of the Elementary and Secondary Education Act (ESEA).[26] It aims to specifically correct for gaps in academic achievement caused by poverty. Since 1970, Title I funds have been used to supplement state and local

OVERLAP AMONG GROUPS

This report examines three main groups of students at risk of poor educational outcomes: lower-income students, students with disabilities and English learners. While the report separately details funding and outcomes for these three groups, there is certainly overlap between them. For instance, some proportion of the lower-income students also have disabilities or are English learners. In addition, there is overlap between students with disabilities and English learners. Some English learners are characterized as needing special education due simply to the fact that they perform poorly on assessments. English learners are more likely to be determined to have a speech and language impairment and therefore deemed in need of special education.* The state's pre-school "social impact bond" programming aims at remedying this issue. The program provides some English learners with a robust, "high-quality" pre-K educational experience so that when they reach kindergarten, they start school with their cohort in the regular classroom.

** Amanda L. Sullivan, Disproportionality in Special Education Identification and Placement of English Language Learners, pp. 317–334.*

funding. The law requires that schools with a higher proportion of lower-income students are not underfunded and dependent on federal funding alone to make up the disparity.

The national appropriation in 2016-17 for Title I was $15.46 billion.[27] Exactly 95% of Title I funds granted to states goes to school districts and charter schools (LEAs). The other 5% goes to state offices of education.[28]

There are four types of Title I grants: Basic, Concentration, Targeted and Education Finance Incentive.[29] LEAs qualify for Basic, Concentration and Targeted Grants by the absolute number and share of low-income students, based on U.S. Census data. LEAs then distribute their Title I funding to schools. The Incentive Grants represent 23% of total federal Title I spending. These amounts are allocated based on state per pupil funding. Due in part to the fact that Utah has the lowest per pupil funding in the nation and in part to its low poverty levels, Utah receives the smallest Title I allocation per pupil in the nation. In 2016-17, Utah received $87.2 million in Title I funding.[30]

If schools have more than 40% of students in poverty, LEAs can establish a schoolwide program with the money.[31] If not, schools receive targeted assistance based on the number of students who are struggling with achievement.[32]

In the 2017-18 school year, all districts except Daggett County School District received funding.[33] Of 927 district schools, 223 were part of a schoolwide program, and 21 received targeted funds. Nearly 90% of the district schools that received Title I funding were elementary schools.[34] Additionally, of 131 charter schools, 18 received schoolwide program funds and 79 received targeted funding. About half of the charter schools that received Title I funding were elementary and half were secondary.

Federal funding for Utah's lower-income students' education is decreasing.

Figure 7: Utah's Federal Funding Amounts for Title I Grants to Increase Lower-Income Student Educational Success

	2017 Actual	2018 Estimate	2019 Estimate
Title I Grants to Local Educational Agencies	$87,153,720	$81,651,079	$79,602,151

Source: U.S. Department of Education.

The Title I grants nationally are expected to decrease in 2018 and 2019.[35] In Utah, funds from these grants are expected to decrease by nearly 9% from 2017 to 2019.

State Funding. Utah's primary supplemental program for lower-income students is the Enhancement for At-Risk Students Program (EARS), with a 2017-18 appropriation of $28 million. EARS funding goes to local education agencies to support lower-income students' academic progress, but it also goes to support limited English proficient students, low-test-scoring students and mobile students (students who frequently change schools, such as migrant or homeless students – both of which would likely qualify as lower-income). The homelessness provision was added during the 2018 Utah Legislative Session.[36]

Of this appropriation, $1.2 million is directed toward a gang prevention and intervention program designed to help students at-risk for gang involvement stay in school.[37] The remaining amount of this categorical program uses a formula by which the state superintendent distributes 76% to LEAs based upon the LEA percentage of the four target groups.[38] Another 4% is directed toward LEAs to be used as grants divided equally "among all eligible LEAs." The remaining 20% is granted directly to schools with poverty rates of 75% and above.

If all of this funding were used exclusively for lower-income students, the 2017-18 EARS allotment would average $117 per student. This equates to a 2% increase over the average per-pupil expenditure of $6,953 in 2016.[39] In reality, the average amount per lower-income student would be somewhat lower, because the overlap among these groups is not absolute. It is also distributed to a broader group and therefore a greater number of students.

How Funds are Used. Extra state and federal funds provide for a host of special needs that may be necessary for lower-income students, such as extra instructional time and access to non-educational services such as health care or foster care. Generally, funds go toward helping eligible students meet academic standards and providing a well-rounded education, as defined by the federal government.[40] More specifically, the funds often go to afterschool programs and summer programs. Within such programs, the vast majority of the funds in Utah go to pay and benefits for licensed teachers and paraprofessionals.[41]

A portion of the lower-income federal funds are spent pursuant to Senate Bill 234,

The federal amount of lower-income students' additional educational funding in Utah is three times the state amount.

Figure 8: Utah's Funding to Increase Lower-Income Student Educational Success, 2017-18, 229,790 students

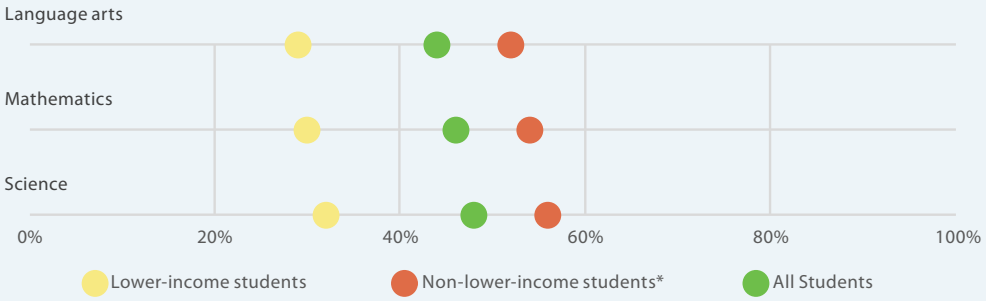
	Funding (millions)	Average increase per pupil
Federal – Title I Grants to Local Educational Agencies	$81.7	$356
State – Enhancement for At-Risk Students Program (minus $1.2 million in gang prevention)	$26.8	$117
Total	**$108.5**	**$473**

Note: The state per-pupil value is a high-end estimate, reached only if Utah's limited English proficient students, low-test-scoring students and mobile students were also all lower-income.

Source: U.S. Department of Education and the Office of the Legislative Fiscal Analyst. Utah Foundation calculations.

Lower-income students underperform compared to peers.

Figure 9: SAGE Results, Percent of Students Proficient or Better, 2017 Cohort



** Utah Foundation calculations.*

Source: Utah State Board of Education, Data Gateway.

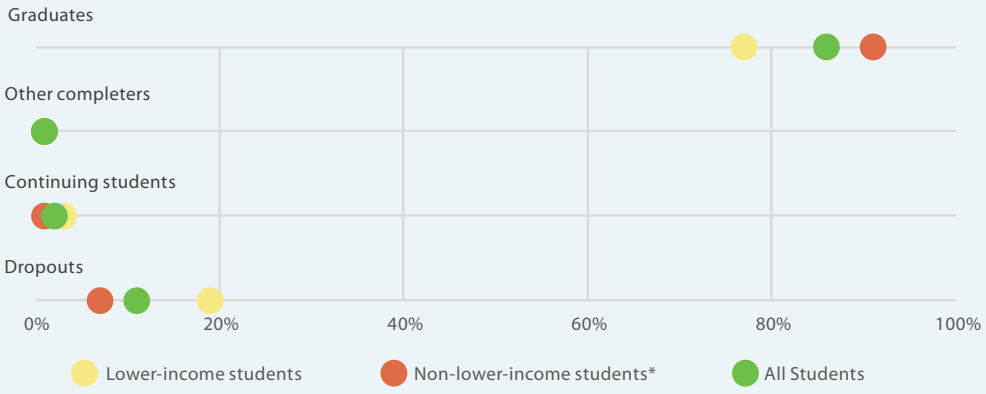
the School Turnaround and Leadership Development Act, passed by the Utah Legislature in 2017.[42] This sets aside 7% of Title I funds for low-performing school improvement interventions and technical assistance, 95% of which is used for LEA grants to help with academic/CTE coursework, credit recovery, AP/IB test fees and school choice transportation programs.[43]

Outcomes. Since 2014, Utah's schools have been testing students using the Student Assessment of Growth and Excellence – or SAGE – to assess student proficiency in English Language Arts for grades 3 through 11, math for grades 3 through 8, Secondary Math I, II and III for older grades, science for grades 4 through 8, as well as Biology, Chemistry, Earth Science, and Physics for older grades. The test results are divided into "below proficient," "approaching proficient," "proficient" and "highly proficient" based upon students' demonstrated knowledge in the tests' subject material.

Utah's lower-income students tend to achieve proficiency on the SAGE tests at just over half the rate of other students.[44] The same goes for graduation rates of Utah's

Lower-income students have a high dropout rate.

Figure 10: Graduation Outcomes for Utah Students, 2017 Cohort



** Utah Foundation calculations.*

Source: Utah State Board of Education, Utah 2017 Graduation Rates.

high-school seniors. The percentage of lower-income students who drop out is almost three times higher than other students.[45]

The ACT is a standardized test produced by a nonprofit organization of the same name. More than two million U.S. high school students in the 2017 graduating cohort took the test. All Utah high school students take the test.

The test is used to measure high school achievement and provide a measure for college admissions. The three-hour test focuses on English, reading, math and science. The ACT "benchmark" for each of these tests is measured to determine college readiness.

ACT researchers have found that students who come from lower-income families are less likely to reach the benchmark and thus have lower college and career readiness rates.[46] In addition to being less likely to be ready for college, lower-income students are less likely to enroll in college.[47] And they are far less likely to complete their degrees.[48]

Funding for Students with Disabilities

Student with Disabilities Definitions. The federal special education law, the Individuals with Disabilities Education Act (IDEA), requires schools to determine which students are eligible for special education services.[49] There are 13 categories of special needs recognized by IDEA: autism, deaf-blindness, developmental delay, emotional disturbance, hearing impairment/deafness, intellectual disability, multiple disabilities, orthopedic impairment, other health impairment, specific learning disabilities, speech-language impairment, traumatic brain injury and visual impairment.[50] These conditions must adversely affect a student's educational performance for them to require special educational services.

In Utah, the process for IDEA eligibility begins with a parent or school official requesting an evaluation for a given student. The school district or charter school then evaluates data on the student to decide whether the student is eligible. Evaluation processes are governed by the Utah State Board of Education.

If the student is deemed eligible, the school district or charter school must then develop an Individualized Education Plan for the student, which is a formalized contract that sets goals for a student's progress for that school year. The plan must ensure that the student is receiving a free, appropriate level of public education.

Utah's Students with Disabilities. As of October 1, 2017, 11.5% (75,383) of the 652,348 Utah K-12 public school students were students with disabilities – 11.4% in districts and 12.6% in charter schools.[51]

Most districts are within two percentage points of the statewide rate of students with disabilities. However, Park City, Wasatch and South Summit districts are below 9.5%.[52] Eight districts are above 13.5%, with the highest percent of students with disabilities in Emery (19.0%), Piute (17.9%) and Carbon (16.5%).

The national and Utah rates of students with disabilities have remained fairly steady since 2001.

Federal Funding. The federal government is authorized to provide up to 40% of the cost of funding special education under IDEA. The National Conference of State Legislatures has indicated that the federal government appropriates only between 8% and 17% of per pupil expenditures.[53]

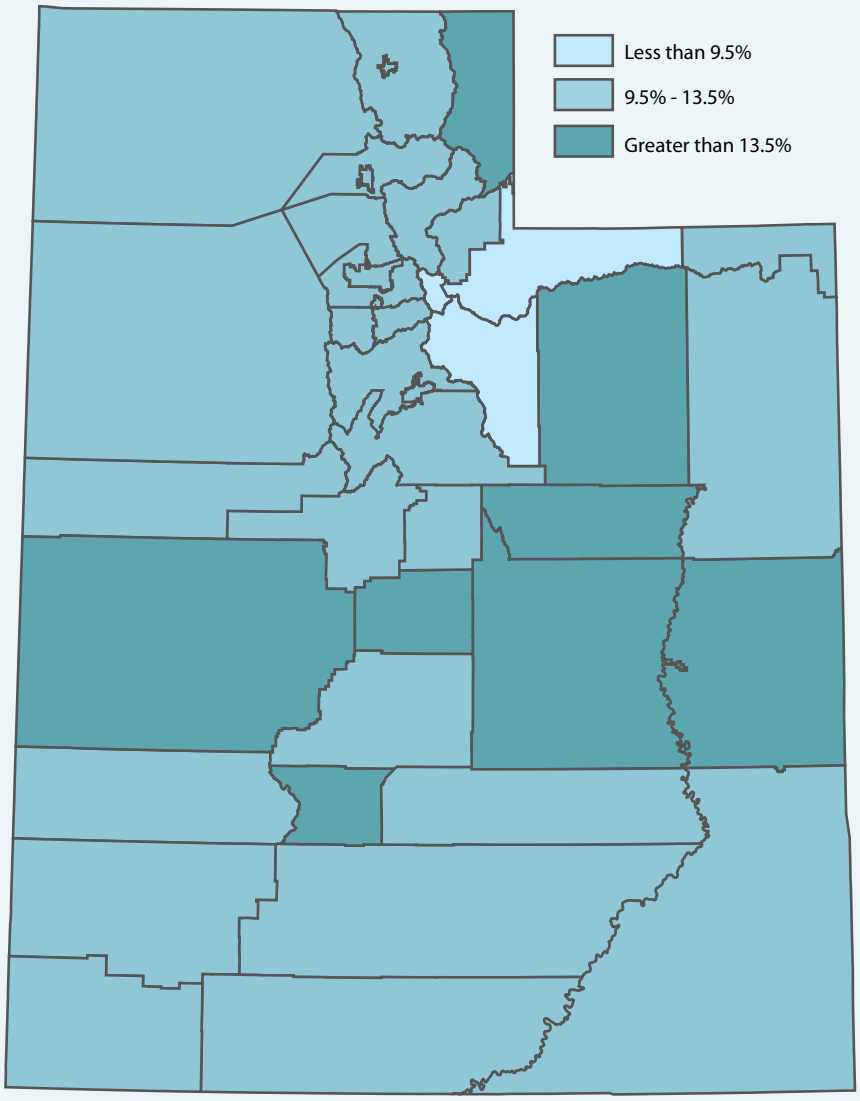
In the 2016-17 school year, Utah LEAs received $117 million in IDEA education funding from the federal government.[54] On average, each special education student was allocated an extra $1,420 for education. However, the range in per-pupil support is very broad, depending on students' needs.

State Funding. In Utah, there are seven programs that combine to fund special education students – all within the Minimum School Program.[55] The most significant of these programs is the general Special Education Add-On. For this amount, student counts are multiplied by 1.53 and then multiplied by the WPU. The Utah State Board of Education notes that the 1.53 weight is "intended to account for the additional cost of educating a special education student; it is not, however, based specifically on an empirical analysis of the cost of special education relative to 'regular' education in Utah."[56]

The state's second largest program is the Self-Contained WPU supplement to generate funding for students who are not integrated into regular classrooms for at least three hours per day. The students in these classes are often grouped with students in other grades and are separated in their daily educational activities from the rest of their respective grades until such time as they can be fully integrated into regular classes, if possible. Students in self-contained classrooms do not generate the main WPU for grades 1 through 12.

Most districts have a near-average percentage of students with disabilities.

Figure 11: Utah School Districts by Share of Students with Disabilities



Source: Utah State Board of Education.

In addition, the state provides formula grants for preschool special education and extended school year programs for special education. The state also provides categorical grants for administrative costs and special education students in custody (the Impact Aid program). Finally, the state offers a reimbursement program, through the Intensive Services Fund, to help pay for the needs of a student who costs three times as much or more than the average special education student to educate.

All told, the state line items for special education students come to about $361.2 million.[57] By subtracting the amounts for the Pre-school and Impact Aid programs,

Most additional funding for students with disabilities is from one program, the regular add-on.

Figure 12: WPUs and Funding Amount in the Basic School Program, 2017-18

Line Item – Special Education	Number of WPUs	Amount in millions
Regular – Add-on WPUs	80,250	$265.7
Regular – Self-contained	13,944	$46.2
Pre-school	10,777	$35.7
Impact Aid	1,988	$6.6
Extended Year for Special Educators	909	$3.0
Intensive Services	769	$2.5
Extended Year Program	439	$1.5
Total	**109,076**	**$361.2**

Source: Office of the Legislative Fiscal Analyst.

this equates to $318.9 million or about $4,230 per student – more than twice than the federal amount. Again, however, the range in support is very broad, depending on the students' needs.

How Funds are Used. Federal funding and the state's add-on funding are used pursuant to federal law, typically for special education staff and supplies. The remainder of the state's spending is made somewhat clear by the names of the funding programs themselves. But more specifically, most of the funding for the education of students with disabilities is for teacher costs. This is due in part to the lower student/teacher ratios in self-contained classes.

Students' Individual Education Plans specifically determine how funds are used. These plans determine which additional services are needed, ranging from 15 minutes per week of speech therapy to up to six hours per day of one-on-one instruction.

State funding for students with disabilities far exceeds federal funding.

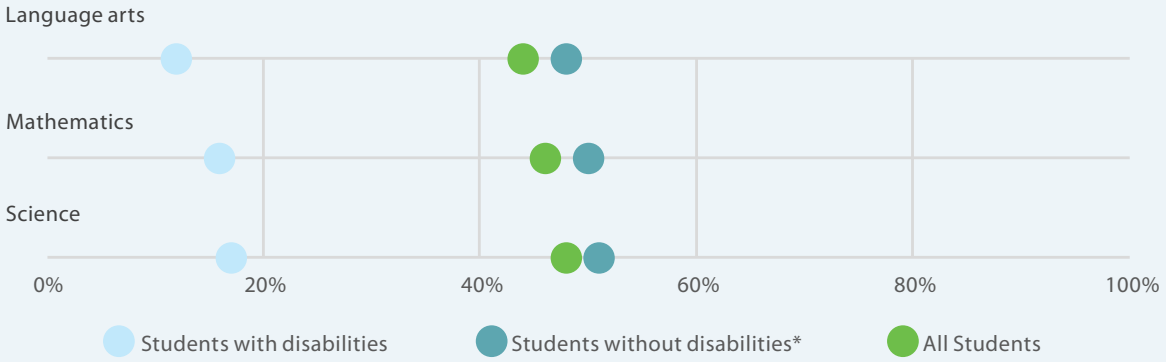
Figure 13: Utah's Funding to Increase Students with Disabilities Educational Success, 2017-18, 75,383 students

	Funding (millions)	Average increase per pupil
Federal – Special Education-Grants to States	$120.8	$1,602
State – Basic School Program (of five line items, not including Pre-school or Impact Aid programs)	318.9	4,230
Total	**$439.7**	**$5,832**

Source: U.S. Department of Education and the Office of the Legislative Fiscal Analyst. Utah Foundation calculations.

Students with disabilities far underachieve compared to their peers.

Figure 14: SAGE Results, Percent of Students Proficient or Better, 2017 Cohort



** Utah Foundation calculations.*

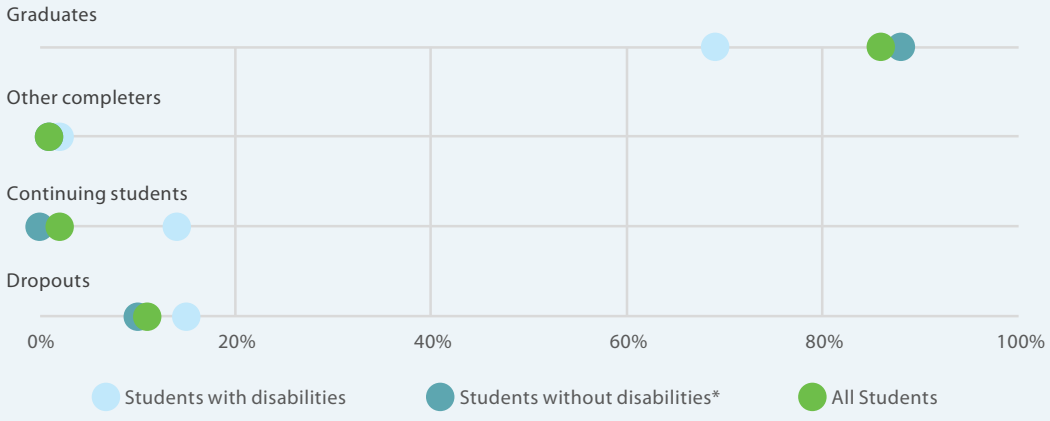
Source: Utah State Board of Education, Data Gateway.

Outcomes. Although there are major differences among the subgroups, Utah students with disabilities on the whole are far less likely to achieve proficiency on the SAGE tests than other students. They are about four times less likely to be proficient in language arts, three times less likely in math and three times less likely in science.[58]

The same goes for graduation rates of Utah's high-school seniors. Students with disabilities are less likely to graduate than students without disabilities.[59] However, they are only somewhat more likely to drop out of school. Instead, much of the difference between graduation rates is due to the likelihood of students with disabilities continuing their education beyond the graduation date of the rest of their cohort.

Students with disabilities are less likely to graduate on time than their peers.

Figure 15: Graduation Outcomes for Utah Students, 2017 Cohort



** Utah Foundation calculations.*

Source: Utah State Board of Education, Utah 2017 Graduation Rates.

Students with disabilities as a whole are less likely to be college and career ready.[60] They are also less likely to complete post-secondary education.

One outcome measure is whether students with disabilities exit special education programming. Not all students in special education remain in it for the duration of their time in school. Of the 6,499 that exited Utah's special education programming in 2015-16, more than half graduated and 38% moved out of the Utah public educational system but were known to be continuing in special education elsewhere.[61] However, another 7% transferred to regular education. The likelihood of transferring to regular education is heavily dependent upon the type of disability. For instance, students with speech and language impairments are very likely to transfer out, while students with intellectual disabilities or multiple disabilities generally never transfer out.

Funding for Students Who are English Language Learners

English Learners Definition. With respect to K-12 students, the term "English learner" roughly means that a student has limited English skills.

The federal definition states that an English learner was either born outside of the U.S. and has a non-English native language, or is Native American, migratory or otherwise, and whose English language proficiency is thereby diminished. Importantly, the student is one "whose difficulties in speaking, reading, writing, or understanding the English language may be sufficient to deny the individual the ability to meet … state academic standards; the ability to successfully achieve in classrooms where the language of instruction is English; or the opportunity to participate fully in society."[62]

The definition itself matters because under Title VI of the federal Civil Rights Act of 1964, recipients of federal financial assistance must "take reasonable steps to make their programs, services, and activities by eligible persons with limited English proficiency" so that English-learner students can "participate meaningfully and equally in education programs."[63]

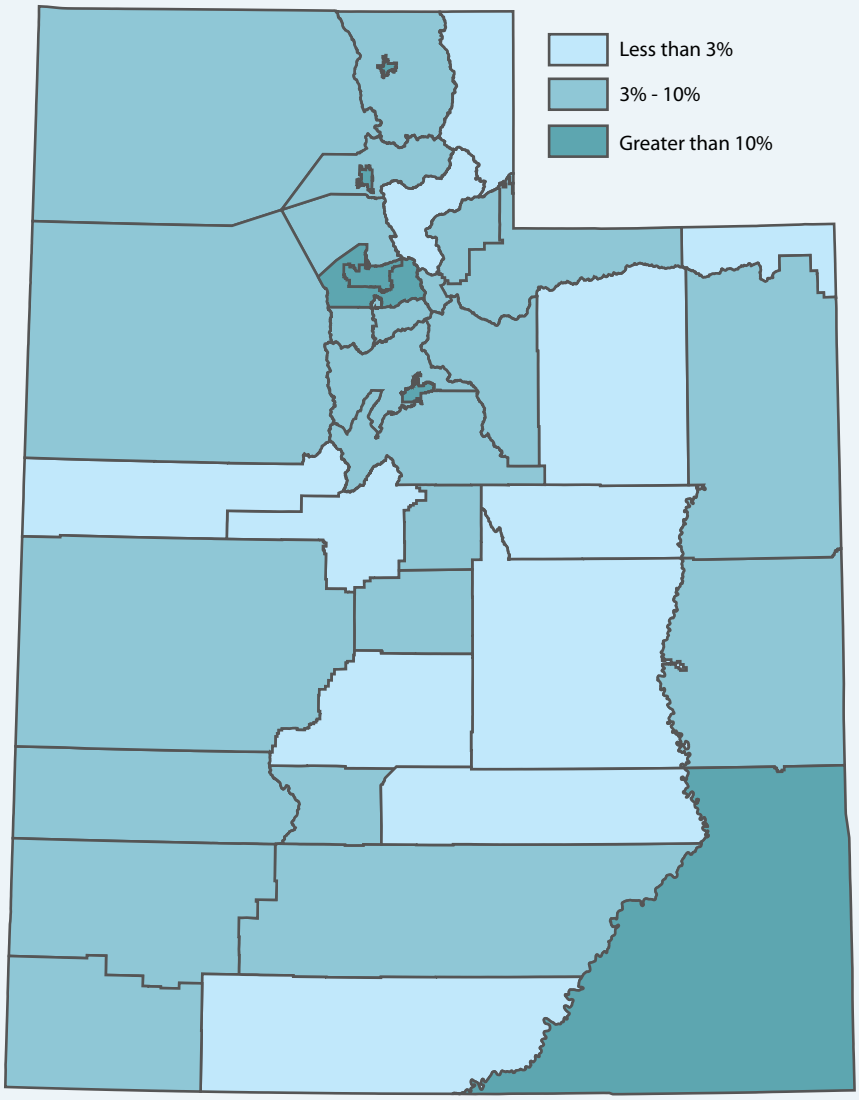
The Every Student Succeeds Act specifically mandated that states set Annual Measurable Achievement Objectives for English learners. States must test students annually until a student no longer qualifies for additional English-learner programming.[64]

The more specific definition of what constitutes an English learner student varies from state to state.[65] Utah's definition of an English learner is simply a "student who is learning in English as a second language," but the number of English learners hinges upon the annual measured outcomes.[66] Utah uses the World-class Instructional Design and Assessment for its annual measured outcomes. A score of 1 means that the student is "entering" the usage of English. This is followed by "beginning," "developing" and "expanding" usage. Once English learners score a 5 or 6, they are "bridging" toward or "reaching" English proficiency. At that point, if they receive a teacher-team recommendation to move on, students discontinue English learning programming, and LEAs cease to receive funding for them.[67] Research suggests that students tend to complete English learner programming after five to seven years.[68]

Utah's English-Learner Students. As of October 1, 2017, 43,784 (or 6.7%) of the

English-learner students are unevenly distributed across Utah.

Figure 16: Utah School Districts by Share of English Learners



Source: Utah State Board of Education.

652,348 Utah public school students in kindergarten through 12th grade were counted as English learners. This equates to 7.1% in districts and 4.1% in charter schools.[69]

Daggett, Juab and Tintic school districts have no English learner students.[70] Six school districts have 10% or more of their populations as English learners: San Juan (30%), Granite (20%), Salt Lake (20%), Ogden (18%), Logan (13%) and Provo (10%).

In 2005, the percentage of English-learner students in Utah was higher than the U.S. as a whole, but in 2010 and 2015 (the latter of which is the most recent national data available) Utah had a lower percentage. The percentage in Utah has

The percentage of English learners in Utah has declined.

Figure 17: Utah and National Percentages of English-learner Students

	2005	2010	2015
Utah	9%	8%	6%
U.S.	8%	10%	8%

Source: U.S. Department of Education. Utah Foundation calculations.

decreased during the past 10 years.[71] (See Figure 17.)

The vast majority of English learners speak Spanish as their native language.[72] However, Utah's students speak a wide variety of other languages. (See Figure 18.)

Federal Funding. With the passage of the Bilingual Education Act in 1968, the Every Student Succeeds Act has supported English-learner students' education. In 1974, the Supreme Court ruled that "There is no equality of treatment merely by providing students with the same facilities, textbooks, teachers, and curriculum; for students who do not understand English are effectively foreclosed from any meaningful education."[73] This is where the funding comes in.

Federal funding for English-learner students is from Title III of the Every Student Succeeds Act. In order to receive Title III funds, the state must submit to the Department of Education a plan which details how they will hold LEAs accountable and to what standards they will hold English-learner students.[74]

Federal funding is provided by formula, but ranges widely across states on a per pupil basis, in part because the U.S. Department of Education uses the U.S. Census Bureau data from the American Community Survey.[75] These data estimate the number of English learners based on a sample, and since funding is not based upon actual enrollment counts, funding may not reflect the true need of states for their English-learner funding support.[76]

Spanish speakers make up most of Utah's English learner population.

Figure 18: Most-Commonly Spoken Non-English Languages of Utah Students

Spanish	79%
Navajo/Navaho	2%
Arabic	2%
Somali	1%
Vietnamese	1%
Other	15%

Source: National Clearinghouse for English Language Acquisition.

Utah is at the low end of the spectrum for federal funding per English-learner pupil.[77] In the 2016-2017 school year, Utah LEAs received $4.2 million in Title III English Language Acquisition funding from the federal government.[78] The Utah State Board of Education distributes these funds to LEAs based on their respective student counts, with the minimum grant amount set at $10,000.

Considering Utah's 43,784 English-learner students, Utah's federal amount equates to about $98 per student in extra funding. This equates to a 1% increase over the average per-pupil expenditure of $6,953 in 2016.[79]

District administrators report that Title III provides "a rather small supplement to the state and local monies."[80] This "insufficient funding" is a major challenge, according to 71% of districts surveyed for a U.S. Department of Education report in 2012.[81]

Nonetheless, Title III is intended only to supplement state funds; according to the U.S. Department of Education, states have the primary responsibility to fund services for English learners.[82]

State Funding. Funding for English-learner students is incorporated into the EARS (Enhancement for At-Risk Students) program. As discussed previously, this provides a small amount of extra funding for each targeted student, at an average of $117 per pupil if all targeted groups are also lower-income students. (See page 10.) But English learners are one of four categories of students funding under this program. After removing EARS' gang prevention funding and the 20% set aside for lower-income students, one-quarter of EARS' funding leaves $5.6 million for English learners. This is likely a high-end estimate, as there are far more lower-income students and low-performing students than there are English learners. Nonetheless, a total of $5.6 million provides an average of $128 per pupil.

Since $128 per pupil is a high-end estimate, it is quite possible that over half of targeted funding for English learners is from the federal government. So while states may have the primary responsibility for footing the bill, Utah may be only supplementing the federal government in its support of English learners. To properly calibrate future spending, it would be useful if the state and school districts were

Additional overall funding for English-learner students in Utah is, at best, $226 per student per year.

Figure 19: Utah's Funding to Increase English Learner Educational Success, 2017-18, 43,784 students

	Funding (millions)	Average increase per pupil
Federal – English Language Acquisition	$4.3	$98
State – Enhancement for At-Risk Students Program	$5.6*	$128
Total	**$9.9**	**$226**

** This is a high-end estimate; it assumes that LEAs use ¼ of EARS funding for English-learner students' additional education (after subtracting gang prevention funding and 20% for low-income students).*

Source: U.S. Department of Education and the Office of the Legislative Fiscal Analyst. Utah Foundation calculations.

to provide more detailed information on expenditures.

How Funds are Used. The purpose of funding for English learners is simple: It is used to speed up language proficiency, and thereby improve academic outcomes.

Federal funds are required to add to the educational spending for English learners, not to replace other local, state or federal funding.[83] Funds may go to instructional purposes, professional development of teachers and others, and supplemental education that involves engagement of students' families and communities.

Most language instruction is provided in an English-only setting. These include Structured English Immersion, Sheltered English Instruction, Specially Designed Academic Instruction in English, Content-Based English as a Second Language (ESL) and Pull-Out ESL. Some English language instruction is taught in conjunction with students' home languages. These types of instruction include Two-Way Immersion, Transitional Bilingual, Dual Language and Heritage Language instruction.[84]

Ultimately, like with lower-income students and students with disabilities, much of the funding for the education of English learners is spent on teacher and paraprofessional salaries and benefits.[85]

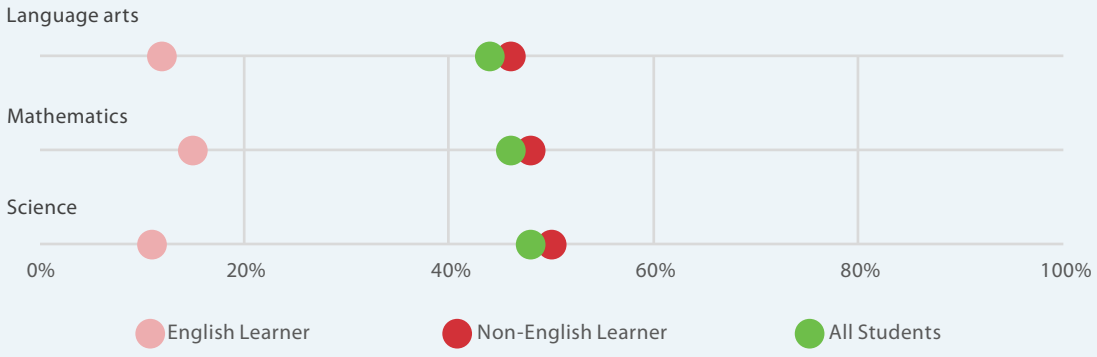
Outcomes. As previously noted, once English learners score a 5 or above on the World-class Instructional Design and Assessment and receive a teacher-team recommendation to move on, they no longer receive additional English learner programming. They typically require five to seven years of enhanced language instruction.[86] Regardless, once student are considered English learners, they are included in outcomes data for English learners for the remainder of their education.

In terms of student outcomes, Utah's English learner students are far less likely to achieve proficiency on the SAGE tests. (See Figure 20.) They are about three times less likely in language arts and math, and four times less likely in science. [87]

Utah's high-school seniors who are English learner students are less likely to graduate than students in general and non-English learner students.[88] English learners are far more likely to drop out of school. English learners also tend to be less

English learner students struggle on annual tests compared to peers.

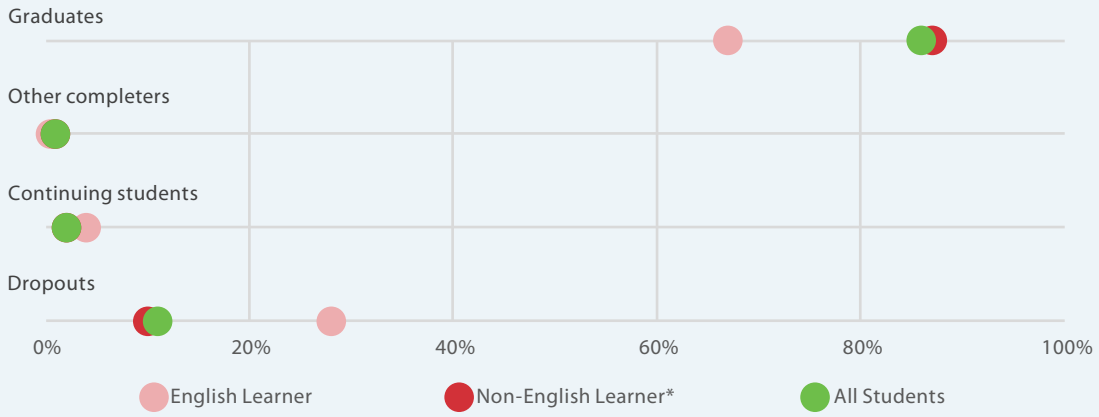
Figure 20: SAGE Results, Percent of Students Proficient or Better, 2017 Cohort



Source: Utah State Board of Education, Data Gateway.

English learners far more likely to drop out than peers.

Figure 21: Graduation Outcomes for Utah Students, 2017 Cohort



** Utah Foundation calculations.*

Source: Utah State Board of Education, Utah 2017 Graduation Rates.

prepared for college and career paths. Even if they have strong oral fluency by the time they graduate from high school, they may not have the academic reading and writing skills necessary to succeed.[89]

IS UTAH'S FUNDING ADEQUATE?

In recent years, much public discussion has centered around the adequacy of K-12 funding in Utah. Utah is last in the nation in per pupil spending, and the Our School Now campaign has sought to increase school funding with a ballot initiative (which has become a compromise ballot proposal going before voters in November 2018). But what is an adequate amount? Is it based on a funding standard or academic outcomes?

Clearly, money is an important part of the equation in educational success.[90] However, funding adequacy is difficult to determine. Obviously, $100 is not enough to educate a child. But what about $1,000 or $10,000 or $25,000? To what extent do economies of scale come into play? To what extent do spending decisions affect adequacy? What about local cost of living differences?

Then there is the further question of general funding adequacy in the context of Utah's lowest-in-the-nation per-pupil expenditures. If multipliers of base funding are to be considered when determining adequacy, any funding multiplier for certain at-risk populations should be looked at while at the same time considering the value of the base amount – or Utah's weighted pupil unit and per-pupil current spending amounts. This is because while the WPU is a major source of district and school revenue, the value itself should not be confused with adequacy when there are questions as to whether funding levels are adequate across all students. In short, if the baseline funding itself is inadequate, then the additional support funding may also be inadequate even if it is higher than benchmark levels.

Another way to determine adequacy is to look at how funds are distributed. When Title I funds are factored in, Utah funds its poorest districts at a 7.4% higher rate than it funds its richest districts. Across the nation, 28 other states fund their poorest

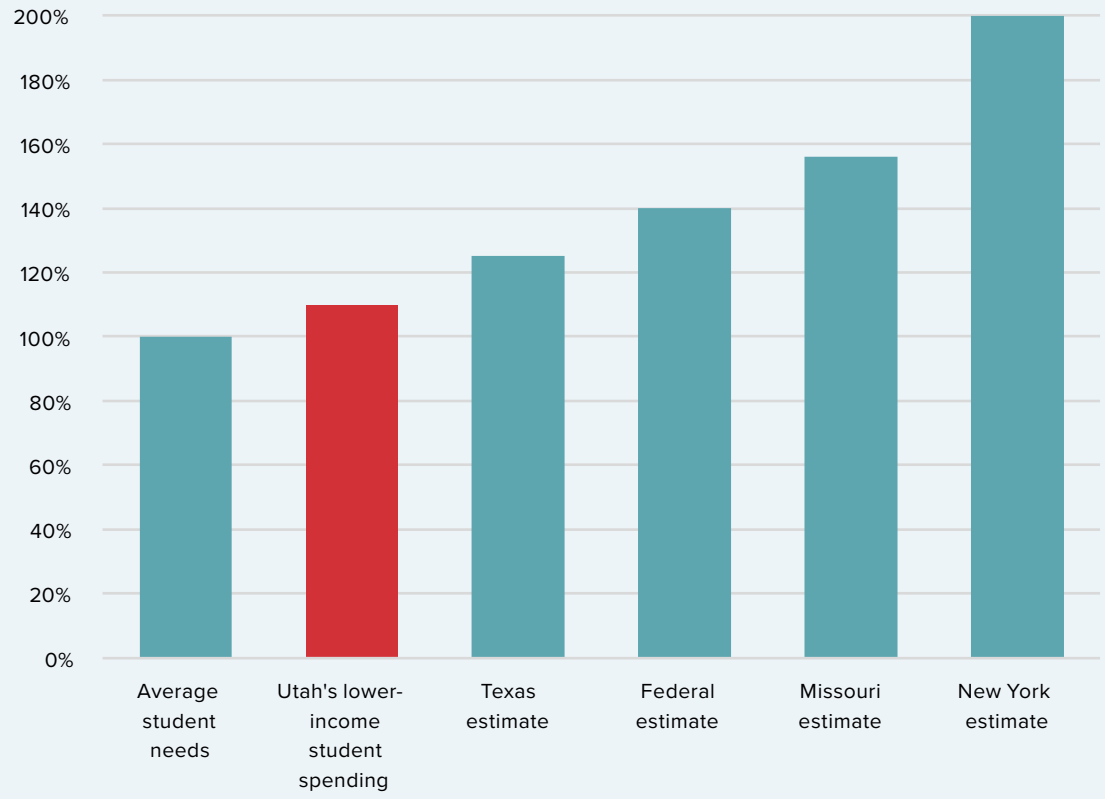
districts at comparatively lower rates than Utah does.[91] Utah's poorer districts also tend to have a higher percentage of lower-income students, so they tend to benefit from the state's funding structure. Utah does comparatively well on this measure in part because of the WPU's success in equalizing funding across districts.

However, even this measure is complicated by the fact that teachers are paid at the district level. Schools do not make hiring choices based upon the costs associated with compensation; they are given the financial freedom to seek and attract the best and most qualified teachers possible within the pay ranges established by their districts. As such, actual school and pupil expenditure differences are hard to discern from available data, though these data will be available for the 2018-19 school year and beyond.[92] The current lack of clarity on spending makes it very difficult to determine the adequacy of the funding, and more state and local-level data would be helpful in calibrating future expenditures.

Nonetheless, existing expenditure data can provide some indication as to funding adequacy. Based upon federal Title I guidelines, it costs 40% more to educate a student in poverty than other students.[93] In Utah, however, combined federal and state funding is only about 7% higher than per-pupil current spending. Various studies have produced a range of other estimates as to what constitutes adequate funding for lower-income students. Figure 22 compares Utah's funding with several estimates of adequacy.[94] By

Utah funding may not measure up to needs of lower-income students.

Figure 22: Measures of Adequacy of Funding per Lower-Income Student



Note: The Texas, Missouri and New York estimates are derived from the places where research was conducted.
Sources: Brookings Institution, Utah Foundation.

all of these measures, Utah's lower-income student funding falls short.

Guidance on funding levels for English learner education is harder to come by. However, an analysis of other states shows that almost all states (47) provide English language funding on top of their federal funding allotment.[95] States that use a percentage formula for increases provided a median of 22% additional funding per pupil, and states with dollar amount increases provided a median of $692 in additional funding per pupil.

Compared with these states, Utah comes up short in English learner educational spending, likely providing less than a 3% increase over current spending – or $226 per student.

As to special education, the federal government estimates that these students require twice the spending of other students. While this amount would certainly vary based upon whether a student needs 15 minutes of services per week or six hours of one-on-one instruction per day, Utah's average spending suggests that Utah is close to reaching this threshold, with a 90% increase over the current spending.

Funding alone does not result in improved student outcomes. However, the purpose of any additional funding is to pay for interventions that increase the success of students at risk of poor academic outcomes. As noted, the gaps in test scores, graduation rates and college outcomes are significant. This suggests that a) educating these children is particularly challenging; b) the relevant programs need to be improved; and/or c) funding is insufficient for the challenge at hand.

There are efforts afoot to increase funding. The Governor's Education Excellence Commission recently suggested considering "additional state funding (e.g., WPU add-on funding) based on student risk factors."[96] The Governor himself has recommended an increase to the WPU for "at risk" students. Governor Herbert's 2018-2019 budget recommended a change to the Enhancement for At-Risk Students funding. Instead of funding under the currently categorical funding model, it would be changed to a formula model based upon the WPU. This would be funded under a new program: Students At Risk of Academic Failure - Add-on WPUs. The proposal called for more than doubling "at risk" funding, from $28 million in 2018 to $63 million in 2019.[97] The Utah Legislature responded by increasing the existing Enhancements for At-Risk Students program appropriation by $10 million.[98]

CONCLUSION

Local education agencies receive funding to improve the outcomes of students at risk of having poor academic outcomes. Total increases in funding are about $473 for lower-income students, $5,832 for students with disabilities and $226 for English learners.

The agencies use this funding for a wide variety of supports, from additional time after school to one-on-one attention. But academic outcome gaps persist.

Outcomes for all three groups of students at risk of academic failure are poor relative to the general school population. These students are less likely to achieve test proficiency on annual language arts, mathematics and science tests. They are also less likely to graduate from high school. That said, outcomes tend to be better for lower-income students than for students with disabilities and English learners.

The Governor's Education Excellence Commissions is clearly concerned about Utah's students at risk of poor educational outcomes. The Commission's efforts and the Governor's budget have led in part to the increase in at-risk populations funding during the 2018 Utah Legislative Session. It amounts to about $40 per student at risk of poor academic outcomes. Whether this increase will have the desired effect on student outcomes is yet to be seen.

When looking at national averages and various benchmarks of what constitutes adequacy, Utah's percentage of increased effort in funding for the education of low-income students and English learners is low. And, in the context of Utah's low overall per-pupil spending, the challenge of reaching adequate funding may be even more acute.

A closer look at investments in and programming for low-income students and English learners may have the potential to improve outcomes – a result that would help lift the state as a whole.

ENDNOTES

1 Commission members include leaders and stakeholders in K-12 education, technical and higher education, state politics, and the nonprofit and for-profit sectors. Disclosure: Utah Foundation's president is among them.

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