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UTAH STATE OFFICE OF EDUCATION

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Utah State Office of Education Identifies Miscalculation in Next Year's Budget; Schools Unaffected

SALT LAKE CITY –Officials at the Utah State Office of Education identified an under calculation in the weighted pupil units (WPU) used to determine Utah's minimum school program (MSP) funding for the 2012-13 school year. The corrected calculation increases the WPU count from approximately 773,000 to just over 781,000. With each WPU valued at \$2,842, the error results in an under appropriation of approximately \$25 million in a budget of just over \$3 billion, or less than 1 percent of the total. The miscalculation is within the historical margin of error for the MSP and can be managed with the fiscal resources available to the Utah State Office of Education and the Legislature. Utah State Board of Education and Legislative leaders both indicate the problem can be handled without negative impact to classrooms, schools, or districts.

“This error resulted from a faulty reference in one of the spreadsheets used to calculate the number of WPU in the system for next year,” said State Superintendent of Public Instruction Larry K. Shumway. “There are resources available to fix this problem. The underlying conditions that led to the error are being addressed.”

Utah's school budgets have historically carried forward balances from previous fiscal years. Some of this is due to Utah's conservative budgeting process involving projections of the number of students who will be in school next year and in the amount of tax revenue that will be received during the current fiscal year. Carry forward balances are typically allocated into the following year's budget. This fiscal year's carry-forward balance will not be known until after July 1, and the precise number of WPU's for the 2012-13 school year won't be known until after Oct. 1, when the actual headcount of students takes place.

"The legislature remains committed to fund the new students entering our system. This is Utah – when we find a problem we fix it," said Sen. Lyle Hillyard, Senate chairman of the Executive Appropriations Committee. "I believe we can find a way to keep the schools whole and create better verification on enrollment numbers to prevent this from happening in the future."

Shumway assigned Utah State Office of Education internal auditors to verify the new figures on WPU projections and these have been confirmed. The Utah State Office of Education will work with legislative fiscal analysts to improve systems to prevent similar problems in the future. Also as a consequence of the miscalculation, two senior finance officials in the office submitted their resignations. "It is important for taxpayers to know the error here, while not insignificant, is a statistical error and does not indicate any misappropriation of funds; it was an error that led to an under appropriation of funds to the MSP," Shumway said.

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