

MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Scott Jones
Associate Superintendent of Business and Operations

DATE: February 4-5, 2016

ACTION: Statewide Online Education Program (SOEP) Enrollment Status and Policy

Background: The SOEP program facilitates enrollments in the SOEP program for students enrolled in a primary LEA, and enrolling in a provider LEA's SOEP course, and for home and private students. The SOEP specialist in the School Finance section of the USOE calculates tuition payments due to the provider LEA from the primary LEA. These payments are facilitated through the monthly Minimum School Program (MSP) transfer.

Tuition payments for home and private school students are paid by the USOE from an annual appropriation provided by the legislature. In FY2016 \$500,000 ongoing and another \$250,000 onetime funds were received for this purpose. Courses are open enrollment, thus, funds are obligated when students enroll and are paid out part at the time of enrollment and then as the student completes the course.

Key Points: In FY2016 the number of enrollments from the home and private school is quickly approaching the maximum amount of the current year appropriation and may have exceeded the current funding available by the time the Board convenes in February. Since the last report on this situation we requested from the Legislative Fiscal Analyst a current budget year supplemental of \$500,000 in anticipation of increased enrollments occurring during the month of January. For the out years SFY 17 and beyond we requested \$1,250,000.00 of ongoing appropriation for this program. There is the caveat, though, that a specific policy along the lines of enrollment caps or lottery type procedures is needed to ensure we stay within the appropriated amount and do not violate the Budgetary Procedures Act.

Anticipated Action: It is anticipated that the Finance Committee will give specific direction to staff to begin drafting modifications to R277-726 *Statewide Online Education Program*. Staff requests specificity on how the Board wants the Utah State Office of Education staff to ensure they do not exceed the appropriation by over-enrolling students into the program.

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