



NESS Committee Recommendations

August 2024



Committee

- **Dale Lamborn** - Chair (Rich)
- **Chad Lloyd** - Vice-Chair (Sevier)
- **Ben Dalton** (Kane)
- **Brent Bills** (Washington)
- **Ralph Squire** (South Sanpete)
- **Steve Carlsen** (Box Elder)
- **Jeremy Snell** (Tintic)
- **John Dodds** (Garfield)
- **Koby Willis** (Piute)
- **Lexi Cunningham** (USSA)

Committee Purpose

Review the background and development of **House Bill 533** from the 2024 legislative session, identify the concerns and needs in the Necessarily Existing Small Schools funding formula, and make recommendations for legislative changes

Committee Meetings

1. **May 28th, 2024** - In person at the capitol to review concerns with Dale Frost, Representative Petersen, Senator Millner, and Ben Leishman
2. **June 7th, 2024** - In person at Canyons district office to summarize concerns raised in the first meeting
3. **June 17th, 2024** - Virtual meeting to review drafts of possible resolutions to summarized concerns
4. **July 17th, 2024** - In person at URSA and virtual to review modified drafts of committee recommendations

Committee Meetings Cont....

1. **July 22nd, 2024** - In person meeting with Utah superintendents in Cedar City to review the drafted changes and answer questions
2. **July 30th, 2024** - Virtual meeting with Utah business administrators to review the drafted changes and answer questions
3. **August 8th, 2024** - Virtual committee meeting to address the questions and concerns of the superintendents and business administrators
4. **August 22nd, 2024** - In person at state capitol to review formula recommendations with stakeholders

Summarized Concerns From First Meeting

1. The definition of a NESS school is vague and subjective
2. The formula does not incentivize consolidation
3. There is no method in the current formula to determine adequacy
4. The formula is more complex than seems necessary
5. The formula is outdated and inflexible
6. The district level component of the formula is too small

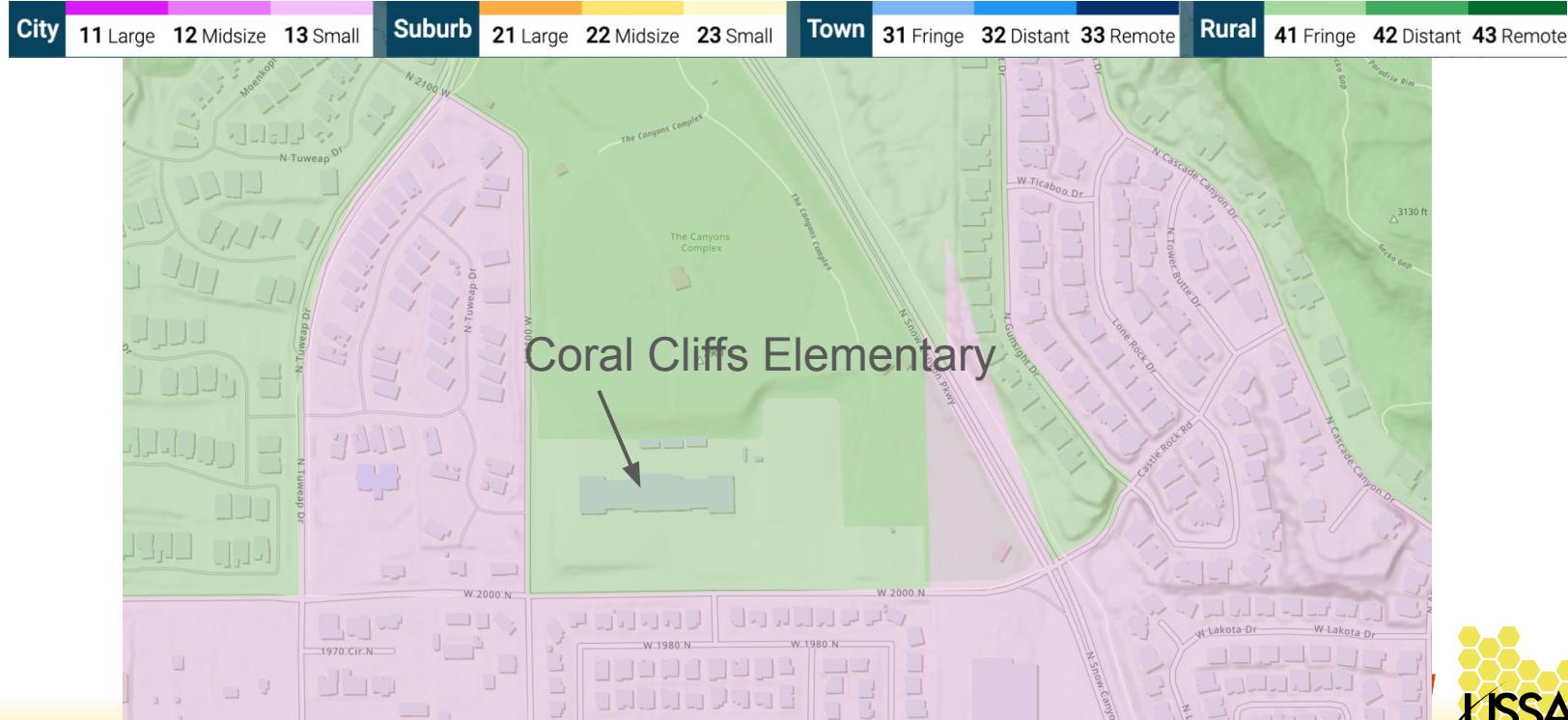
Drafted Committee Recommendations

1. Redefine a Necessarily Existent Small School
2. Limit the school based formula to two tables
3. Use the WestEd study for the district portion of the formula
4. Don't restrict the school based portion to specific NESS schools

#1 - Redefine a Necessarily Existential Small School

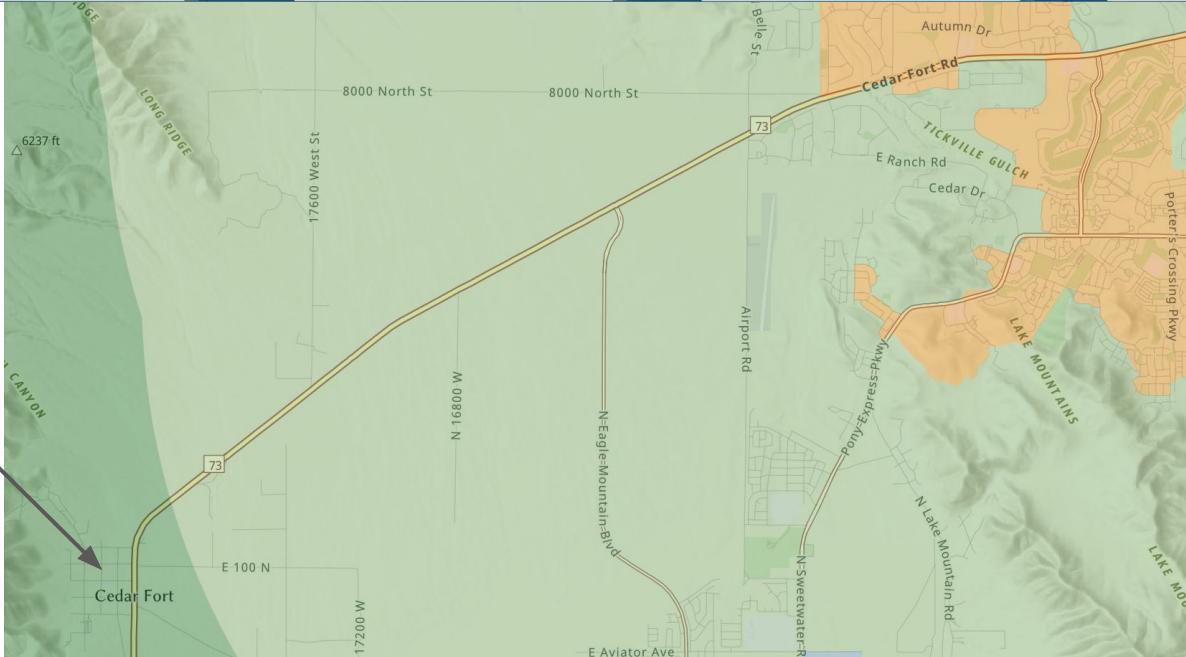
- **Current definition** - Based first on ADM, then school bus travel time, then exceptions granted by USBE. More than half of current NESS schools do not meet the school bus travel time requirements.
- **Proposed definition** - A necessarily existent small school is a school that the legislature has a compelling interest in maintaining despite the school not having sufficient economies of scale to be maintained with other local and state funding formulas. More specifically it is recommended that a NESS school be defined as...
 - A school that is located in an area with an NCES locale code of 33 or higher, and
 - Is located more than 10 miles from an NCES locale code of 21 or less, and
 - Is not an online school, specialty school, technical school, alternative school, or charter school, and
 - Has an ADM lower than 28 in any individual grade band K-6 and/or an ADM lower than 126 in any individual grade band 7-12.

Santa Clara - Coral Cliffs Elementary (Now Closed)



Cedar Fort - Cedar Valley Elementary

City	11 Large	12 Midsize	13 Small	Suburb	21 Large	22 Midsize	23 Small	Town	31 Fringe	32 Distant	33 Remote	Rural	41 Fringe	42 Distant	43 Remote
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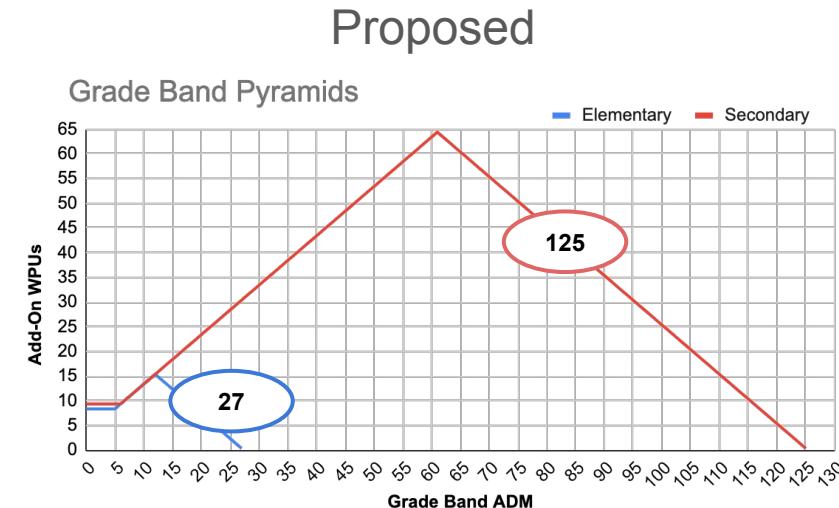
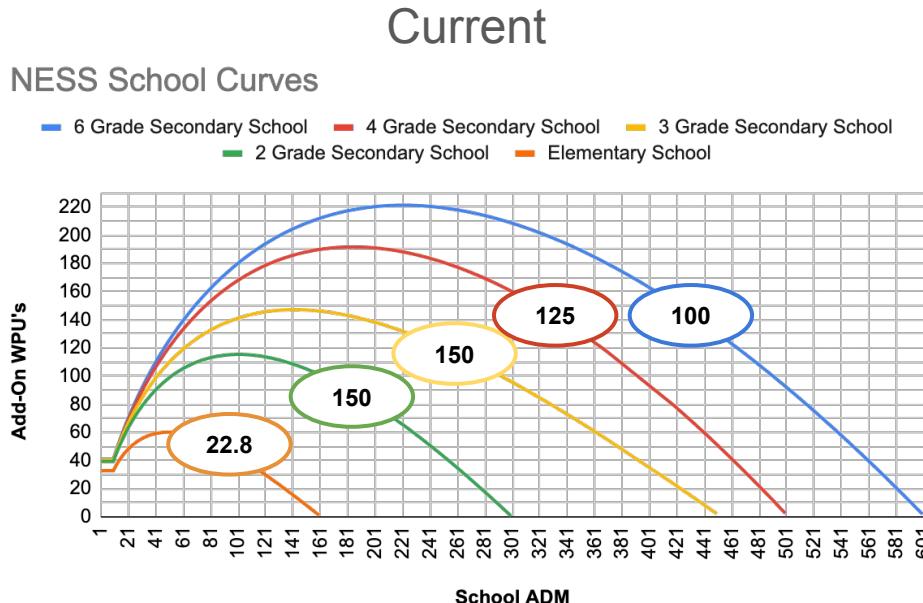
Cedar Valley
Elementary

Alta - Goldminer's Daughter School

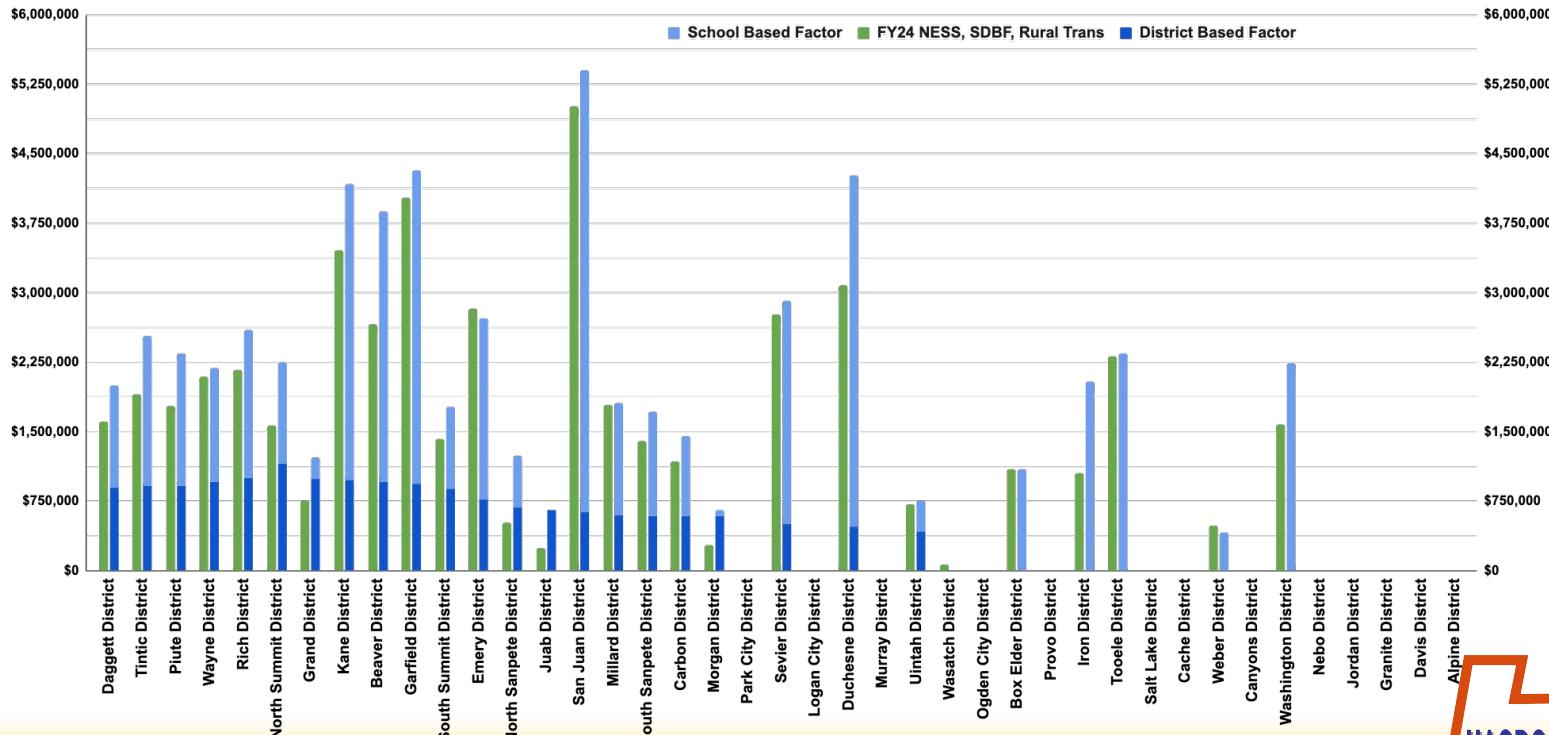
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#2 - Limit the school based formula to two tables



#3 - Use the WestEd study for the district portion of the formula



#4 - Don't restrict school portion to specific NESS schools

As the WestEd study suggests that the greatest cost efficiencies are managed at the district level, the committee recommends not restricting the school based portion to the specific schools generating the funding. There are unique local circumstances in every school district and the flexibility to use the school based portion where it is most needed ensures the best application of the funding.

Summarized Concerns From First Meeting

1. The definition of a NESS school is vague and subjective
 - a. New definition established without subjective factors or exceptions
2. The formula does not incentivize consolidation
 - a. Switched from entirely school based to add district and grade band elements to incentivize consolidation
3. There is no method in the current formula to determine adequacy
 - a. Retained mechanism for declining funding with growing ADM to ensure better economies of scale balance
4. The formula is more complex than seems necessary
 - a. Reduced 5 curves to 2 pyramids and removed isolated schools factor
5. The formula is outdated and inflexible
 - a. New tables are easier to manipulate and have many levers for making future adjustments
6. The district level component of the formula is too small
 - a. Incorporates WestEd study and adds all new funding to the district side of the formula