



# New City School District

## Comprehensive Feasibility Study for the City of Orem

July 12, 2022



Submitted By  
**DEC Consulting Services LLC**  
(Formerly Discovery Education Consultants)

## FORWARD

Our objective in preparing this Comprehensive Feasibility Study is to provide the City Council of the City of Orem and to Orem residents our findings and analysis of the vast amount of data that we gathered, so that each person can be more fully informed as to the future education of the children of Orem.

School boards and school districts are required to make difficult decisions that have an impact on various residents within the district. It is an unenviable task to make decisions that may be favorable to one area and less favorable to another.

Those who teach and manage the Alpine School District (ASD) are to be commended for their honorable service and should be afforded thanks and appreciation. With over 60 years of collective experience as auditor, accountant, chief financial officer, teacher, principal, university professor, and district office administrator, we personally know the complexities associated with the operation of a school and a school district.

This Study and its findings were created through a compilation of supporting data derived from ASD, the State of Utah, Utah County and other sources. Having spent nearly five months reviewing thousands of pages of documents relating to school district finances, class size, expenses, revenues, test scores, specialty classes, teacher salaries, Title I concerns, bonding, property values, FEMA issues, academic studies and other relevant data, we have a profound respect for the educational opportunities that have been afforded the students of Orem by ASD.

We express our appreciation for ASD's cooperation and working with DEC through the various issues that were encountered.

We would encourage you to read the report in the spirit that it is offered.

Dr. Paul J. McCarty & Michael D. Wankier  
DEC Consulting Services LLC



**DEC Consulting Services LLC**  
Discovery Education Consultants

July 12, 2021

Mayor David Young and Members of the Orem City Council  
Orem City Hall  
56 N. State Street  
Orem, UT 84057

Dear Mayor Young and Orem City Council Members,

DEC is pleased to present this Comprehensive Feasibility Study of which DEC has been contracted to produce for the City of Orem for the possible creation of a new Orem City school district. We feel this study is one of the most comprehensive studies ever completed in Utah. Other similar Utah feasibility studies done in the past have focused primarily, if not exclusively, on the financial feasibility of creating a new school district. We were requested by the Orem City Council to be much more comprehensive, having taken into account the varied questions and comments received from parents and residents about many factors in the education process.

In addition to advising the Council if it is feasible to move forward both financially and educationally, it is also extremely important that we consider the needs of Orem students, their parents and our educators as well as the financial viability of a new city school district. We can only make wise and thoughtful decisions based on facts.

**Summary & Conclusions**

In addition to determining if the creation of a new city school district is financially feasible, we also explored opportunities to reduce overall costs while elevating student performance. We thoroughly researched and investigated the impact a new city school district would have upon the students of Orem, the teachers and the taxpayers. Having spent nearly five months reviewing thousands of pages of documents relating to school district finances, class size, expenses, test scores, specialty classes, Title I concerns, bonding, property values, FEMA issues, academic studies and other relevant data, we have a profound respect for the educational opportunities that have been afforded the students of Orem by Alpine School District (ASD).

Using the data provided by ASD, the State of Utah, Utah County Treasurer, and other sources, we have formed an opinion regarding the feasibility of forming a new city school district. We are in a position to make the following statement, in confidence, to you at this time.

**Of the fiscal and operational data collected and evaluated regarding the potential creation of a new city school district for the City of Orem, we conclude the creation and sustainability of such as school district is feasible.**

Our comprehensive feasibility study offers an extensive report on the financials, including relevant

revenues and expenditures that the new city school district can expect to encounter. This Study gives thorough and researched recommendations that can guide the future action of the Orem City Council and future Orem School District Board Members if the voters of Orem choose to approve and establish a new city school district to open in the 2024-2025 school year.

We thank you for the opportunity to work together with the City of Orem on this important project. We would like to express our gratitude to the Mayor and Members of the Orem City Council for their support and help in our fact-finding process.

If you have any questions regarding this proposal or require any further information, please do not hesitate to contact us.

Respectfully,

**DEC Consulting Services LLC**



Dr. Paul J. McCarty, DEC Managing Principal, [www.deconsultingservices.com/](http://www.deconsultingservices.com/)



Michael D. Wankier, DEC Managing Principal, [www.deconsultingservices.com/](http://www.deconsultingservices.com/)

For the purposes of this study, ASD or Alpine School District is the district that is presently constituted as of July 12, 2023. The New District is the proposed new district that includes only the boundaries of the City of Orem. The Remaining District is the district that would consist of ASD without the New District.

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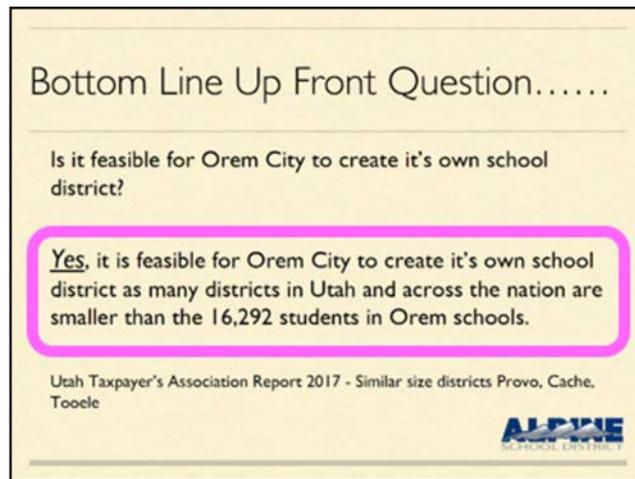
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## EXECUTIVE SUMMARY

### INTRODUCTION TO SUMMARY OF FINDINGS

In November 2017, while addressing the Orem City Council, the Alpine School District was asked the following question: *Is it feasible for Orem City to create it's (sic) own school district?* ASD's answer was: Yes, *it is feasible for Orem City to create its own school district*".<sup>1</sup> (Slide from presentation, quote shown in box)



DEC Consulting Services LLC (DEC) has been asked to determine the same question and to go beyond the issue of financial feasibility. DEC has been contracted to develop a Comprehensive Feasibility Study for the City of Orem regarding the establishment of a municipal school district with boundaries contiguous within the existing city boundaries. This would result in the City of Orem separating from the Alpine School District (ASD).<sup>2</sup>

As was explained to DEC by Mayor Young, the objective of this Comprehensive Feasibility Study is to determine if the creation of a new school district is financially feasible. The primary and ultimate purpose of this Comprehensive Feasibility Study is to determine if the creation of a new school district would benefit the students, the teachers and the taxpayers.

The Mayor summarized the core beliefs of the City Council for the City of Orem as follows:

- Our children are our most precious resource;

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<sup>1</sup> "Orem City Council: School Funding Equity – Alpine School District", FY2017 Data Review-Business Team, 15 November 2017, Alpine School District

<sup>2</sup> Utah Code provides that if a city of over 50,000 residents wishes to consider creating a school district, the City is required to complete a feasibility study (See 53G-3-302(1)(a)) and that "all matters relating to the scope, adequacy, and other aspects of a feasibility study under Subsection (1)(a) is within the exclusive discretion of the city's legislative body". In addition, an inadequacy of a feasibility study "may not be the basis of a legal action or other challenge to an election for voter approval of the creation of a new school district; or the creation of the new school district" (See 53G-3-302(1)(b)(i) & (ii)).

- Our children represent the future of our community, state and country;
- Quality education for our children must be one of our highest priorities;
- Teachers must be paid fairly; and
- Taxpayers must be treated fairly and have a voice in the way their money is being spent.

The State of Utah has a time-honored tradition and respect for the principle of local representation and decision making in education. Therefore, it is important to review, consider and evaluate the positive and negative outcomes of creating a new school district upon those who might be most affected by the creation of a new city school district.

This Comprehensive Feasibility Study has striven to produce a detailed analysis of legal, operational, and fiscal data, including analyses and research of the above listed issues and topics. Concerns for the best interests of students guided the development and recommendations to be presented in this Comprehensive Feasibility Study. DEC has designed the study to provide accurate and relevant data to the City of Orem so that the city leaders are positioned to decide whether the matter should be placed on the November 2022 ballot. The Study will provide important and relevant information to the public, as well as through the Orem transparency portal, and will allow Orem citizens to have sufficient information to inform their decisions as they make the ultimate decision through their vote (if the matter is added to the ballot, as determined by the Orem City Council). Once added to the November 2022 ballot, taxpayers and citizens will be allowed to choose the outcome that they believe will serve the best interests of Orem's children, classroom teachers, and to consider the option that will create the best learning and instructional environments possible.

An extensive investigation was performed regarding the revenues and expenditures of the existing district as well as the estimated revenues and expenses of the proposed district, in an effort to determine the financial impact of creating a new city school district for the City of Orem. Utilizing historical data, tax data from the Utah County Treasurer and the Utah State Tax Commission, comparative data, various reports that touch on school districts, internal ASD documents, academic research papers and other sources, the DEC team has endeavored to project future revenue and expenditures for the proposed new school district. DEC believes that its methodology has produced a reasonable estimate of revenues and expenditures and the overall feasibility of the creation of a New School District but acknowledges that there are many factors that cannot be foreseen that may change the results of this Study when evaluated in hindsight.

### **ASD's Criteria to Split the District and to Form a New School District**

Mr. Rob Smith, ASD current Business Administrator, addressed the Alpine School District Board of

Education members on March 23, 2021.<sup>3</sup> He expressed to the Board members his opinion as to the conditions that would justify a split of the Alpine School District. These were:

1. Declining student test scores and "students performing at lower levels due to the district's size".<sup>4</sup>
2. "District's financial strength is declining"<sup>5</sup> for funding necessary to meet student learning and teacher instruction needs, as well as provide school facilities necessary for student safety and growth.
3. ASD "public engagement is declining",<sup>6</sup> and
4. "The issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved", as stated by ASD school member Julie King.<sup>7</sup>

This Study maintains all of the above conditions have been met to necessitate a split of Alpine School District.

The Executive Summary is divided into three sections. First, we provide a brief Summary of Findings. Second, we provide a more Detailed Executive Summary of the findings. Finally, we provide detailed data, evidence and documentation in the accompanying Chapters of this Comprehensive Feasibility Study.

## SUMMARY OF FINDINGS

This Study reviewed the following issues and reached the following conclusions:

### 1. SCHOOL DISTRICT GROWTH

- Bigger districts do not lead to better educational outcomes.<sup>8</sup>
- Alpine School District has grown into the 42nd largest school districts in the country, with a projected enrollment FY ending 2023 of 84,974 students<sup>9</sup>.
- ASD has undergone a 35% growth in student population in less than twenty years

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<sup>3</sup> March 24, 2021, Lehi Free Press <https://lehifreepress.com/2021/03/24/what-factors-could-trigger-alpine-school-district-split/>

<sup>4</sup> Ibid

<sup>5</sup> February 9, 2021, Lehi Free Press <https://lehifreepress.com/2021/02/09/potential-alpine-school-district-split-in-early-discussions/>

<sup>6</sup> March 24, Lehi Press Free Press

<sup>7</sup> September 21, 2021, Lehi Free Press <https://lehifreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>

<sup>8</sup> The Social Science Journal, vol.44, 2007 - Issue 4

<sup>9</sup> See ASD Comprehensive Annual Budget Report July 1, 2022 – June 30, 2023

(from 54,773<sup>10</sup> students in 2005 to 84,974 students in 2023), while Orem, inclusive of charter school enrollments has experienced a 4% growth during that same period of time. However, while overall student enrollment has increased, enrollment in Orem public schools has decreased.

- ASD has severe financial challenges and is conflicted in resolving west side growth with east side needs.
- The purchase of new schools has been financed over time through the collection of property taxes in the Capital and Debt funds of ASD. Because of the growth requirements for fast developing communities on the west side of ASD, property taxes paid by communities on the east side have been required to assist in financing new buildings on the west side of the district. This finding is in line with the 2004 Pioneer School District study commissioned by the Utah County Commissioners. The Pioneer Study determined the impact of Lehi (and communities to the west) potentially splitting from ASD. The Pioneer study found that west side cities, without being subsidized by east side revenues, would realize a tax increase between 50-90%, while cities to the east, including the City of Orem, would realize a decrease in taxes of 11-17%.<sup>11</sup>
- Orem taxpayer funds have been regularly diverted away from Orem children to fund other pressing needs of ASD, especially west side growth.
- From the dates of the last two school district studies performed relating to an Orem only district, Orem has paid more into ASD in bond payments than has been reinvested in Orem schools. Property tax payments from Orem into the Capital and Debt Funds have been \$312 million and reinvestment in the school buildings in Orem has been \$189 million:
  - Amount paid in excess of amounts received from Jan. 2006 to Dec. 2021: \$95 million (\$228 million less \$132 million).<sup>12</sup>
  - Amount paid in excess of amounts received from Jan. 2017 to Dec. 2021: \$27 million (\$84 million less \$57 million of reinvestment)<sup>13</sup>

## **2. FEMA & OREM SCHOOL SAFETY ISSUES: SCHOOL BUILDINGS IN OREM QUALITY AND SAFETY**

- In August 2006, the Seismic Vulnerability Assessment by Reaveley Engineers & Associates, presented to ASD a contained an assesment of the hazards within schools

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<sup>10</sup> <https://education.byu.edu/sites/default/files/CITES/documents/Leaders%20Associates%20Districts-Updated.pdf>

<sup>11</sup> See New Pioneer School District Study, Chapter 11. Utah County Commissioners. 2004

<sup>12</sup> By way of comparison, Eagle Mountain received more in bond allocations than it paid in tax payments: \$142 million (Taxes paid to Capital and Debt Service funds were \$51 million and bond allocations received were \$142 million).

<sup>13</sup> By way of comparison, Eagle Mountain received more in bond allocations than it paid in tax payments: \$95 million (Taxes paid to Capital and Debt Service funds were \$25 million and bond allocations received were \$120 million).

located within ASD. In 2006, 16 years ago, 10 schools located in Orem were identified as having seismic concerns.<sup>14</sup>

- A 2022 FEMA Study identified schools in the State of Utah that have seismic safety issues.<sup>15</sup> This study identified 34 school campuses in the Alpine School District with known and likely under-reinforced masonry (URM) construction that is deemed seismically (earthquake) unsafe and schools with a rapid visual screening (RVS) score of 2 or less (meaning a detailed engineering investigation should be conducted).<sup>16</sup>
- The 2022 FEMA Study found that 12 schools in total have been identified and 4 located within Orem remained on the 2006 list, with 6 Orem schools in a high-risk category that had identified unreinforced masonry.
- ASD has not resolved pressing FEMA issues in Orem. The 12 Orem schools with seismic problems comprise approximately 35% of the identified total unsafe schools in ASD's portfolio.
- Four Orem schools identified in the 2006 study as unsafe remain un-remediated (Orem Junior High, Sharon Elementary, Windsor Elementary, Geneva).
- ASD has remedied FEMA issues in Orem by demolishing Hillcrest Elementary and Geneva Elementary, without replacement.
- Orem taxes have been used to fund building of schools outside of Orem.
- The 2006 Orem school district feasibility study conducted by Lewis & Young and presented to the Orem City Council in August 2006 estimated the amount of funds required for seismic upgrades, but did not provide schools specific seismic issues.<sup>17</sup>
- In 2017 ASD performed an Orem only school district feasibility study. ASD failed to discuss the status of the 18 schools located in Orem that were identified in the 2006 Seismic/FEMA Study.
- Since 2009, Orem has received \$87 million of ASD's \$815 million of bond allocations, or 10.7% of all bond allocations, despite having 25% of the property values.<sup>18</sup>
- Our findings are that Orem could have used these funds to pay for needed seismic improvements for schools located within Orem. Orem may have chosen to rebuild Hillcrest and Geneva schools.

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<sup>14</sup> [https://drive.google.com/file/d/1yLm6VMKr95QHWyB\\_3fKx9A1AAQdJ9Jbj/view](https://drive.google.com/file/d/1yLm6VMKr95QHWyB_3fKx9A1AAQdJ9Jbj/view)

<sup>15</sup> Utah K-12 Public Schools Unreinforced Masonry (URM) Inventory Methods, Findings, and Recommendations February 2022. Applied Technology Council (ATC), the Department of Homeland Security (DHS), the Federal Emergency Management Agency (FEMA), and the Utah Division of Emergency Management (DEM).

<sup>16</sup> <https://earthquakes.utah.gov/wp-content/uploads/Utah-K-12-Public-Schools-URM-Inventory-2022.pdf>

<sup>17</sup> DEC could find no documentation disclosed or mentioned in the 2006 feasibility study, nor in any presentation of comments made to the Orem City Council relating of the then recent 2006 Seismic Vulnerability Assessment and its findings that of many Orem schools were seismically and earthquake unsafe for students, teachers, school staff and parents.

<sup>18</sup> The property values are an estimate of values during the applicable period. Orem's overall percentage of property value within the district has declined, with Lehi overtaking Orem property values in 2019-2020.

### 3. NEW \$595,000,000 BOND PROPOSED BY ALPINE SCHOOL DISTRICT

- ASD has proposed a \$595 million bond to be voted on in November 2022.<sup>19</sup>
- ASD's outstanding debt is currently \$539 million for the year ending June 30, 2022;
- Orem share of the existing debt is approximately \$105 million.<sup>20</sup>
- Orem residents would be responsible for approximately \$116 million of the \$595 million bond to be paid over the next 20 years (\$595 million bond x 19.44%), regardless of the allocation of proceeds assigned to Orem's schools.
- The proposed bond would more than double the amount of bond debt owed by Orem residents, increasing Orem resident's share of the bond debt from \$105 million to approximately \$221 million (\$105 million plus \$116 million).
- According to ASD, the bond would result in a tax increase. Rob Smith said in the May 10, 2022 ASD Board work meeting, when asked if the \$595 million bond would result in an increase in taxes, replied, "the tax burden would be higher", which translates into a tax increase.
- If the taxpayers decide to form a new Orem school district, and if the New District issued a bond for approximately \$116 million (the estimated amount of Orem's bond indebtedness for the \$595 million proposed bond), the New District could direct 100% of the fund for the building of new schools within Orem and remedy the seismic hazards in older schools located within Orem.
- We could find no policies of the ASD School Board that requires ASD to distribute bond funds in proportion to Orem's 19.44% of the property value in the Alpine School District.
- The ASD \$595 million bond proposed for this November 2022 ballot has not yet been allocated. The City Council should consider how likely it is that the proceeds from the \$595 million bond will be invested in Orem schools as it makes its decision to put the creation of a new school district on the November ballot. It is not possible to know for sure where the proceeds will be allocated but the need for additional investment in schools outside of Orem continues to be a need that will have to be addressed by ASD. A news article dated December 17, 2021, citing ASD board members discussing the proposed upcoming bond would suggest that the board has not reached a consensus regarding the bond issuance.<sup>21</sup> ASD has yet to disclosed where the bond proceeds will be spent.

### 4. TAXES & REVENUE

- Utah is the only state that requires all state income tax collections to go to schools

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<sup>19</sup> See Lehi Free Press article dated May 11, 2022, which can be found at the following link: <https://lehifreepress.com/2022/05/11/alpine-school-district-to-survey-voters-on-possible-595-million-bond-request/>

<sup>20</sup> The City of Orem currently has 19.44% of the property value in the Alpine School District (\$7.25 billion estimated taxable value divided by Alpine's \$49.9 billion estimated taxable value).

<sup>21</sup> Alpine School District board begins 2022 bond talks, Lehi Free Press, December 17, 2021.

- pursuant to a 1946 amendment to the Utah Constitution. A provision was changed in 1996 that added higher education.<sup>22</sup>
- 100% of income tax paid by Orem taxpayers funds public education, which will not change if the New District is formed
  - Based on the forecasts presented herein, it is estimated that total taxes as measured in dollars will not be required to increase. Decisions to increase spending in existing schools, to build new schools, or issue new bonds may result in increased taxes but will be decisions made by the New District and its taxpayers.<sup>23</sup>
  - Utilizing data provided by ASD and the State of Utah, DEC has forecasted expected future expenditures within the proposed New District. After applying assumptions regarding inflation and future enrollment, DEC believes that the New District can be sustained with the current level of funding but may require an additional level of funding for reinvestment in the future in order to meet the needs of the students, teachers, and taxpayers.
  - We anticipate that the New District will continue to be sustainable based on the assumption that property values in the City of Orem will continue to rise into the future. During the 19 years leading up to 2022, average annual growth in value per year within the current ASD was approximately 9.5%, 5.6% in Orem. In 2022 property values increased 28.6% overall in ASD and 25.3% within in Orem.
  - The New District would be able to sustain the same level of services as are presently provided by ASD. Changes may require additional taxes if a New District school board decides to make changes from the status quo.
  - The Study highlights several areas that the New District may focus on to reduce operating costs, including the elimination of unnecessary management and entering into shared service agreements.
  - **Predictions and announcements from Alpine School District school board members about property tax increases over 36% and costing \$59 million are erroneous and not based on fact.** ASD admitted as much, when responding to a GRAMA request regarding statements about the 36% tax increase. ASD responded, "With regards to the request for records that support statements made by Ada Wilson, (an ASD school board member representing Orem), Alpine School District does not have records responsive to this request".<sup>24</sup>

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<sup>22</sup> See <https://www.deseret.com/utah/2019/9/5/20847869/should-income-taxes-only-go-toward-education>; Also see <https://utahtaxpayers.org/>

<sup>23</sup> The City Council is limited, in this instance, to consider placing an issue on the ballot. Only a properly elected and constituted school board has the authority to determine if a bond or a mill rate increase is necessary, and then, these may only happen after public notices are sent and statutorily required meetings are held. DEC sole focus was to determine if the New District would result in the increase in property taxes.

<sup>24</sup> GRAMA response in a letter sent to Orem City Mayor David Young dated April 28, 2022

## 5. STUDENT TEST SCORES

- DEC researched and evaluated student assessment and test scores in ASD schools in the City of Orem, for the years 2011 thru 2021.
- ASD provided test scoring data that was inaccurate and did not comport with the test scores that ASD had provided to the State.<sup>25</sup>
- Our Comprehensive Feasibility Study found declining student test scores and student academic achievement of schools within the City of Orem.
- In the last five years, ASD and state testing data has revealed declining student academic achievement, particularly in ASD schools located in Orem.
- ASD K-12 schools in Orem revealed significant declines in student achievement over the past ten years.
- Many Orem schools' test scores are poor/failing.
- Student test scores from public schools located in the City of Orem are trending downwards.

## 6. TITLE I CONCERNS/SPECIALTY CLASSES

- We have found that ASD faces potentially serious Title I issues.<sup>26</sup>
- ASD is not providing equal student access to its Specialty Classes in Orem.<sup>27</sup>
- Title I, Part A requires LEAs to concentrate the funds in schools with the highest percentages of poverty and to provide enough funds to make a difference in the academic performance of the students attending these schools. To determine which schools will receive Title I, Part A funds, each LEA with 1,000 or more enrolled students must put its schools in rank order from highest to lowest concentrations of poverty.
- Title I-funded students and schools in Orem, do not have the proportional access to district-funded Specialty Classes as in the higher socio-economic communities in Alpine's west side communities of Saratoga Springs, Eagle Mountain and the north side communities of Lehi, Alpine, Highland, and Cedar Hills.<sup>28</sup>
- It appears a potential economic and geographic bias or disparity may exist in Alpine School District that influences decisions as to which schools may have Specialty Classes and which schools are excluded from having such programs.
- Alpine School District (ASD) does not appear to provide equal student access to its Specialty Classes to schools in Orem and surrounding communities to the degree that ASD provides such classes to schools on the west and north areas of the school

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<sup>25</sup> In the ASD test data reports, we found that 97.5% of the datasets in the report were simply incorrect. The majority of the data errors were found to be an inflation of the test scores. Regardless of the unreliable data provided by ASD, the conclusion remains the same, test scores are declining in Orem.

<sup>26</sup> See Chapter 2 Student Test Scores & Student Achievement and Chapter 2.2 Orem's Title I Schools, Student Cultural & Economic Diversity

<sup>27</sup> Ibid

<sup>28</sup> Ibid

- district. We believe that this may contribute to lower test scores for Title I students.<sup>29</sup>
- DEC's review of data and documents provided by ASD suggest students within four of the seven Title I funded ASD schools in Orem may have been denied full and equal access to Specialty Classes as compared to students' accessibility to the district's Specialty Classes in the west and north areas of ASD. These schools were Bonneville, Parkside, Westmore, and Sharon Elementaries.
  - It was also found that ASD's three ALL (advanced learning labs) schools for gifted/advanced students are located in more affluent neighborhoods (see map below in Chapter 5) that are not close to major transportation corridors, making transportation to, and participation in, these schools' ALL programs difficult for lower income students. All three ALL schools also have the late start/end times (9:15/3:30 versus 8:00/2:25), which could also make participation in these programs difficult for families managing work schedules, multiple school destinations, and other obligations.<sup>30</sup>
  - "The issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved," as stated by ASD school board member Julie King, is certainly a factor that would justify the splitting of a school district, and the facts present prove this to be case in Alpine School District.<sup>31</sup>

## 7. TEACHER PAY & BENEFITS

- Research shows a direct correlation between teachers' salaries and student achievement, especially among low-income and English language learners.<sup>32</sup>
- Higher pay for teachers is correlated to students achieving higher performance as measured by test scores. Raising teacher wages by 10% reduces high school dropout rates by 3% to 4%.<sup>33</sup>
- Teacher salary increases have long-term benefits for students. A 10% increase in per-pupil spending for each of the 12 years of education results in students completing more education, having 7% higher wages, and having a reduced rate of adult poverty. These benefits are even greater for families who are currently living in poverty.<sup>34</sup>
- Increasing teacher pay results in: Boosting teacher morale; fewer teachers working second jobs; and reduced turnover, which increases student performance.<sup>35</sup>

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<sup>29</sup> This is not a new complaint. During the August 2006 City Council meeting to determine if a vote should be taken by the people, the minutes of the meeting reported that Carl Hernandez, an Orem resident, advised that sixty-four percent of the lowest scores in language arts are from Orem schools. The inequality of the top-rated school and the lower schools is astounding. The same can be seen in science and math. There is a disproportionate amount of students that are scoring non-proficient in the testing.

<sup>30</sup> See Chapter 7 *Evaluation of Specialty Classes & Student Accessibility to these Programs*

<sup>31</sup> September 21, 2021, Lehi Free Press <https://lehifreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>

<sup>32</sup> <https://direct.mit.edu/rest/article-abstract/82/3/393/57185/Examining-the-Link-between-Teacher-Wages-and?redirectedFrom=fulltext>

<sup>33</sup> Ibid

<sup>34</sup> Ibid

<sup>35</sup> Ibid

- When teachers' salaries increase, the quantity & quality of teacher applicants increases.<sup>36</sup>
- ASD's average teachers, administrators and superintendency salaries were compared to the average salary for the same positions in the Jordan, Nebo, Canyons, Provo and Park City school districts.
- ASD had the largest disparity between the average teacher salary compared to the average administrator salary. The average teacher salary was measured at \$54,965, while the administrator's salary was measured at \$101,135, a difference of \$46,170.<sup>37</sup>
- ASD announced several agreements with its unions between April and the Revised Budget published on June 21, 2022. Teachers will receive a total 7% increase, support staff will receive an 8% increase, and administrators will receive a 6% increase. There will also be a one-time bonus in November 2022, although the amount has not been determined yet.
- ASD had projected 2% increase to employees pay and benefits from 2021-2022.
- The proposed increases to teacher pay, as modeled by ASD, only result in a 3.4% increase in expenditures related to instruction in the 2022-23 proposed budget.
- To ensure that great teachers are recruited and stay within the New District, the New District School board should make teacher pay, benefits and retirement a top priority.

## 8. CLASS SIZE

- Class size makes a major difference in students social and emotional well-being, as well as in academic performance matters and teacher instruction.<sup>38</sup>
- Several studies have shown that reducing class size increases overall student achievement, especially for younger, disadvantaged children. The following are some of the benefits of fewer students in a classroom.
  1. Students receive more individualized attention and interact more with the teacher.
  2. Teachers have more flexibility to use different instructional approaches.
  3. Fewer students are less distracting to each other than a large group of children.
  4. Teachers have more time to teach because there are fewer discipline problems.
  5. Students are more likely to participate in class and become more involved.
  6. Teachers have more time to cover additional material and use more supplementary texts and enrichment activities.<sup>39</sup>
- Our study survey of ASD elementary schools, and parents' responses through Orem's SeamlessDocs portal, reported that classes for the 2022-2023 school year may dramatically increase approximately 23% compared to the prior year.

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<sup>36</sup> Ibid

<sup>37</sup> See Chapter 5 *ASD Teacher and Administrator Salaries*

<sup>38</sup> Chen, Grace, "Smaller Class Sizes: Pros and Cons", May 20, 2022 Public School Review, New York NY, <https://www.publicschoolreview.com/blog/smaller-class-sizes-pros-and-cons>

<sup>39</sup> "Why we should reduce class size", Mark Waller, TEDx event using the TED conference format <https://www.youtube.com/watch?v=hQyc-Vc2rnc>

- ASD Increased Class Sizes for the 2022-2023 School Year in grades 4-6.<sup>40</sup>
- The Study found that the schools on the west side of ASD have increased class sizes and student-to-teacher ratios.
- Teachers at Northridge Elementary were told by school administrators on March 4, 2022, that grades 3-6 were going to be reduced by one class each, resulting in the following class size for the 2022-2023 school year: 3rd grade – 37; 4th grade-37; 5th grade-33; 6th grade-33. When parents brought up this issue in a March 9, 2022, Northridge Elementary PTA meeting, the ASD's administration denied the statements.
- ASD's average class sizes are 10-30% larger when compared to the Provo School District class sizes.<sup>41</sup>

## 9. NUMBERS OF STUDENTS IN OREM

- While ASD suggests that enrollment in Orem schools has been declining in recent years, the total student population of Orem does not appear to be declining.
- In the 2006 Orem Feasibility Study it was reported that Orem had 15,119 resident students.
- For the 2021-2022 school year the student enrollment for schools in Orem was 14,882.
- ASD provided records showing that 1,044 school age children (K-12) are being home-schooled, who reside within the City of Orem, as of June 22, 2022.
- If the New District were formed, funds would remain strong and would remain in Orem for Orem students.

## 10. LOCAL DECISION MAKING/GREATER REPRESENTATION

- Our findings are that if Orem were to create the New District, Orem residents would have local representation and decision making.
- Orem residents would have local representation over how taxes are spent.
- Orem residents would have local representation over programs in the schools.
- Local representation and decision making would permit Orem residents to align with the New District, parents and students.
- Orem taxpayers will have the ability to choose whether or not they want to increase funds available to improve the quality of their school district by reducing class sizes.
- Orem taxpayers will have the ability to choose whether or not they want to increase teacher pay and benefits.
- The New District would consist of 7 elected school boards members, all residents of Orem, compared to the current board with limited representation from Orem.
- An Orem local school board would represent 15,119 students and not 84,974 students.

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<sup>40</sup> See charts, Chapter 6 *Orem K-12 Class Size and Projected Student Enrollment with Orem K-12 Schools Analysis*

<sup>41</sup> Provo was selected because the number of students and the ethnic make-up of the students are very close to Orem demographics. See charts, Chapter 6 *Orem K-12 Class Size and Projected Student Enrollment with Orem K-12 Schools Analysis*

- Local representation and decision making would provide the ability for local parents, students and teachers to determine the priority of spending.

## SUMMARY FINDINGS

**1. The New District appears to be financially viable and financially sustainable.** Our findings suggest that the New District would be financially viable and sustainable. Based upon our research and the review of numerous datasets, we believe that it is feasible for the City of Orem to create their own school district, which is consistent with the conclusions reached by ASD previously in their 2017 study. In 2021 ASD concluded that a split is inevitable.<sup>42</sup> Our findings are based on revenue provided through local, state and federal sources. Using 2022 property tax figures, the estimated property tax valuation per student within the New District would be \$479,611. The assessed valuation per student within the current ASD boundaries is \$441,984. The estimated assessed property tax value per student for the Remaining District after a split and excluding students from Orem would be \$433,326. (See financial documentation and graphs in Chapter 1 "Financial Reports".)

We anticipate that the New District will continue to be sustainable based on the assumption that property values in the City of Orem will continue to rise (2022 property values increased 28.6% in Alpine and 25.3% within the boundaries of the proposed New District)<sup>43</sup>, and based on the expectation that the City of Orem continues property tax revenues from its business sector, as a result of increased commercial holdings and increased assessment of commercial property values.

When forecasting future property tax revenues, we have followed the process that would be used by the property tax assessors to determine the property tax rate to apply to future years. We have estimated future expenditures, subtracted State, Federal, and other local revenues, and have then estimated the amount of property tax required to cover remaining expenditures. The continued increase in tax revenues will be based on changes in future property values and will not be impacted by a decision to create the New District. Changes in property tax rates dedicated to funding education will occur only if voters choose to increase tax rates over time through the decision to increase operating expenses or school capital investment. Forecasted revenues for the fiscal year ending June 30, 2023, for the proposed New District would be approximately \$147 million.

Utilizing data provided by ASD and the State of Utah regarding current expenditures in ASD, DEC has forecasted expected future expenditures within the proposed New District. After applying assumptions regarding inflation and future enrollment, DEC believes that the New District can continue to expend resources at the current level in order to provide the current level of

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<sup>42</sup> Ibid

<sup>43</sup> Utah County Clerk, Certified Rate, June 2022 Property Values

compensation and resources utilized by the schools within the Orem city limits. It is assumed that the current level of expenditures will be required in order to sustain the current quality of student education and teacher instruction. Forecasted expenditures for the fiscal year ending June 30, 2023, for the proposed New District would be approximately \$147 million.

Due to the method used to estimate property taxes, there is not a calculated surplus or deficit. However, there are recommendations for potential cost savings that a newly elected school board could utilize to enhance programs and services as desired. These cost savings include 'shared services agreements' with the City of Orem and neighboring school districts and a reduction in district office administrative costs. Potential shared-services or cost savings agreements include: shared ground and building maintenance; shared information technology; transportation (bus), garage, and vehicle maintenance; food services in creating a centralized kitchen to serve the current schools in Orem and to share food services with other school districts; Special Education and Special Needs in creating a school for medically fragile and severely handicapped students for multiple school districts; multiple school districts' Student Health Services (nurses, psychologists, counselors, advocates); Student & School Safety (security personnel); Title 1; Curriculum & Staff Development.

#### **Alpine School District Current Debt Obligations**

ASD's outstanding debt is currently \$538 million for the year ending June 30, 2022. Orem property owner's share of the existing debt is approximately \$105 million. The City of Orem has 19.44% of the property value in the Alpine School District (\$9.7 billion estimated taxable value divided by Alpine's \$49.9 billion estimated taxable value). (See Chapter 1.5 for further information regarding the allocation of existing debt.)

#### **Proposed 2022 Alpine School District General Obligation Bond**

On May 10, 2022, during its work meeting, the Alpine School Board discussed the issuance of a new \$595 million dollar bond, or approximately \$600 million dollars.<sup>44</sup> If the Orem City Council moves forward with creating the New District, the \$600 million bond issue will also appear on the same ballot. There are several likely scenarios that may occur and that could negatively impact Orem.<sup>45</sup>

If the \$600 million bond passes and if the proposed New District measure fails. Orem residents would be responsible for approximately \$116 million of the \$600M bond to be paid over the next 20 years (\$595 million bond x 19.44%). This is true whether Orem's schools receive no allocation (\$0) or a generous \$200 million allocation from the \$600 million bond. This proposed bond, would

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<sup>44</sup> See Lehi Free Press article dated May 11, 2022, which can be found at the following link: <https://lehifreepress.com/2022/05/11/alpine-school-district-to-survey-voters-on-possible-595-million-bond-request/>

<sup>45</sup> See Chapter 1.6 Summary & Conclusions in the Financial chapters, for detailed ASD \$600 million bond scenarios that could have negative impacts upon Orem taxpayers.

in fact, more than double the amount of bond debt owed by Orem residents. Orem resident's share of ASD's bond debt would grow from \$105 million currently to approximately \$221 million (\$105 plus \$116).

Under a second scenario, if the \$600 million bond passes and the New District measure passes. Orem residents may be responsible for approximately \$116 million of the \$600 million bond to be paid over the next 20 years (\$595 million bond x 19.44%). Under these circumstances, a prorata share of the new debt would be borne by Orem taxpayers regardless of the allocation of bond proceeds to schools within the Orem city limits. The proposed bond would increase the amount of debt to be repaid by Orem taxpayers by more than double the current amount in bond debt owed by Orem residents. Orem resident's share of ASD's bond debt would grow from \$105 million to approximately \$221 million (\$105 million plus \$116 million).

## **2. Orem student test scores and student academic achievement appears to be declining.**

There are major areas of concern of DEC's finding that can possibly have impacts upon students and teachers:

- The appearance of alteration and distortion of student and school testing reporting by ASD, as compared to the same ASD student test scores reported by the Utah State Board of Education.
- Evidence that most of the ASD's schools located in Orem have declining student test scores – as reported in Chapter 2.1).

DEC discovered significant disparities in student test score data provided by ASD compared to the Utah State Board of Education official test score results. When a school district fails to generate or report accurate and usable student testing data local school administrators and teachers are deprived of an extremely important and reliable best practice to assess student academic learning and curriculum instruction.

Test scores are a measurement of equity and access. Our Study found declining Orem student test scores and declining student academic achievement. In the last five years, district and state testing data, has revealed declining student academic achievement, particularly in ASD schools located in the City of Orem.

The large majority of schools located in the City of Orem have experienced a continual decline in student test scores for the past five years, well before the COVID epidemic. State testing during the 2019-2020 did not occur. As of June 15, 2022, the State Board of Education has still not posted the RISE/ASPIRE test results for 2022 (testing occurred in April/May 2022).

Studies have shown one of the best proven methods to reverse the decline of student test scores and improve student academic learning is increasing teachers' salaries and benefits.

**3. Our findings are that the New District would not be required to increase property taxes based on the current levels of funding, based on the New Districts proportional share of current ASD overhead expenses and based on the current level of services located within the New District.** Our Comprehensive Feasibility Study found that if the New District were formed in the City of Orem that, in order to maintain the status quo, there would be no need to increase property taxes. As stated in the prior summary findings in the last five fiscal years, taxpayers in Orem have paid approximately \$236 million in property taxes to ASD. In return, ASD has transferred approximately \$51 million back to students attending schools in Orem. Approximately \$30 million per year, or more, could be 'redirected' towards smaller class sizes and teacher salaries by Orem if the New District is created.

DEC made a GRAMA request to ASD asking for evidence and documentation about a statement made by an ASD Board member who stated Orem residents will have a 36% tax increase if the New District was formed. Apparently, such a statement was erroneous as in ASD's response: "With regards to the request for records that support statements made by Ada Wilson, (an ASD school board member representing Orem), Alpine School District does not have records responsive to this request".

**No property tax increase for east-side communities if a split of the Alpine School District had occurred in 2006.** The 2004 Pioneer School District study commissioned by the Utah County Commissioners was conducted to research a potential split of ASD, and to form the New District for the City of Lehi and west side communities. The Pioneer study found notable increases in property taxes for west side communities and for the City of Lehi, but no tax increases for east-side communities, including the City of Orem. In fact, the 2004 Pioneer study and its Ad Hoc Advisory Committee concluded that if the proposed Pioneer School District were created, taxes in the City of Lehi, and cities to the west, would increase as much as 90%. In contrast, the creation of the proposed Pioneer School District would result in the cities to the east, including the City of Orem, realizing a decrease in taxes of 11-17%.<sup>46</sup>

**4. 2022 & 2006 FEMA Studies found thirty-four (34) ASD Schools Seismically Unsafe.** It is often mentioned that the "Earthquake itself doesn't kill, it's the poor design of buildings that leads to disaster".<sup>47</sup> The best way to save lives is to design structures that can withstand earthquakes and retrofit old buildings to fit the code.<sup>48</sup>

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<sup>46</sup> New Pioneer School District Study, 2004, ad hoc committee appointed by the Utah County Commissioners

<sup>47</sup> <https://blog.framecad.com/blog/earthquakes-dont-kill-poorly-designed-and-constructed-buildings-do>

<sup>48</sup> Rapid Visual Screening of Buildings for Potential Seismic Hazards: Supporting Documentation, FEMA, Third Edition, Applied Technology Council, Redwood City, California 2015, page 1.1; [https://www.fema.gov/sites/default/files/2020-07/fema\\_earthquakes\\_rapid-visual-screening-of-buildings-for-potential-seismic-hazards-supporting-documentation-third-edition-fema-p-155.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_earthquakes_rapid-visual-screening-of-buildings-for-potential-seismic-hazards-supporting-documentation-third-edition-fema-p-155.pdf)

The 2022 FEMA Study<sup>49</sup> was an inventory study that identified 34 school campuses in the Alpine School District with known and likely under-reinforced masonry (URM) construction that is deemed seismically (earthquake) unsafe and schools with a rapid visual screening (RVS) score of 2 or less (meaning a detailed engineering investigation should be conducted). These 34 schools with unsafe URM construction concerns and RVS scores of less than 2 are almost universally located on the east side of the school district, in Utah County, bordering the Wasatch Fault Line. Many Orem schools are seismically unsafe for students and these schools have been neglected for FEMA safety compliance. Twelve (12) of the ASD schools with seismic problems are located within the City of Orem, which is 35% of the identified total unsafe schools in ASD's portfolio. The 2022 FEMA study referenced a 2006 ASD study which warned that these schools were seismically unsafe and presented earthquake hazards. Unfortunately, in the last 16 years ASD has not adequately addressed the 2006 FEMA concerns and warnings in its unsafe schools, nor has it made the public and parents aware of this danger. Three Orem schools identified in the 2006 study as unsafe remain un-remediated (Orem Junior High, Sharon Elementary, Windsor Elementary), and two were demolished/eliminated (Hillcrest Elementary and Geneva Elementary) without replacement.

This should be a grave concern regarding the health and safety of ASD's students, teachers, district leadership, and its school board members. Rob Smith, ASD Business Administrator, cautioned the ASD school board about "significant capital needs that have been deferred from recent budgets, rebuilds the district has committed to and multi-year projects which need to be finished".<sup>50</sup> **School structural repairs and seismic safety should be the school district's highest priority, even before the consideration of new schools for existing or expected student growth.** Such priority is stressed by the 2022 FEMA Study.

The 2022 FEMA Study makes these conclusions that school districts should seriously consider:

- Establish a target date for all URM schools to be repurposed, retrofitted, or demolished
- Include under-reinforced masonry (URM) school buildings in mitigation initiatives.
- **These buildings are highly vulnerable to damage and collapse during earthquakes.**
- Schools are vitally important places. They are places where children are educated, and children are required by law to attend school. As a result, schools are widely recognized as needing to be among society's safest structures.

**It is very important to note the following findings of this Study.**

In May 2006, Orem residents submitted 1,000+ signature petition to the Orem City Council requesting to split from ASD. In July 2006 the Orem City Council approved a feasibility study to

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<sup>49</sup> Utah K-12 Public Schools Unreinforced Masonry Inventory, February 2022, Applied Technology Council

<sup>50</sup> <https://lehighfreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>

split from ASD. The study results gave several options, from the New District in Orem to 4-city district with Orem, Lindon, Pleasant Grove & Vineyard. In August 2006 the Orem City Council voted whether to include the school district split on the ballot. The August 2006 motion was defeated in a 3-4 vote, so the ballot proposal was not pursued.

Alpine School District (ASD) had received the results of the Seismic Vulnerability Assessment performed by Reaveley Engineers & Associates in August 2006. In the same month, the Orem City Council considered a school feasibility study presented by a local firm. The 2006 study did not mention or discuss the financial concerns of seismic repairs that were outlined in the 2006 Seismic Vulnerability Assessment performed by ASD.

In 2017, ASD performed a school district feasibility study for the Orem City Council. DEC could find no documentation that ASD disclosed or mentioned the numerous schools that were listed in the 2006 Seismic Vulnerability Assessment or the findings of that Seismic Vulnerability Assessment that many Orem schools remained seismically and earthquake unsafe for students, teachers, school staff and parents.

If Orem had voted to leave ASD in 2006, and become the Local Education Agency (LEA) in 2009, Orem would have retained \$570M in tax revenues (2009-2021). Since 2009, Orem received \$87M of ASD's \$815M of bond allocations, or 10.67% of all bond allocations, despite having 25.08% of the property values. **Orem could have used these funds to pay for needed seismic improvements to its schools, and may not have found it necessary to eliminate Hillcrest, Geneva and Polaris Schools.**

**5. Retain & Recruit Teachers through Salary & Benefits Increases in order to Bring Class Sizes Down.** The Study compared the average teacher salary per district in 2021, as well as the average administrator salaries and district superintendency salaries. (See graphs in Chapter "Teacher Salaries")

The average ASD's teachers, administrators and superintendency salaries were compared to the average salary for the same positions in the Jordan, Nebo, Canyons, Provo and Park City school districts. Of the school districts included in the analysis, ASD had the largest disparity between the average teacher salary compared to the average administrator salary. The average teacher salary was measured at \$54,965, while the administrator's salary was measured at \$101,135, a difference of \$46,170.

By Comparison, Provo City School District's average teacher salaries in 2021 were \$52,389, and its administrators' average salaries were \$91,157, for a difference of \$38,768. Park City school district had was one of the lowest teacher and administrator average salary disparities in the State of Utah with only a \$8,980 difference between its teachers' average salaries at \$64,146 (highest in the State of Utah) and its administrative average salaries at \$73,126 (one of the

lowest in the State of Utah.)

Of the six school districts, ASD's average teacher salary (\$54,965) trailed Jordan (\$58,698), Canyons (\$62,376), and Park City (\$64,146) and led Provo (\$52,389) and Nebo (\$40,233), which had the lowest average of the six districts included in the analysis.

Nationwide elementary, middle, and secondary school principals earned a median salary of \$98,420 per year in 2021.<sup>51</sup> The median annual wage for high school teachers was \$61,820 in May 2021.<sup>52</sup> In 2021, median pay for elementary school teachers was \$61,350 per year; and middle school teachers were \$61,320.<sup>53</sup> The average nationwide mean K-12 teacher salary in 2021 was \$62,497.

ASD's teachers' salaries as of Fiscal Year 2022 are approximately \$7,532 below the nation's average mean salary. ASD's administrators' salaries are approximately \$2,715 above the nation's average mean salary. The largest disparity between administrative and teacher salaries of Utah school districts surveyed by this Study was the ASD. In 2021, twenty-nine (29) ASD district office administrators' combined salaries and benefits cost more than \$5.5 million.<sup>54</sup>

The table in the Chapter 3.1 reports how much in each of these 29 district office administrators earned in 2021. It reveals how these 29 administrative salaries have escalated in the last six years. (Note: Normally 28 administrative salaries but a change in the ASD Superintendent role was made July 1, 2021. Hence the duplicity of titles for the 2021 fiscal year.)<sup>55</sup>

Our research suggests that there is positive correlation between that linked increased teacher pay and benefits and to increased student academic performance and quality classroom instruction.<sup>56</sup> The Study strongly recommends raising teacher pay and benefits, especially for early career professionals.

Stanford University Hoover Institution's 2020 research study, "The Unavoidable: Tomorrow's Teacher Compensation," found teachers on average earn 22 percent less than people with

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<sup>51</sup> Bureau of Labor Statistics, Occupational Outlook Handbook, Middle and High School Principals: <https://www.bls.gov/ooh/management/elementary-middle-and-high-school-principals.htm>

<sup>52</sup> <https://duckduckgo.com/?q=bureau+of+labor+statistics+teacher+salary&t=chromentp&atb=v314-1&ia=web>

<sup>53</sup> Bureau of Labor Statistics, <https://www.bls.gov/ooh/education-training-and-library/middle-school-teachers.htm>

<sup>54</sup> [Transparent.utah.gov](https://transparent.utah.gov)

<sup>55</sup> Board selects new leader of Utah's largest school district, Deseret News, Oct. 27, 2020. <https://www.deseret.com/utah/2020/10/27/21536673/news-alpine-school-district-new-superintendent-shane-farnsworth>

<sup>56</sup> Ibid

comparable educational attainments.<sup>57</sup> Increasing K-12 teachers' salaries and benefits acknowledges their critical and essential service to children's education. Increasing compensation provides the best leverage available to improve student achievement. Research shows a direct correlation between teachers' salaries and student achievement, especially among low-income and English language learners.

- Higher pay for teachers has a direct correlation to students achieving higher performance on test scores. Raising teacher wages by 10% reduces high school dropout rates by 3% to 4%.<sup>58</sup>
- Teacher salary increases have long-term benefits for students. A 10% increase in per-pupil spending for each of the 12 years of education results in students completing more education, having 7% higher wages, and having a reduced rate of adult poverty. These benefits are even greater for families who are currently living in poverty.<sup>59</sup>
- Increasing teacher pay results in: Boosting teacher morale; fewer teachers working second jobs; reduced turnover, which increases student performance.<sup>60</sup>
- When teachers' salary increases, the quantity & quality of teacher applicants increases.
- Teachers deserve a living wage that allows them to support a family, provide affordable healthcare and retirement benefits, and allows them to pay off student debt.<sup>61</sup>
- Teachers are currently paid 20% less than the average college graduate with similar education levels. One in five teachers holds down a second job to make ends meet.<sup>62</sup>
- Teachers will have less future dependence on government programs.<sup>63</sup>

**6. K-12 Class Size and Student to Teacher Ratio Appear to be Increasing.** Our Study found that average class size within ASD has increased dramatically in the last few years.

### **Advantages of Reducing Class Size**

Several studies have shown that reducing class size increases overall student achievement, especially for younger, disadvantaged children. The following are some of the benefits of fewer students in a classroom.

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<sup>57</sup> <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%202020%20HESI%20teacher%20compensation.pdf>

<sup>58</sup> <https://direct.mit.edu/rest/article-abstract/82/3/393/57185/Examining-the-Link-between-Teacher-Wages-and?redirectedFrom=fulltext>

<sup>59</sup> <https://direct.mit.edu/rest/article-abstract/82/3/393/57185/Examining-the-Link-between-Teacher-Wages-and?redirectedFrom=fulltext>

<sup>60</sup> <https://marcolearning.com/impact-of-teacher-turnover-on-student-learning/>

<sup>61</sup> <https://www.theguardian.com/us-news/2018/sep/05/teachers-on-what-they-solve-crisis-americas-classrooms>

<sup>62</sup> Ibid

<sup>63</sup> <https://www.americanprogress.org/article/fact-sheet-yes-increase-salaries-teachers/>

- Students receive more individualized attention and interact more with the teacher.
- Teachers have more flexibility to use different instructional approaches.
- Fewer students are less distracting to each other than a large group of children.
- Teachers have more time to teach because there are fewer discipline problems.
- Students are more likely to participate in class and become more involved.
- Teachers have more time to cover additional material and use more supplementary texts and enrichment activities.<sup>64</sup>

A DEC team survey of ASD elementary schools, and parents' responses through Orem's SeamlessDocs portal in Orem reported classes for the 2022-2023 school year may dramatically increase approximately 23%. On March 4, 2022, teachers at Northridge Elementary were told by school administrators the following regarding class size for the 2022-2023 school year: 3<sup>rd</sup> grade – 37; 4<sup>th</sup> grade-37; 5<sup>th</sup> grade-33; 6<sup>th</sup> grade-33. When parents brought up this issue in a March 9, 2022, Northridge Elementary PTA meeting, the ASD's administration denied the statements. The following numbers for Northridge Elementary were confirmed by ASD senior administrators in an April 14, 2022 meeting: 3<sup>rd</sup> grade – 34; 4<sup>th</sup> grade – 37; 5<sup>th</sup> grade – 34; 6<sup>th</sup> grade – 34. These numbers may change by fall 2022-2023 as enrollment fluctuates.

Lone Peak High School reported it had 70 & 77 students in two of its language arts classes during the 2021-2022 school year.<sup>65</sup> Provo City School District is a neighboring school district with similar economic demographics and student population as the proposed New District. In comparison, ASD district wide median class size for the 2021-2022 school year was: elementary 25.9; junior/middle 33.9; high school 30.3. Provo City School District had significantly lower median class sizes than ASD in elementary and junior/middle: elementary 20.6; junior/middle 25.5; high school 32.5. (Graphs of 2022 Median Class Sizes by District are found in the Study's chapter on "Class Size")

The Study found the west side of ASD has increased class sizes and student-to-teacher ratios because of the increase in student enrollment and the lack of enough schools to accommodate the enrollment growth. The east side schools of ASD, including those schools in the City of Orem, have experienced increased class sizes because financial funding and resources that could pay for more teachers have been transferred to the west side to accommodate west side growth.

In the last five fiscal years, taxpayers in the City of Orem have paid approximately \$236 million in property taxes to the Alpine School District. In return, ASD has transferred approximately \$51 million back to students attending schools in Orem. The \$185 million difference that Orem

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<sup>64</sup> "Why we should reduce class size", Mark Waller, TEDx event using the TED conference format <https://www.youtube.com/watch?v=hQyc-Vc2rnc>

<sup>65</sup> <https://www.schools.utah.gov/data/reports?mid=1424&tid=1>, see Median Class Size link, "Classes Dataset Oct SY2022" tab

taxpayers paid to ASD, went to help fund student growth and related services in ASD west side schools.

**7. It Appears ASD is Not Providing Equal Student Access to its Specialty Classes in Orem.** It is important to note one of the conditions to split ASD espoused by ASD was "the issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved".<sup>66</sup> The Study found evidence this may be happening in ASD.

Our Study found what appears as unequal access to ASD's Specialty Classes for students in Orem. A careful evaluation was made of all ASD schools' Specialty Classes (Art; Chinese, French, Spanish, and Portuguese immersion; Music; Physical Education; Science; Dance; Drama; Humanities; Fine Arts; Health; Advanced Learning Labs (ALL); Science Technology Engineering & Math (STEM); Christa McAuliffe Space Center; Social/Emotional Wellness; Science Technology Engineering Arts Math (STEAM); Cultural Connections; Performing & Eclectic Arts).

Students within the seven Title I (low-income families) funded ASD schools in the City of Orem appear to have been denied full and equal access to Specialty Classes as compared to students' accessibility to the district's Specialty Classes in the west and north end of ASD, which are in more affluent communities. The same can be true of access to the three ALL (advanced learning labs) schools that are located in more affluent neighborhoods and are not close to major transportation corridors, making transportation to, and participation in, these ALL programs difficult for lower income students.

**8. Large School Districts (over 20,000 students) Do Not Achieve Better Operational Performance at a Lower Cost Under the Assumption That Bigger is Better.** DEC was asked by Orem parents and residents to address the question: *'Are larger school districts more efficient in operation and providing better quality education to students (economies of scale) than smaller school districts?'* Our Study has researched this important question to find an answer.

After an extensive review of the research and literature our Study found large school districts (over 20,000 students) do not achieve better operational performance at a lower cost due to the assumed 'economies of scale' theory that bigger is better. Review of studies found large school districts foster "sluggish bureaucracies" with negative student academic achievement, especially upon secondary students. Smaller school districts (under 20,000) are the best for students, teachers, and parents. The New District would have approximately 15,000 students.

A landmark study published in 2019, analyzed data from the 99 largest school districts in America, including data from the Alpine School District (42<sup>nd</sup> largest in the US). The results showed there was no validity that larger school districts were better than small districts and "the

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<sup>66</sup> <https://lehighfreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>

data indicates that significant inefficiencies exist in large districts".<sup>67</sup> This research supports a 2003 study by the California State Office of Education that found "controlling for characteristics of the student population and other environmental factors, including class and school size, large school districts size hinders educational achievement, having its biggest impact on middle school students".<sup>68</sup> Assuming this scholarly research is accurate, a smaller school district can have more positive impacts upon students learning and student achievement than a larger district.

One might ask: 'What is the basis for this finding?' An answer appears to be smaller school districts can become more approachable and responsive to parents and patrons. Parent comments reported to DEC during this Study included anecdotal remarks from parents moving to Utah from states with small school districts where parents were on a first name basis with the district superintendent, district administrators, as well as local school principals and classroom teachers. Parents reported that in smaller school districts seeking additional services and help for their special needs students was simple and efficient as they knew exactly who to contact for help. But having moved to a larger school district, the same parents reported they were confused who to talk to at the district level for help because even the personnel in their child's local school didn't know who to contact for student services and assistance.

Smaller school districts appear to have a more mutually respectful learning and work environment between the superintendent and school principals; principals with teachers; and teachers with their students. There exists a greater probability that they all will know each other well and this will foster better understanding, respect and support, one to another. It is much easier to effectively implement new educational and operational strategies in a smaller school district. A Chicago study found that smaller school districts resulted in improved student academic performance, parent and teacher satisfaction.<sup>69</sup>

After an extensive review of the research and literature our Study reports the 'sweet spot' for effective and high student achievement school districts, regardless of socio-economic factors is between 7,000 to 20,000 students.

**9. Trends and Practices to Consolidate Two or More Schools Into One Larger School Does Not Appear to Work.** DEC was asked by Orem parents and residents to address questions regarding the impact larger student enrolled schools have on students' emotional and physical welfare, as well as students' learning and teacher classroom instruction.

DEC found that consolidating two smaller schools into one larger school does not necessarily

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<sup>67</sup> The Social Science Journal, vol.44, 2007 - Issue 4

<sup>68</sup> D Driscoll, et al. Economics of Education Review, 2003

<sup>69</sup> Wasley, P.A., Fine, M., et. al., "Small schools: Great strides – A study of new small schools in Chicago", 2000. New York, NY: Bank Street College of Education.

lead to operating-cost savings or an increase in student achievement and student test results. **It appears that** ASD has a practice of closing smaller neighborhood schools in Orem to save money to devote more money to building new facilities in the west areas of ASD. Orem now has 13 elementary schools, however five years ago Orem had 15 elementary schools.<sup>70</sup> ASD has an established trend to consolidate two or more elementary schools into one elementary school resulting in a student enrollment over 1,000. Julie King, ASD school board member, stated ASD will have an additional "13 elementary schools that will have more than 1,000 students (each) by 2026".<sup>71</sup>

**The research is rich in supporting smaller, neighborhood schools (less than 400 students) over larger schools.** Studies have found there are additional costs to large, consolidated schools that small schools avoid.<sup>72</sup> Small schools found fewer bullying incidents, more attention to student mental and emotional health and awareness, and less student misbehavior and discipline problems. Small schools have higher teacher retention rates, higher quality of teacher instruction and student learning, greater parent involvement, greater academic success, and produce high student graduation rates regardless of socio-economic status.<sup>73</sup>

#### **Educational Infrastructure Costs: Buildings**<sup>74</sup>

Size of school in our Comprehensive Feasibility Study measured by total square feet vs. planned enrollment and came up with the following findings:<sup>75</sup>

- Doubling square feet of the project increases costs by 91 percent
- Two-school vs. one-school option increases construction costs by 4.7 percent
- "Very large school" projects increase costs from 8 to 12 percent

Another relevant source that weighs in on educational infrastructure costs is the study by Craig B. Howley of Ohio University, which questions the view that economies of scale necessitate the construction of larger schools. Howley found that smaller schools are less expensive than larger schools per square foot. Howley also found:<sup>76</sup>

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<sup>70</sup> Hillcrest was demolished and combined with Scera Park to become Centennial. Geneva was torn down and combined with Suncrest to become Parkside

<sup>71</sup> <https://lehifreepress.com/2021/12/17/alpine-school-district-board-begins-2022-bond-talks/>

<sup>72</sup> Howley, Craig B. 2005. "Don't Supersize Me: The Relationship of Planned Construction Cost to Planned School Enrollment in the U.S." Presented at the Annual Meeting of the International Society for Educational Planning. Bologna, Italy, October.

<sup>73</sup> <https://smallschoolscoalition.org/the-cost-of-small-schools-a-white-paper/>

<sup>74</sup> Wasley, Patricia A., Michelle Fine, Matt Gladden, Nicole E. Holland, Sherry P. King, Esther Mosak, and Linda Powell. 2000. "Small Schools: Great strides. A Study of New Small Schools in Chicago." New York: Bank Street College of Education.

<sup>75</sup> Azari-Rad, Hamid, Peter Philips, and Mark J. Prus. 2003. "State Prevailing Wage Laws and School Construction Costs." *Industrial Relations* 42 (3): 445–457. doi: 10.1111/1468–232X.00299.

<sup>76</sup> Howley, Craig B. 2005. "Don't Supersize Me: The Relationship of Planned Construction Cost to Planned School Enrollment in the U.S." Presented at the Annual Meeting of the International Society for Educational Planning. Bologna, Italy, October.

- Smaller schools allocate 26 percent more space to each student
- Schools of 138–600 students were no more expensive per student to build than 601–999 students
- Schools of 138–600 students were less costly per square foot (\$96 vs. \$110)

Howley's conclusion: do not expect operating-cost savings from consolidating two smaller schools into one larger school.

## CONCLUSIONS, FINDINGS, RECOMMENDATIONS

In 2017 the ASD was asked if it was feasible for the City of Orem to create its own school district? ASD's answer was, "Yes". It is also our opinion that "Yes" is the correct answer today.<sup>77</sup> After reviewing the available data, DEC determined that increasing growth and school facilities needs of ASD's west side appears to conflict with essential educational, student, teacher and school safety needs throughout ASD. This becomes extremely challenging to correct as ASD's expectation that the district's east side cities, like Orem, will continually fund west side growth for years to come. As has been documented since the release of the 2006 Seismic Vulnerability Assessment, east side communities, such as the City of Orem, have unsafe and aging neighborhood schools. Additional challenges also include a critical need to increase teachers' pay; a reduction in classroom overcrowding; and ensuring that all ASD students have equal access to instructional classes (Specialty Classes).

Our findings and the plethora of research suggest that it will be through local representation and local decisions that repairs, retrofits and/or replacement of the schools in critical need in Orem will be addressed and resolved. Keeping up with the need of new schools for ASD's west side, and repairing, retrofitting or replacing aging and seismic unsafe schools on its east side has proven to be a formidable task for ASD and financially unachievable for ASD. Unless and until there is a change at a state level, or until Orem taxpayers have local representation and decision making, it seems feasible students, parents and teachers in Orem may wait another 16 years (or longer) to resolve the issue with unsafe schools.

Our findings found evidence that ASD continues to depend upon Orem taxpayers to help pass its bonds to build new schools in Lehi, Saratoga Springs and Eagle Mountain. It is telling that the main reason for bond elections, such as the ASD \$595 million bond proposed for this November 2022 ballot, is to pay for new schools to meet student enrollment growth on the west side. Our findings are that previous bond funds have not remedied the hazards in existing schools in critical need for seismic reinforcement. It appears that there is already a fight among cities in ASD to get their fair share of the new bond. A news article dated December 17, 2021, citing ASD board

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<sup>77</sup> "Orem City Council: School Funding Equity – Alpine School District", FY2017 Data Review-Business Team, 15 November 2017, Alpine School District

members discussing the proposed upcoming bond, shows infighting for the funds has already begun.<sup>78</sup>

Questions have arisen, such as, will ASD put Orem's 12 seismic problem schools on the bond, along with the 22 other ASD schools also identified as problematic in the 2022 FEMA report, or will ASD flag the money for only new construction mainly on the west side? ASD has not disclosed the purposes of the \$595 million bond. Based on our review of the 2006 Seismic Vulnerability Assessment, those schools located in Orem may be overlooked at the expense of new schools in high growth areas.

**Issues local to the City of Orem can and must be solved by Orem leaders and residents.**

**Currently a member of the ASD board represents more people than a member of the Utah State Legislature in the House.**<sup>79</sup> This can cause a serious disconnect between local taxpayers and an ever-expanding district, leaving local leaders without power to resolve issues or to make changes.

If the New District is formed, the city would have seven school board members instead of just two. These seven Orem city school board members will be "substantially equal in population" and "contiguous and compact as practicable" to ensure that the voice and will of the people they represent are being heard and met (See UCA 20A-14-201(1)). It is our opinion that local representation may better ensure that all residential and commercial segments, along with the cultural and ethnic diversity of the City of Orem, are best represented.

Conversely, the more distant or underrepresented taxpayers and residents are from their school district and each other, the less residents feel their needs are being listened to and addressed. It should be considered that the New District may result in local representatives advocating for their community schools, for local students and for greater teacher compensation. This change may also displace the current suspicions that school board members in large school districts are more interested in protecting the interest of a district.<sup>80</sup>

Utah County can expect a 101.5% increase in population in the upcoming years, with most of the growth in the west side of ASD. The February 2022 "Utah Long-term Planning Projection Summary" released by the Gardner Policy Institute at the University of Utah reported "Utah County's population is projected to grow from 664,258 on July 1, 2020, to 1,338,222 in 2060.

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<sup>78</sup> Alpine School District board begins 2022 bond talks, Lehi Free Press, December 17, 2021.

<sup>79</sup> "Is ASD accountable to patrons?", Lehi Free Press, October 15, 2020, Joel Wright

<sup>80</sup> The two ASD School Board Members that served in 2006 both expressed their opinion that Orem should stay within ASD during the 2006 debates.

Utah County's economy ranks as one of the most diverse economies in the state.<sup>81</sup> The population in Utah increases approximately 40,000 to 60,000 people each year through births and in-migration.<sup>82</sup> This is equivalent to the creating of a city roughly the size of Riverton, Herriman, Draper or Taylorsville every year. A significant number of new move-ins are on the west side of Utah County where new homes are being built and new communities are being formed.

ASD's phenomenal west side yearly student enrollment growth is comparable to the issues that resulted in the Jordan/Canyons split; and that which was studied by the Ad Hoc Committee appointed to undertake the 2004 proposed split of ASD in the New Pioneer School District Study.<sup>83</sup> The students, teachers, parents and patrons in Orem are faced with this similar scenario.

**Solving educational challenges can be accomplished through city-wide education and community action.**

It is evident from our findings that issues local to the City of Orem are not being resolved by ASD. For these and other reasons as set forth in this Comprehensive Feasibility Study, DEC recommends that the City Council for the City of Orem thoughtfully consider these findings and determine if the New District is in the best interest for the students, the educators and the taxpayers of the City of Orem.

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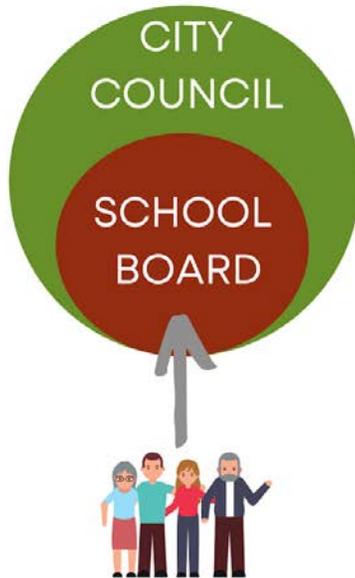
<sup>81</sup> Utah Long-Term Planning Projection Summary, February 2022, Kem C. Gardner Policy Institute, David Eccles School of Business, The University of Utah. Source: Kem C. Gardner Policy Institute, 2020-2060 Projections

<sup>82</sup> <https://www.utahbusiness.com/utahs-population-is-booming/>

<sup>83</sup> New Pioneer School District Study (proposed split of Alpine School District), 2004, ad hoc committee appointed by the Utah County Commissioners

# FUTURE ACCOUNTABILITY STRUCTURE

## CONSTITUENT CONCERNS



### DOUBLE LAYER OF ACCOUNTABILITY

Elected municipal school board members have full responsibility of the school district, but they share in accountability with the elected city council.

## TIMELINE OF ASD SPLIT & NEW DISTRICT DISCUSSIONS, STUDIES, PRESENTATIONS (2004 to PRESENT)

Pioneer District feasibility study completed for Lehi, Saratoga Springs & Eagle Mountain to form its own district.

The Ad Hoc Advisory Committee conducted comprehensive research and concluded that it was not financially feasible for Lehi, Saratoga Springs and Eagle Mountain to form the Pioneer School District.

However, in contrast, the creating of the proposed Pioneer School District would result in the cities to the east, including Orem, **realizing a tax decrease of 10-17%**.

The Utah County Commission decided against putting it on the ballot.

**May 9, 2006.** Residents gave a petition with 1,000+ signatures to Orem City Council requesting to split from ASD. Article in Deseret News May 16, 2006: Dave Cox, former Utah State Legislator said, "the problem is the way we had the legislation [for district splits]... it had to go through a study and **the school district could influence it a great deal.**" Cox helped change the legislation which gave cities power to vote on such splits. The article also stated, "the Orem residents hope to save money by leaving Alpine." <https://www.deseret.com/2006/5/16/19953654/should-orem-split-from-school-district>

**July 11, 2006.** Orem City Council approved a feasibility study to split from ASD. The study results gave several options, from remaining as just Orem to a 4-city district (with Orem, Lindon, Pleasant Grove & Vineyard).

**August 22, 2006.** Orem City Council voted whether to include the school district split on the ballot. The motion was defeated in a 3-4 vote, so the ballot proposal was not pursued. If Orem had voted to leave ASD in 2006, and left by 2009, Orem would have retained \$570M in tax revenues (2009-2021). Since 2009, Orem received \$87M of ASD's \$815M of bond allocations, or 10.67% of all bond allocations, despite having 25.08% of the property values.

Orem could have used these funds to pay for needed seismic improvements to its schools, and not seen the elimination of Hillcrest, Geneva and Polaris Schools.

**August 2006.** Alpine School District received the Seismic Vulnerability Assessment performed by Reaveley Engineers & Associates. **See seismic assessment information, Appendix Timeline A.**

NOTE: There is no indication in Orem City Council minutes this Seismic Vulnerability Assessment was reported to the Orem City Council prior to their August 22, 2006 vote. It was not addressed in the 2006 feasibility study presentation nor as an information item to the City Council prior to their vote.

2004

2006

**November 6, 2007.** East side cities voted to split from the Jordan School District. Cottonwood Heights Mayor Kelvyn Cullimore said, "We think this is going to open a new era for education that will be very positive." See article dated November 7, 2007: <https://www.ksl.com/article/6995427/canyons-district-officially-splits-from-jordan-school-district>.

The West Jordan proposal to form its own school district, separate from the Jordan School District, was defeated in the same voter election. West Jordan City Councilwoman Melissa Johnson said that she would not rule out a future breakaway movement. See article link above.

**July 1, 2009.** The division of the Jordan School District had been completed. The newly created Canyons School District began operations and assumed being the Legal Education Agency (LEA).

Lessons learned from the split and the resulting creation of Canyons caused the Utah State Legislature and Governor to implement new laws to enable an improved future transition process between for existing and the creation of new school districts in Utah. See link dated July 1, 2009: <https://www.ksl.com/article/6995427/canyons-district-officially-splits-from-jordan-school-district>

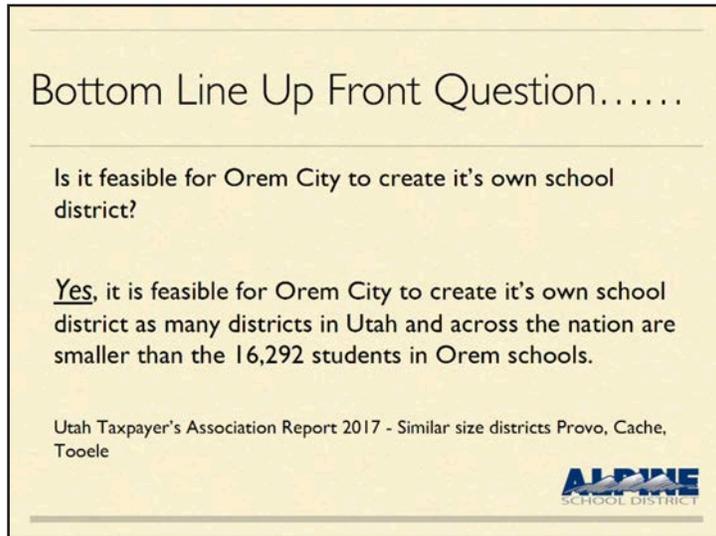
**August 2012.** A group of Orem citizens made a YouTube video discussing the advantages of splitting from ASD and shared on line. <https://www.youtube.com/watch?v=7WFetfK24CU>

2007

2009

2012

**November 15, 2007.** Rob Smith addressed Orem City Council: "Yes, it is feasible for Orem City to create it's [sic] own school district." See slide deck from presentation here:



**December 2017.** Hillcrest Elementary's closure was announced after a 3-month window in which parents could review the proposal and respond. Parents were very angry, and the closure announcement confirmed parents' views "that the needs of the diverse cities within the sprawling Utah County district [were] not being met – prompting them to proceed with a study for forming their own district." Article from Salt Lake Tribune dated December 13, 2017: <https://www.sltrib.com/news/2017/12/13/utah-countys-alpine-school-district-to-consolidate-two-orem-elementary-schools-sparking-talk-of-a-district-split/>

In the same article Senator Margaret Dayton (R-Orem) said, "It isn't fair to expect one school board to meet the demands of a large, fast growing and diverse district."

She added that smaller districts allow for more local control and parent input.

**September 14, 2021.** Members of the ASD School Board agree that a split of the district is inevitable.

"I think that with the district growing as rapidly as it is, I think it is coming, but I don't know when," said Amber Bonner.

Rob Smith, Business Administrator, said that the district could split in 2 or 3 new districts. He said 3 factors could trigger a split: declining academic performance, financial performance, and community engagement.

Julie King (Board Member) said a 4th trigger to split could be the issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved.

Conversations about splits have gone on **for at least two decades.** <https://lehifreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable>

2017

2019

**January 2022.** Orem City Council voted unanimously (7-0) to move ahead with a feasibility study to determine if an Orem City School District is viable.

**March 9, 2022.** ASD Board Member, Sara Hacken told parents at a Northridge PTA meeting that talk of Orem splitting from ASD has been going on for at least 20 years.

**April 4, 2022.** Orem City hired Discovery Education Consultants (DEC LLC) to perform the feasibility study.

**July 12, 2022.** DEC will present the Study findings in a meeting with the Orem City Council.

**August 2022.** City Council to vote whether to include split option on ballot for Orem residents to vote on.

**November 2022.** split option may appear on ballot.

If a vote to split to leave ASD is successful, immediate will take place to hire a highly-qualified Transition Team, and work will begin in earnest towards a new district opening for the inaugural 2024-2025 school year.

**November 2023:** The voters in the new city school district in Orem elect seven (7) school board members. There are five major school board member responsibilities.

- 1) Establish the vision and goals for the school district;
- 2) Know the policies, laws, and regulations that impact the school district;
- 3) Responsible for the hiring and evaluation of the district's superintendent and business administrator;
- 4) Adopt and maintain an annual district budget;
- 5) Serve as leaders & representatives of the community and as advocates for students.

**July 1, 2024:** Orem School District to begin operations, including as the Local Education Agency (LEA). LEA means a public board of education legally constituted within the State of Utah to either provide administrative control or direction of, or perform a service function for public schools serving students. [https://npidb.org/organizations/agencies/local-education-agency-lea\\_251300000x/ut/](https://npidb.org/organizations/agencies/local-education-agency-lea_251300000x/ut/)

**School Year 2024-2025:** Classes begin for the new Orem School District.

The first graduation class of kindergartners in the new Orem School District will occur May 2037.

2022

2023/24

## CHAPTER 1 FINANCIAL EVALUATION

**The New District will be financially viable and sustainable.**

### Financial Analysis

The basic question that needs to be answered with respect to financial viability is will the proposed New District have sufficient cash flows to sustain itself if it separates from the Remaining District. The evaluation of cash flows requires an evaluation of revenues and expenditures. The budget process is extremely important in governmental entities like school districts. Public entities first estimate revenues from all sources, except for local property taxes, then estimate expenditures from all sources, and then budget additional revenues needed from local property taxes to balance the budget. Our model will focus on the three major or primary funds used by school districts in the State of Utah: the General Fund, the Capital Fund, and the Debt Service Fund. Each fund will be evaluated separately, and then combined into a governmental wide analysis of projected revenues and expenses, property tax effects, and the estimated tax burden changes for an average household in the district.

Revenues for school districts come from four sources: state, local property taxes, federal, and other local sources—listed in order of importance.

A major revenue source is the State of Utah through its Minimum School Program (MSP). The MSP is comprised of three parts or programs: Basic School Program, Related to Basic School Program, and the Board and Local Voted Levy Program. The Basic School Program is generally referred to as the Weighted Pupil Unit (WPU) and is the primary source for general education and is unrestricted in its usage. The WPU is largely derived based on the number of students enrolled in a district. The Related to Basic School Program are largely restricted funds that must be used for specific purposes. The Board and Local Levy Program provide matching funds to School Districts to encourage additional local funding of schools.

We will begin our analysis with an evaluation of student enrollment. Enrollment for existing schools within the Orem city limits will be a primary driver in the revenues that will be generated through State and Federal funding sources. We will follow the evaluation of enrollment projections with an analysis of taxable values and the local revenue derived from property taxes. We then present forecasted revenues and expenditures for the general fund, the capital fund, and the debt/bonding fund.

## CHAPTER 1.1 STUDENT ENROLLMENT PROJECTIONS

Each year the Alpine School District provides a report on the expected enrollment trends. Our study has been based on the data provided by ASD in their enrollment history and projections documentation. In connection with that analysis, we have evaluated which schools would be included in the proposed New District and which schools would be excluded. Because of the proximity of schools to the city limits, there are students who reside in the Orem city limits that are currently attending schools that would not be included in the New District, as well as students who reside outside of the Orem city limits that are currently attending schools that would be included in the New District. For the purpose of this study, we have followed the grouping of school clusters and the path of progression laid out in the ASD enrollment projections and have assumed that students will follow the path based on the current school clusters established by ASD.

The current law within the current law (Utah Code Ann. § 53A-2-206.5 through § 53A-2-213 Utah Admin. Code r. R277-437) gives the direction that students may have up to six years to attend schools in the Remaining District or the New District, from the date that the New District becomes the Legal Education Authority (LEA) responsible for the public education of its students. This date will start with the 2024-2025 school year. Students living outside of the municipal boundaries of Orem who had been attending Orem schools before the 2024-2025 school year may continue to do so up until 2030 to choose which district schools to attend.

As a result of the decision to follow the path laid out by ASD, we have made the following assumptions in our projections of revenues. First, we have assumed that the property taxes that support local revenues will be based on where the students reside. Therefore, if a student resides within the Orem city limits, property tax dollars from their residence have been included in the forecasted revenues for the New District. Forecasted tax revenues for students who reside outside the Orem city limits have been excluded from the forecasted revenues of the New District.

Second, revenues received from State WPU funding have been forecasted to follow the school where the student is attending or forecasted to attend school. The funding is based on a per student calculation and therefore it is considered appropriate for the dollars to follow the student. Provisions within the state laws allow for the funds to be used in the school where the student attends and therefore our forecasts are based on school attendance.

Third, as with state funding, federal per student allocations have been forecasted based on where the student attends school. For the same reason that state funds are allocated based on

the school where the student is enrolled, federal funding has been allocated the same way. This includes the allocation of Title I funds that are allocated to a school district based on the student. For the purpose of our study, we have assumed that the Title I funding will be based on the qualifying students and school in which they are enrolled.

The following table presents the schools that have been included in the analysis for the proposed New District:

**Table 1.1.A: Schools Included in New District**

School Name	Address	City
Aspen Elementary	945 W 2000 N	Orem
Bonneville Elementary	1245 N 800 W	Orem
Cascade Elementary	160 N 800 E	Orem
Centennial Elementary	450 W 400 E	Orem
Cherry Hill Elementary	250 E 1650 S	Orem
Foothill Elementary	921 N 1240 E	Orem
Northridge Elementary	1660 N 50 E	Orem
Orchard Elementary	1035 N 800 E	Orem
Orem Elementary	450 W 400 S	Orem
Parkside Elementary	668 W 150 N	Orem
Sharon Elementary	525 N 400 E	Orem
Westmore Elementary	1150 S Main	Orem
Windsor Elementary	1615 N Main	Orem
Canyon View Junior High	655 E 950 N	Orem
Lakeridge Junior High	951 S 400 W	Orem
Orem Junior High	765 N 600 W	Orem
Mountain View High	665 W Center	Orem
Orem High	175 S 400 E	Orem
Timpanogos High	1450 N 200 E	Orem

*Data Source: The addresses above were taken from a file provided by ASD titled "Alpine Facility Stats-FY21.pdf"*

Based on the projections by cluster prepared by ASD, there are two schools for which considerations must be made for students crossing boundaries to continue their education on the path in which they are currently enrolled. First, Aspen Elementary is located in Orem but based on the projections from ASD, 60% of the students are projected to attend Pleasant Grove High School and 40% are projected to attend Mountain View High School. Because the school is located within the Orem city limits, State and Federal per student allocations have been projected as if the school is 100% in the proposed New District.

Second, Oak Canyon Junior High is located outside of the Orem city limits. However, 48% of the

students are projected to attend Pleasant Grove High School in the future and 52% are projected to attend Timpanogos High School. Because the school is located outside of the Orem City limits, State and Federal per student allocations have been excluded 100% from the projections for the proposed New District.

Overall enrollment projections are as follows:

**Table 1.1.B: Forecasted Enrollment for Existing and Proposed New District**

Fiscal Year	ASD Enrollment Projections	New District	Remaining District	New District % of Total	Remaining District % of Total
2023	85,554	14,724	70,993	17.2%	83.0%
2024	86,071	14,561	71,626	16.9%	83.2%
2025	86,447	14,438	72,239	16.7%	83.6%
2026	86,909	14,205	72,860	16.3%	83.8%
2027	87,129	14,043	73,226	16.0%	83.0%
2028	87,422	13,993	73,589	15.8%	84.2%
2029	87,353	13,944	74,589	15.8%	84.2%
2030	87,353	13,897	74,589	15.8%	84.2%
2031	87,353	13,851	74,589	15.8%	84.2%
2032	87,353	13,806	74,589	15.8%	84.2%
AAGR	0.38%	-0.71%	0.60%		

Data Source: Enrollment data through 2026 was provided by ASD through a file titled "Enrollment History & Projections 2021.pdf," which is available on the ASD website. Projections for 2027 and beyond were calculated by DEC based on enrollment trends at each school.<sup>84</sup>

<sup>84</sup> These are ASD's projections. Our findings are based on the 2006 Orem Feasibility Study, where in it was reported that Orem had 15,119 resident students. For the 2021-2022 school year the student enrollment of ASD schools in Orem is 14,882. Between 2006 and 2022 charter schools located in Orem have doubled their student enrollment. ASD has reported that over 1000 Orem students are being home-schooled. It appears Orem has had very little if any decline in numbers of students residing in Orem over the last 16 years.

## CHAPTER 1.2 TAXABLE VALUE ANALYSIS

The taxable property value per student is an important metric within Utah school funding. This is because local property taxes are the distinguishing factor in funding Utah's schools because "property tax, despite its regressive nature, is the primary tool a Board of Education has to meet local needs and 'add resources' to the minimum school program set out in Utah law." <sup>85</sup> A district's property tax revenue is based on the taxable value of property located within the district.

**Table 1.2.A Current and Historical Taxable Values**

General Fund	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23
<b>Alpine School District</b>				
Tax Revenue*	\$121,081,592	\$138,154,263	\$149,709,521	\$152,223,093
General Fund Tax Levy	0.003767	0.003811	0.003721	0.003539
Estimated Taxable Value	\$32,142,710,911	\$36,251,446,602	\$40,233,679,387	\$50,182,668,621
<b>New District (Orem)</b>				
Tax Revenue*	\$8,491,517	\$8,258,807	\$8,972,541	\$9,060,242
General Fund Tax Levy	0.00126	0.001166	0.001094	0.000925
Estimated Taxable Value	\$6,739,299,119	\$7,083,024,443	\$8,201,591,188	\$9,794,856,633

\*Includes delinquent collections and Fees-in-Lieu

Data Source: Utah County Treasurer Annual Reports, Alpine School District

**Table 1.2.B: Comparison of Taxable Value Ratios**

	Taxable Value	TV % of District	2021 Enrollment	Enrollment %	Taxable Value Per Student
Alpine District	\$50,182,668,621	100.0%	83,999	100.0%	\$597,420
New District	\$9,794,856,633	19.5%	14,882	17.7%	\$658,168
Remaining District	\$40,387,811,988	80.5%	69,117	82.3%	\$584,340

Data Source: DEC

To estimate the taxable value of property within a district, the Certified Tax Rate schedules

<sup>85</sup> Slide 3 of District Separation – 2 Areas 2.17.21 produced by the Alpine School District Business Services Office.

and Annual Statements for each jurisdiction within the ASD were obtained from the Utah County Treasurer's website.<sup>86</sup> The Certified Tax Rate schedule for each jurisdiction, for each year, documents the Utah County Assessor's property tax valuation and then the County Clerks and Auditor uses the Alpine School District's approved budget to determine the property taxes required and the tax rate (or mill rate) required raise the required property tax revenue. The Annual Statement, produced by the Utah County Treasurer for each jurisdiction contains the entity's tax rate or mill rate, assessed taxable value of the real and personal property which is determined by the Utah County Assessor, and the state assessed taxable value for centrally assessed property determined by the Utah State Tax Commission. Additionally, each jurisdiction includes the fee in lieu for motor vehicles, delinquent collections, and the tax increment financing (tax reductions approved by the legislative body) provided as incentives by the jurisdiction (city). Once the combined assessed value is obtained, the net assessed taxable value can be obtained by adjusting for the tax increment financing provided within the jurisdiction. Because the local jurisdiction and the school district assessed value is the same, the tax increment financing amount can be divided by the local jurisdiction tax rate to calculate the value subject to tax increment financing, which reduces the amount to be received by a school district. The net amount will be the taxable value of the local jurisdiction. The Certified Tax Rate statement contains the "Proposed Tax Rate Value" which is the taxable base of the jurisdiction under Truth in Taxation. Then Proposed Tax Rate Value can be divided by the number of students per jurisdiction to obtain the taxable value per student.

Alpine School District's taxable value per student in 2020 was \$424,515 according to the Utah Taxpayers Association.<sup>87</sup> ASD ranks 32nd out of 41 Utah school districts—that have an average assessed value of \$840,335 per student. The "Taxable Value" table on the next page is a comparison of current ASD, Remaining District and the proposed New District amongst a group of peer districts. DEC analysis calculates the Estimated Taxable Value per student of ASD in 2021 and 2022 as \$426,285 and \$577,981, respectively.

DEC analysis calculates the **Estimated Taxable Value** per student of the New District in 2020, 2021, and 2022 as \$454,065 and \$475,890, and \$626,447 respectively. DEC analysis calculates the Estimated Taxable Value of the Remaining District in 2020, 2021, and 2022 as \$412,704 and \$415,198, and \$546,060 respectively.

Alpine School District ranks next to last among the peer district comparison group, trailing only Nebo at \$332,089 in 2020. ASD also trails the neighboring Provo School District by \$137,852 in taxable value per pupil. In simpler terms: when there is less taxable value per pupil, there's less property tax revenue. Property taxes are the most important revenue tool available to a

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<sup>86</sup> <https://taxrates.utah.gov/Login.aspx> and <https://www.utahcounty.gov/dept/treas/AnnualStatements.asp>

<sup>87</sup> F2022-School-Spending-Report, Page 8.

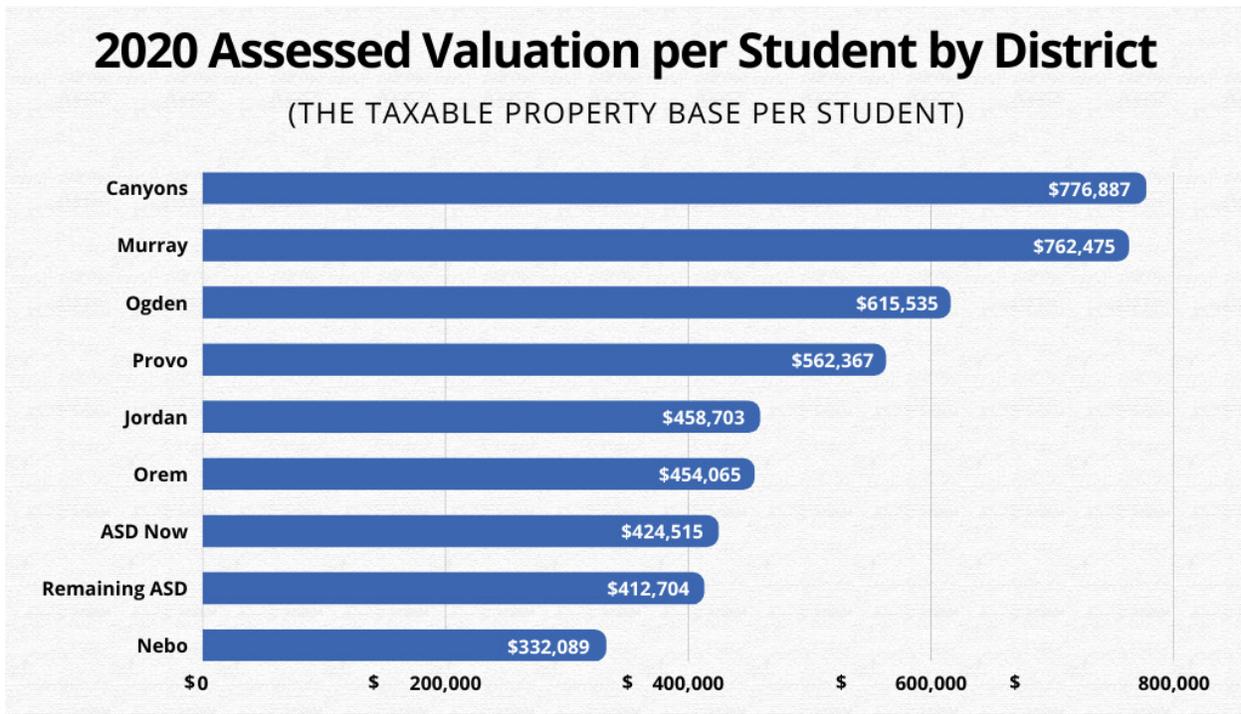
district and can be used in various way towards buildings, supplies, salaries for more teachers to decrease class sizes, computers, audio-visual equipment, etc., whereas other sources of revenue are typically consumed by basic educational needs.

Table 1.2.C

District	2020 Estimated Taxable Value	Oct 1 2020 Enrollment	Taxable Value Per Pupil 2020
Nebo	\$11,734,354,014	35,335	\$332,089
Remaining District	\$27,216,164,593	65,946	\$412,704
Alpine	\$34,219,699,050	80,609	\$424,515
<b>New District</b>	<b>\$6,657,962,091</b>	<b>14,663</b>	<b>\$454,065</b>
Jordan	\$25,734,150,441	56,102	\$458,703
Provo	\$7,489,035,330	13,317	\$562,367
Ogden	\$6,535,136,626	10,617	\$615,535
Murray	\$4,567,987,725	5,991	\$762,475
Canyons	\$25,681,495,928	33,488	\$766,887

Data Source: DEC

2020 Assessed Valuation per Student by District



Data Source: Utah Taxpayers Association, DEC

While ASD ranks low both statewide and among its peer districts, the New District's taxable value per pupil exceeds both the current ASD and Remaining District values. For 2020 and

2021, Orem exceeds the Remaining District by \$41,362 in and \$60,691, respectively. On June 13, 2022, Utah County completed the Certified Tax Rate process for 2022. The growth rate for the Alpine School District was 39.09 percent, the largest in the last 20 years—exceeding the 2007 growth rate of 33.92 percent. Table 1.2.E shows the taxable value per pupil for the New District and Remaining District to be \$626,447 and \$546,060, respectively. The taxable value difference between the New District and Remaining District continued to increase to \$80,387 per student in 2022.

**Table 1.2.D: Taxable Value per Pupil 2021**

District	2021 Estimated Taxable Value	Oct 1 2021 Enrollment	Taxable Value Per Pupil 2021
Remaining District	\$27,648,063,399	66,590	\$415,198
Alpine	\$34,730,251,541	81,472	\$426,285
New District	\$7,082,188,142	14,882	\$475,890

Data Source: USOE, Utah County Treasurer, Alpine School District

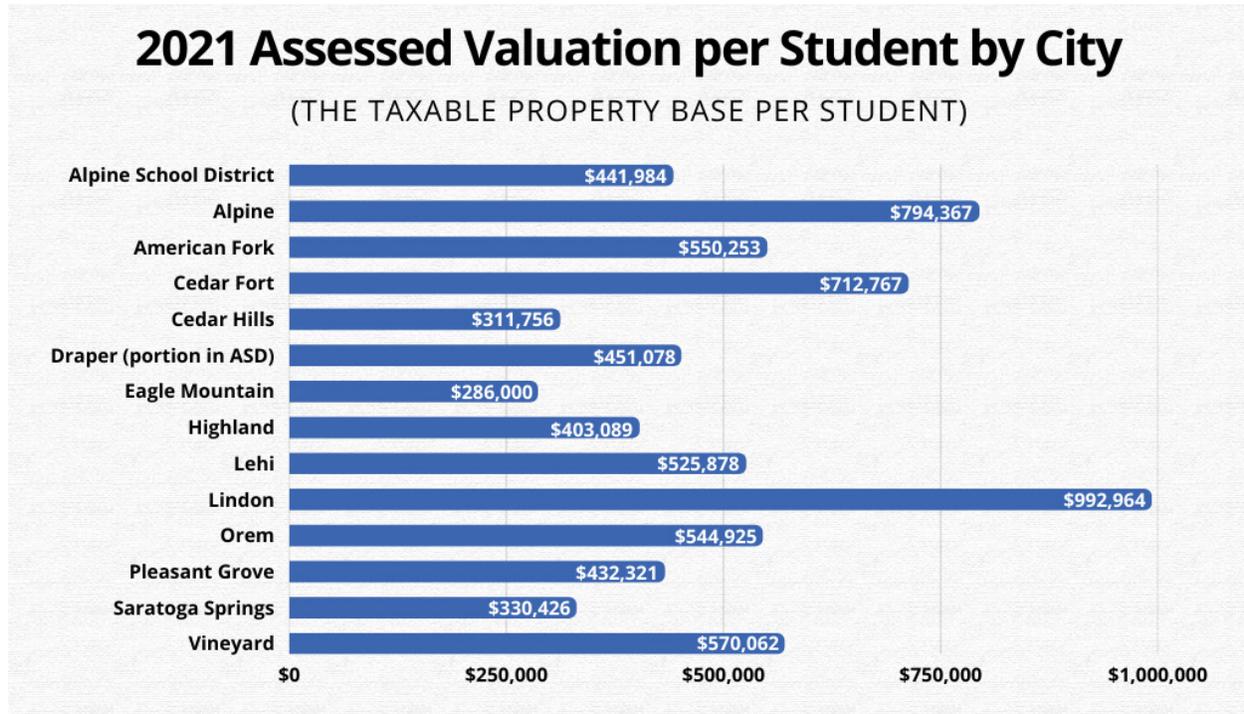
**Table 1.2.E: Taxable Value per Pupil 2022**

District	2022 Estimated Taxable Value	Oct 1 2022 Enrollment	Taxable Value Per Pupil 2022
Remaining District	\$37,865,442,371	69,343	\$546,060
Alpine	\$47,089,248,768	81,472	\$577,981
New District	\$9,223,806,397	14,724	\$626,447

Data Source: USOE, Utah County Treasurer, Alpine School District

A break-down of assessed valuation per student revenues of each city within ASD follows:

2021 Assessed Valuation per Student by City



Data Source: Utah Taxpayers Association, DEC

To forecast future growth of the Projected Taxable Values, DEC tabulated the historic growth of reappraisal (increase in economic appraisal value), historic growth (actual growth), and Proposed Taxable Values. See Appendix X for a detailed calculation of the Taxable Value Forecasts for the Alpine School District, the New District, and the Remaining District.

Table 1.2F, Projected Growth Rates in Taxable Value summarizes Appendix X and uses the following growth rate assumptions for the districts: 6 percent for Alpine School District, 5 percent for the New District, and 6 percent for the Remaining District. While the current ASD and Remaining District, as a whole, grow at a faster rate than the New District's taxable value, the student enrollment growth in the other districts outpaces its taxable value growth. Additionally, while the current ASD and Remaining District grow at a faster rate, during recessions these jurisdictions also shrink at a faster rate. Given the similarities between 2022 and 2007, and reports of recently falling home prices, and the Atlanta FED showing the United States is now in a recession we have forecasted growth conservatively.

**Table 1.2.F: Projected Taxable Value Growth Rate**

Growth Assumptions	ASD	New District	Remaining District
Historic Reappraisal of Taxable Value	3.95%	3.42%	4.22%
Forecasted Reappraisal of Taxable Value	3.00%	3.00%	3.00%
Historic Growth of Taxable Value	5.57%	2.22%	6.87%
Forecasted Growth of Taxable Value	3.00%	2.00%	3.50%
Historic Growth of Proposed Tax Rate Value	10.36%	6.40%	12.04%
Forecasted Growth of Proposed Tax Rate Value	6.00%	5.00%	6.00%

Data Source: DEC

Based on the Proposed Tax Rate Values, we have calculated the relative value of the New and Remaining District as a proportion of the current ASD.

**Table 1.2.G: Proposed Tax Rate Values as a Percentage of Current District**

Year	New District	Remaining District
2023	19.44%	80.56%
2024	19.29%	80.71%
2025	19.14%	80.86%
2026	19.00%	81.00%
2027	18.85%	81.15%
2028	18.71%	81.29%
2029	18.56%	81.44%
2030	18.42%	81.58%
2031	18.28%	81.72%
2032	18.14%	81.86%

Data Source: DEC

It is worth noting that projected future taxable values are influenced by actual new residential and commercial growth, as well as other changes to the Certified Tax Rate System, as discussed by the Utah State Auditor in their analysis of the Utah Property Tax System.<sup>88</sup> As discussed in this section, taxable value figures are an important factor in the feasibility of a new district.

Based on the analysis of Projected Taxable Value, the New District will have more taxable value per student than the Remaining District. Thus, from a Proposed Tax Rate Value perspective, both the proposed New District and Remaining District appear feasible.

<sup>88</sup> <https://reporting.auditor.utah.gov/servlet/servlet.FileDownload?file=01541000001zmfAAAQ>

## CHAPTER 1.3 GENERAL FUND BUDGET ANALYSIS

The General Fund is the largest and most important fund of a school district. Most of the revenue and expenses for instruction and other daily school operations, are charged to the General Fund. The financial revenues in the General Fund are as follows: local property taxes, interest earnings, other local revenues, state funds, and federal funds.

### General Fund Revenues

A comparative analysis of general fund revenues in dollars, per pupil revenue, and percentage analysis was done among our comparison group of school districts, as can be seen in Table 1.3.A. ASD's General Fund revenue ranks first, with an impressive at \$625 million, with highest revenue in the comparison group.

However, on a per pupil basis, a more important metric, since property taxes allow a district to enhance Utah's Minimum School Program, ASD ranks next to last, trailing only Jordan, in General Fund revenue among its peer districts.

ASD also ranks next to last in property tax per pupil at \$1,714, trailing only Nebo. At \$103 per pupil, ASD also ranks next to last in other local funds generated through fees and other local revenue streams. At \$5,299 per pupil, ASD ranks third in state funding per pupil, trailing both Provo and Nebo – it's Utah County peer districts. With Federal Funding per pupil of \$624, ASD ranks below all districts except Jordan and Nebo.

In simpler terms, ASD's low General Fund revenue per pupil limits resources provided by many comparable districts.

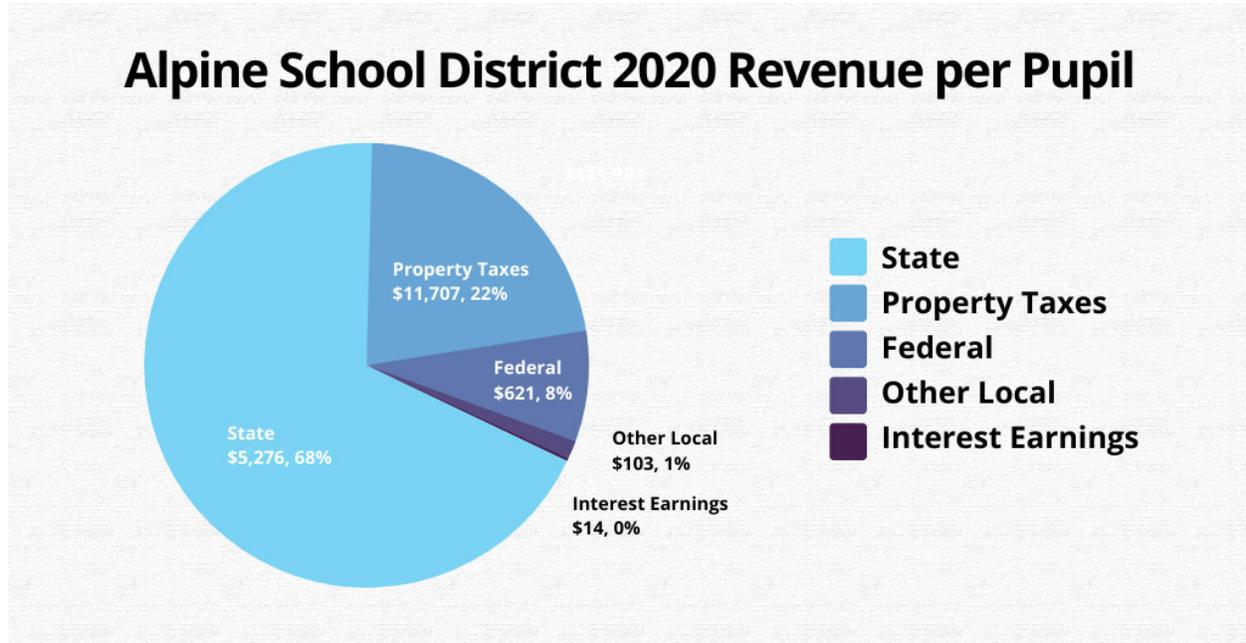
**Table 1.3.A: Historical General Revenues by District**

	Alpine	Canyons	Jordan	Murray	Nebo	Ogden	Provo
Oct 1 2020 Enrollment*	80,953	33,252	57,840	5,991	35,454	10,475	13,623
Property Taxes (\$000s)	\$138,154	\$130,269	\$106,731	\$22,879	\$51,759	\$27,607	\$37,862
Interest Earnings (\$000s)	\$1,147	\$882	\$1,125	\$128	\$480	\$187	\$494
Other Local (\$000s)	\$8,298	\$5,051	\$8,905	\$3,249	\$2,913	\$1,954	\$3,812
State(\$000s)	\$427,111	\$156,335	\$298,391	\$28,866	\$202,679	\$64,182	\$90,308
Federal (\$000s)	\$50,304	\$21,327	\$29,706	\$4,209	\$17,863	\$15,528	\$14,791
Total (\$000s)	\$625,015	\$313,864	\$444,858	\$59,330	\$275,695	\$109,457	\$147,267
Per Pupil							
Property Taxes	\$1,707	\$3,918	\$1,845	\$3,819	\$1,460	\$2,636	\$2,779
Interest Earnings	\$14	\$27	\$19	\$21	\$14	\$18	\$36
Other Local	\$103	\$152	\$154	\$542	\$82	\$187	\$280
State	\$5,276	\$4,702	\$5,159	\$4,818	\$5,717	\$6,127	\$6,629
Federal	\$621	\$641	\$514	\$702	\$504	\$1,482	\$1,086
Total Per Pupil	\$7,721	\$9,439	\$7,691	\$9,903	\$7,776	\$10,449	\$10,810
Percent by Revenue Source							
Property Taxes	22.1%	41.5%	24.0%	38.6%	18.8%	25.2%	25.7%
Interest Earnings	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.3%
Other Local	1.3%	1.6%	2.0%	5.5%	1.1%	1.8%	2.6%
State	68.3%	49.8%	67.1%	48.7%	73.5%	58.6%	61.3%
Federal	8.0%	6.8%	6.7%	7.1%	6.5%	14.2%	10.0%
Total Per Pupil	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Data Source: DEC

ASD per pupil revenue sources for 2020 are shown here, divided by category as explained above:

Chart 1.3.A: Alpine School District 2020 Revenue per Pupil



Data Source: Utah Taxpayers Association, DEC

A comparison between Alpine and Provo, adjacent districts, provides some insights. ASD's General Fund revenue of \$7,754 per pupil is significantly lower than Provo's \$10,810. In every revenue per pupil category, Provo revenue exceeds ASD. Provo property tax revenue per pupil exceeds ASD by \$1,065 (\$2,779 less \$1,714). Provo's other local revenue per pupil also exceeds Alpine by \$177 (\$280 less \$103) per pupil. Provo state funding per pupil exceeds ASD by \$1,330 (\$6,629 less \$5,299). Finally, Provo federal funding per student exceeds ASD by \$462 (\$1,086 less \$624).

Provo's metrics are surprising given that Utah's Minimum School Funding program, the largest portion of school district funding, is designed to equalize resources across districts. This comparison begs the following question: Is ASD maximizing the available revenue sources?

A side-by-side comparison of ASD and Provo District revenues by categories:

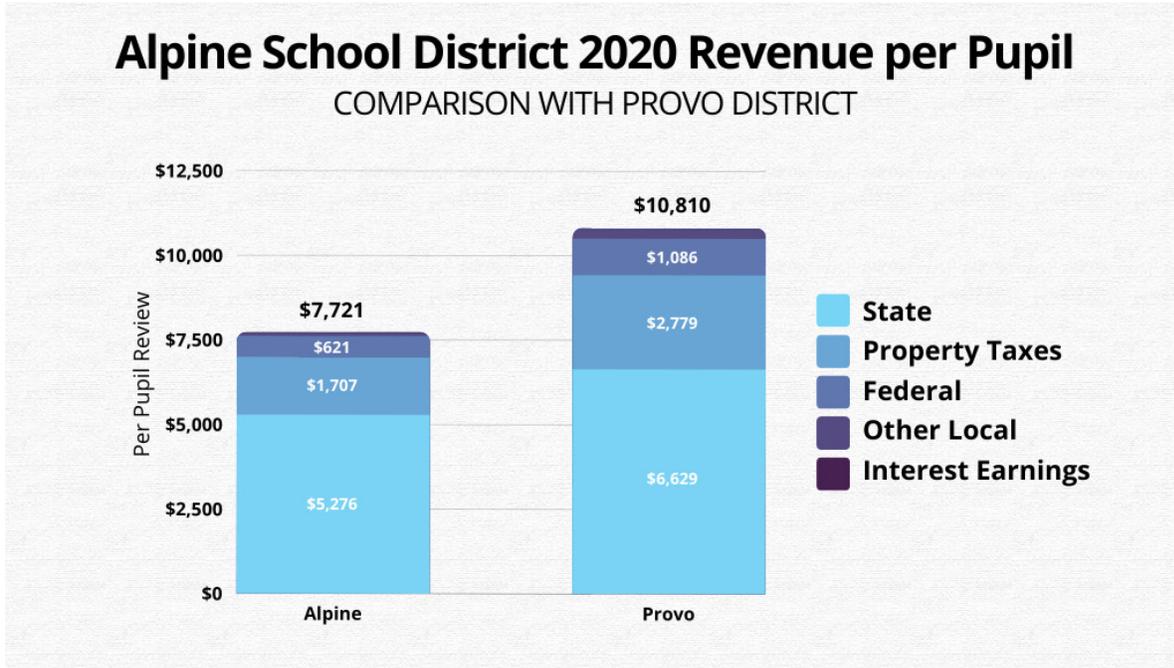
Table 1.3.B: Comparison of 2020 per Pupil Revenues

	Alpine		Provo	
Property Taxes	\$ 1,707	22.1%	\$ 2,779	25.7%
Interest Earnings	\$ 14	0.2%	\$ 36	0.3%
Other Local	\$ 103	1.3%	\$ 280	2.6%

State	\$ 5,276	68.3%	\$ 6,629	61.3%
Federal	\$ 621	8.0%	\$ 1,086	10.0%
Total Per Pupil	\$ 7,721	100.0%	\$ 10,810	100.0%

Data Source: DEC

Alpine School District 2020 Revenue per Pupil Comparison with Provo District



Data Source: Utah Taxpayers Association, DEC

Table 1.3.C presents the historical General Fund tax rate comparison from the Fiscal Year 2019 through the Fiscal Year 2023 Budget. The historical tax rates vary slightly from year to year but are generally declining because the Projected Tax Rate Values are increasing faster than the required tax revenues. The Fiscal Year 2023 rate is .003248.<sup>89</sup>

Table 1.3.C

Levy	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23
Basic School Levy	0.001666	0.001661	0.001628	0.001661	0.001571
Voted School Levy	0.001188	0.001188	0.001600	0.001600	0.001248
Board School Levy	0.000956	0.000918	0.000583	0.000460	0.000429
<b>Total General Fund Levies</b>	<b>0.003810</b>	<b>0.003767</b>	<b>0.003811</b>	<b>0.003721</b>	<b>0.003248</b>

Data Source: DEC

<sup>89</sup> The Certified Tax Rate schedule shows the Basic School Levy as .001652, which would make the combined levies for the General Fund be .003329 in FY 2023.

### ***General Fund Revenues Estimates***

Much of the revenue information requested by DEC was provided by ASD through files posted to a public shared access folder. Some of the specific requests were met by referring to files that had already been posted prior to the beginning of the study. One of the initial requests was a financial statement for each school that would be included in the New District. A school-specific financial statement was not provided. Instead, a spreadsheet was provided that included enrollment data as well as total departmental expenses for each school and support function within the Remaining District for fiscal year 2021.

Many of the WPU-related calculations are based on teacher-related education and experience, which isn't publicly available on the ASD website and was not provided by ASD for this study. To estimate revenues, DEC used the Fiscal Year Legislative Estimates, for prior years, made available through the State Board of Education website to create a spreadsheet that would allow a reliable estimate of federal and state revenues, if the necessary information were available.

Upon a second request, the ASD provided an Excel file, on May 3, 2022, with the State Revenue Legislative Estimates FY23 dated April 19, 2022. This Excel file appears to be a copy of the file ASD used to calculate and budget the state and federal revenues that flow from the Utah State Board of Education.

However, the documents provided by the ASD were insufficient, and non-transparent. These shortcomings made it difficult, even for a person with a reasonable understanding of Utah school finance funding, to create a reliable model to calculate revenue estimates for the current ASD, New District, and the Remaining District, respectively. To overcome these limitations, DEC reached out to the business service directors in other school districts, Utah State Board of Education, and Financial Analysts with the Utah State Legislature, to improve the model. DEC made projected revenue forecast beginning with the FY2023 year before the Alpine School District Budget was published on May 31, 2022, and then reviewed and revised this model based on the initial FY2023 Budget, and for an updated Version 2 of the FY2023 Budget dated June 16, 2022. Based on all available information, the DEC model reliably forecasts revenues for the current ASD, New District, and Remaining District.

### ***Property Tax Revenue and Other Local Revenue Methodology***

For the revenue analysis, property tax revenues are calculated based on publicly available sources. To estimate the property tax revenues, for the current ASD, New District, and the Remaining District, DEC used the following methodology. DEC calculated estimates of the local property tax base from Certified Tax Rate calculations and the Utah County Treasurer's Annual

Statements.<sup>90</sup> These property tax estimates were then allocated to the General Fund, Debt Service Fund, and Capital Fund.<sup>91</sup> In addition to property tax assessment, this analysis also includes vehicle fees-in-lieu of property taxes (UCA 59-2-405) as well as delinquent property taxes collected and property tax sales. ASD's property tax growth, due to both its expanding economic base and increases in property values, was 13.9% last year (2021), 9.6% percent over the prior five years, and 7.8% percent over the last 17 years.

For the revenue analysis, property tax values were calculated from publicly available sources as discussed in the taxable value analysis. Property tax revenues for the current ASD, New District, and the Remaining District were estimated by DEC used the following methodology. DEC first calculated the revenues from interest and other local sources, state sources, and federal sources. Property taxes were calculated as the difference between all other revenue and expenditures within the general fund. Then projected property tax was divided by Proposed Tax Value to obtain the projected tax rate.

Investment revenue, and other local revenue, are based on the relative Proposed Tax Values between the New District and the Remaining District. Investment, and other local revenue, were forecast to grow at 3.2%, which matches the average annual CPI growth over the past 100+ years. CPI for the most recent ten years has grown at an average annual rate of 1.9% but due to the expected inflationary period for the coming years, the long-term average was used for our models.

Forecasted property and other local taxes are included in Table 1.3.D.

**Table 1.3.D: Forecasted Future Property Tax Revenues**

	Tax Rate	Proposed Tax Value (\$000s)	Property Tax	Interest	Other	Total
ASD						
2023	0.003350	\$49,914,604	\$167,205,065	\$1,100,000	\$12,637,289	\$180,942,354
2024	0.003350	\$52,909,480	\$177,237,369	\$1,135,200	\$13,041,682	\$191,414,251
2025	0.003350	\$56,084,049	\$187,871,611	\$1,171,526	\$13,459,016	\$202,502,153
2026	0.003350	\$59,449,092	\$199,143,908	\$1,209,015	\$13,889,705	\$214,242,628
2027	0.003350	\$63,016,037	\$211,092,542	\$1,247,704	\$14,334,175	\$226,674,421

<sup>90</sup> The Annual Statement provides assessed values, collection rates, fees in lieu of value for vehicles, delinquents taxes collected, and the net amount of the revenue paid to the jurisdiction. Because the assessed value for a local jurisdiction and the school district are the same, the property taxes paid by the city can be used to calculate the school district taxes by dividing by the city's tax rate and then multiplying by the school district's tax rate.

<sup>91</sup> A portion of the property taxes were also allocated to the non-K12 fund, which is not considered this study.

2028	0.003350	\$66,796,999	\$223,758,095	\$1,287,630	\$14,792,869	\$239,838,594
2029	0.003350	\$70,804,819	\$237,183,581	\$1,328,834	\$15,266,241	\$253,778,656
2030	0.003350	\$75,053,108	\$251,414,596	\$1,371,357	\$15,754,760	\$268,540,713
2031	0.003350	\$79,556,295	\$266,499,471	\$1,415,241	\$16,258,913	\$284,173,624
2032	0.003350	\$84,329,673	\$282,489,440	\$1,460,528	\$16,779,198	\$300,729,166
<b>New District</b>						
2023	0.004180	\$9,684,997	\$40,485,652	\$211,033	\$2,146,668	\$42,843,353
2024	0.004462	\$10,169,247	\$45,371,905	\$217,786	\$2,215,361	\$47,805,052
2025	0.004405	\$10,677,709	\$47,035,592	\$224,755	\$2,286,253	\$49,546,600
2026	0.004234	\$11,211,594	\$47,465,564	\$231,947	\$2,359,413	\$50,056,924
2027	0.004169	\$11,772,174	\$49,078,470	\$239,370	\$2,434,914	\$51,752,754
2028	0.004134	\$12,360,783	\$51,104,845	\$247,030	\$2,512,832	\$53,864,706
2029	0.004080	\$12,978,822	\$52,954,432	\$254,934	\$2,593,242	\$55,802,609
2030	0.004023	\$13,627,763	\$54,818,567	\$263,092	\$2,676,226	\$57,757,885
2031	0.004004	\$14,309,151	\$57,300,730	\$271,511	\$2,761,865	\$60,334,106
2032	0.003986	\$15,024,609	\$59,888,088	\$280,200	\$2,850,245	\$63,018,532
<b>Remaining District</b>						
2023	0.003210	\$40,137,369	\$128,834,483	\$888,967	\$10,490,621	\$140,214,071
2024	0.002963	\$42,545,611	\$126,059,853	\$917,414	\$10,826,321	\$137,803,587
2025	0.003003	\$45,098,348	\$135,447,496	\$946,771	\$11,172,763	\$147,567,030
2026	0.003040	\$47,804,249	\$145,313,623	\$977,068	\$11,530,292	\$157,820,982
2027	0.003107	\$50,672,503	\$157,456,168	\$1,008,334	\$11,899,261	\$170,363,763
2028	0.003128	\$53,712,854	\$168,023,865	\$1,040,601	\$12,280,037	\$181,344,503
2029	0.003183	\$56,935,625	\$181,208,822	\$1,073,900	\$12,672,998	\$194,955,721
2030	0.003169	\$60,351,762	\$191,244,409	\$1,108,265	\$13,078,534	\$205,431,208
2031	0.003154	\$63,972,868	\$201,786,735	\$1,143,729	\$13,497,047	\$216,427,512
2032	0.003139	\$67,811,240	\$212,861,425	\$1,180,329	\$13,928,953	\$227,970,706

Data Source: DEC

### State Revenue Sources

State revenues are generally allocated on a per pupil basis between the ASD, New District, and the Remaining District, because the detailed information regarding teacher tenure and education was not available, the per pupil estimates will not be 100% accurate but are reasonable approximations for the regular program. To estimate the growth of all state revenue sources, we have applied a three percent growth rate to future years—which conforms to ASD's FY2023 Budget forecast growth for state revenues. Additionally, our model replicates the Legislative Estimate and then forecasts state revenues for the regular program, less the basic levy, restricted, levy guarantees, and other state revenue. We also perform an analysis of the economically-

disadvantaged students for the current ASD, New District, and Remaining District from the Utah State Board of Education, FY2022 Fall Enrollment Demographic file to predict state, and later federal, revenue sources that are based on affected by this important demographic characteristic.

As Table 1.3.E shows, 17.4% of the current ASD students are economically disadvantaged. However, 31.43 of the New District's students are economically disadvantages, compared to only 14.55 percent of the Remaining District's students. This demographic difference provides additional sources of revenue, and expenses, that are disproportionate to the size of the student enrollments.

Table 1.3.F includes the projected state revenues for the current ASD, New District, and Remaining District. The allocation and projection to the New District are likely underestimated given the relative proportion of economically-disadvantaged students, but provide a conservative estimate based on the available evidence provided. Analysis against the Provo School District, which has similar demographic metrics, would likely yield an additional \$5 million in state revenues based on per student data. State revenues also grew an unprecedented rates during the COVID-19 pandemic and provided some difficulty in modeling. DEC used conservative estimates, whenever possible, which also likely understates projected state revenues, but likely in ways that won't affect between district allocations.

**Table 1.3.E: Breakdown of Economically Disadvantaged Students**

	ASD	New District	Remaining District
Enrollment	85,554	14,724	70,993
Economically Disadvantaged	14,957	4,628	10,329
Percentage Disadvantaged	17.5%	31.4%	14.5%

Data Source: DEC

**Table 1.3.F: Forecasted Future State Revenues**

	Estimated WPU	Regular	Less Local	Restricted	Levy Guarantee	Other State	Total
<b>ASD</b>							
2023	\$4,038	\$327,764,662	(\$67,697,566)	\$109,281,952	\$38,619,926	\$90,760,450	\$498,729,424
2024	\$4,159	\$357,981,339	(\$71,759,420)	\$112,560,411	\$39,778,524	\$93,483,264	\$532,044,117
2025	\$4,284	\$368,720,779	(\$76,064,985)	\$115,937,223	\$40,971,879	\$96,287,761	\$545,852,658
2026	\$4,412	\$379,782,402	(\$80,628,884)	\$119,415,340	\$42,201,036	\$99,176,394	\$559,946,288
2027	\$4,545	\$391,175,875	(\$85,466,617)	\$122,997,800	\$43,467,067	\$102,151,686	\$574,325,810
2028	\$4,681	\$402,911,151	(\$90,594,614)	\$126,687,734	\$44,771,079	\$105,216,237	\$588,991,586
2029	\$4,822	\$414,998,485	(\$96,030,291)	\$130,488,366	\$46,114,211	\$108,372,724	\$603,943,495
2030	\$4,966	\$427,448,440	(\$101,792,109)	\$134,403,017	\$47,497,638	\$111,623,905	\$619,180,891
2031	\$5,115	\$440,271,893	(\$107,899,635)	\$138,435,107	\$48,922,567	\$114,972,623	\$634,702,555
2032	\$5,269	\$453,480,050	(\$114,373,613)	\$142,588,160	\$50,390,244	\$118,421,801	\$650,506,642
<b>New District</b>							
2023	\$4,038	\$61,690,094	(\$11,673,689)	\$16,317,253	\$8,086,794	\$14,970,015	\$89,390,467
2024	\$4,159	\$61,239,177	(\$12,257,373)	\$16,806,771	\$8,329,398	\$15,419,115	\$89,537,088
2025	\$4,284	\$62,378,075	(\$12,870,242)	\$17,310,974	\$8,579,280	\$15,881,689	\$91,279,775
2026	\$4,412	\$63,706,688	(\$13,513,754)	\$17,830,303	\$8,836,658	\$16,358,140	\$93,218,034
2027	\$4,545	\$64,558,949	(\$14,189,442)	\$18,365,212	\$9,101,758	\$16,848,884	\$94,685,361
2028	\$4,681	\$65,079,998	(\$14,898,914)	\$18,916,168	\$9,374,811	\$17,354,350	\$95,826,413
2029	\$4,822	\$66,697,236	(\$15,643,860)	\$19,483,653	\$9,656,055	\$17,874,981	\$98,068,065
2030	\$4,966	\$68,354,662	(\$16,426,053)	\$20,068,163	\$9,945,737	\$18,411,230	\$100,353,739
2031	\$5,115	\$70,405,302	(\$17,247,355)	\$20,670,208	\$10,244,109	\$18,963,567	\$103,035,830
2032	\$5,269	\$72,517,461	(\$18,109,723)	\$21,290,314	\$10,551,432	\$19,532,474	\$105,781,958
<b>Remaining ASD</b>							
2023	\$4,038	\$266,074,568	(\$56,023,877)	\$92,964,699	\$30,533,132	\$75,790,435	\$409,338,957
2024	\$4,159	\$297,902,562	(\$59,385,310)	\$95,753,640	\$31,449,126	\$78,064,148	\$443,784,166
2025	\$4,284	\$309,465,678	(\$62,948,428)	\$98,626,249	\$32,392,600	\$80,406,072	\$457,942,171
2026	\$4,412	\$321,489,768	(\$66,725,334)	\$101,585,037	\$33,364,378	\$82,818,255	\$472,532,103
2027	\$4,545	\$332,798,860	(\$70,728,854)	\$104,632,588	\$34,365,309	\$85,302,802	\$486,370,705
2028	\$4,681	\$344,482,205	(\$74,972,585)	\$107,771,565	\$35,396,268	\$87,861,886	\$500,539,340
2029	\$4,822	\$354,816,671	(\$79,470,940)	\$111,004,712	\$36,458,156	\$90,497,743	\$513,306,342
2030	\$4,966	\$365,461,171	(\$84,239,197)	\$114,334,854	\$37,551,901	\$93,212,675	\$526,321,404
2031	\$5,115	\$376,425,006	(\$89,293,548)	\$117,764,899	\$38,678,458	\$96,009,056	\$539,583,870
2032	\$5,269	\$387,717,756	(\$94,651,161)	\$121,297,846	\$39,838,812	\$98,889,327	\$553,092,580

Data Source: DEC

**Federal Revenue Sources**

Federal revenues are also forecast primarily on a per student basis. However, similar to state revenues, we divided federal revenues into sources that vary on a per student basis and sources that are a function of economic disadvantage, like Title I funds. Federal revenues also increased at unprecedented levels during the COVID-19 pandemic. Table 1.3.G shows that revenues doubled from the 2020 to 2021 fiscal years. Additionally, much of the additional revenues were based on CARES grants, which will not carry into the future. DEC's model assumed two percent growth rates for federal revenues, which matches ASD's projected growth rates, and both projections agree without material differences. Table 1.3.G divides federal revenue into general and disadvantaged funds and determines a per student historical rates. These amounts are used to estimate federal revenues among the current ASD, New District, and Remaining District over the relevant period. Table 1.3.H shows the projected federal revenues by district.

**Table 1.3.G: Historical Federal Revenues**

	Revenues less Title I and Medicaid	Enrollment	Revenues Per Student	Title I and Medicaid Revenues	Economically Disadvantaged Enrollment	Revenues Per Disadvantaged Student
2019	\$23,311,784	81,532	\$286	\$6,756,513	14,317	\$472
2020	\$38,875,443	80,953	\$480	\$11,428,998	18,660	\$612
2021	\$97,342,090	83,999	\$1,159	\$14,187,154	13,321	\$1,065
2022	\$57,392,881	84,974	\$675	\$16,552,288	14,957	\$1,107

Data Source: DEC

**Table 1.3.H: Projected Federal Revenues**

	Revenue less Title I and Medicare Per Student	Title I and Medicare Per Student	ASD	New District	Remaining District
2023	\$675	\$1,107	\$74,336,911	\$15,066,454	\$59,380,550
2024	\$689	\$1,129	\$76,179,823	\$15,255,488	\$61,004,251
2025	\$703	\$1,151	\$77,967,637	\$15,474,165	\$62,655,093
2026	\$717	\$1,174	\$79,858,131	\$15,616,644	\$64,353,302
2027	\$731	\$1,198	\$81,615,981	\$15,707,872	\$65,908,108
2028	\$746	\$1,222	\$83,467,178	\$15,970,193	\$67,496,985
2029	\$761	\$1,246	\$85,083,912	\$16,236,988	\$68,846,924
2030	\$776	\$1,271	\$86,785,590	\$16,561,728	\$70,223,863
2031	\$791	\$1,297	\$88,521,302	\$16,892,962	\$71,628,340
2032	\$807	\$1,323	\$90,291,728	\$17,230,821	\$73,060,907

Data Source: DEC

**Total Projected Revenue From All Sources**

The projected revenues discussed in the previous paragraphs have been combined to create a total of projected revenues from all sources as presented in Table 1.3.I. Table 1.3.J presents the projected revenues per student using the forecasted student enrollment figures discussed earlier in the report. Based on the projected revenues, New District is projected to have per student revenues that are \$1,109 higher than the current ASD in the first year. This difference is due to higher per student property tax revenues, and higher state and federal revenues.

**Table 1.3.I: Projected Total Revenues From All Sources (\$000s)**

	Property Tax	Interest	Other Local	State Revenue	Federal	Total Revenue
<b>ASD</b>						
2023	\$167,430	\$1,100	\$12,637	\$498,729	\$74,337	\$756,234
2024	\$172,789	\$1,135	\$13,042	\$532,044	\$76,180	\$795,190
2025	\$186,014	\$1,172	\$13,459	\$545,853	\$77,968	\$824,465
2026	\$198,695	\$1,209	\$13,890	\$559,946	\$79,858	\$853,598
2027	\$213,265	\$1,248	\$14,334	\$574,326	\$81,616	\$884,789
2028	\$226,503	\$1,288	\$14,793	\$588,992	\$83,467	\$915,042
2029	\$241,594	\$1,329	\$15,266	\$603,943	\$85,084	\$947,217
2030	\$253,557	\$1,371	\$15,755	\$619,181	\$86,786	\$976,650
2031	\$267,005	\$1,415	\$16,259	\$634,703	\$88,521	\$1,007,903
2032	\$281,117	\$1,461	\$16,779	\$650,507	\$90,292	\$1,040,156
<b>New District</b>						
2023	\$40,486	\$211	\$2,147	\$89,390	\$15,066	\$147,300
2024	\$45,372	\$218	\$2,215	\$89,537	\$15,255	\$152,598
2025	\$47,036	\$225	\$2,286	\$91,280	\$15,474	\$156,301
2026	\$47,466	\$232	\$2,359	\$93,218	\$15,617	\$158,892
2027	\$49,078	\$239	\$2,435	\$94,685	\$15,708	\$162,146
2028	\$51,105	\$247	\$2,513	\$95,826	\$15,970	\$165,661
2029	\$52,954	\$255	\$2,593	\$98,068	\$16,237	\$170,108
2030	\$54,819	\$263	\$2,676	\$100,354	\$16,562	\$174,673
2031	\$57,301	\$272	\$2,762	\$103,036	\$16,893	\$180,263
2032	\$59,888	\$280	\$2,850	\$105,782	\$17,231	\$186,031
<b>Remaining District</b>						
2023	\$128,834	\$889	\$10,491	\$409,339	\$59,381	\$608,934
2024	\$126,060	\$917	\$10,826	\$443,784	\$61,004	\$642,592
2025	\$135,447	\$947	\$11,173	\$457,942	\$62,655	\$668,164
2026	\$145,314	\$977	\$11,530	\$472,532	\$64,353	\$694,706

2027	\$157,456	\$1,008	\$11,899	\$486,371	\$65,908	\$722,643
2028	\$168,024	\$1,041	\$12,280	\$500,539	\$67,497	\$749,381
2029	\$181,209	\$1,074	\$12,673	\$513,306	\$68,847	\$777,109
2030	\$191,244	\$1,108	\$13,079	\$526,321	\$70,224	\$801,976
2031	\$201,787	\$1,144	\$13,497	\$539,584	\$71,628	\$827,640
2032	\$212,861	\$1,180	\$13,929	\$553,093	\$73,061	\$854,124

Data Source: DEC

Table 1.3.J:

	Property Tax	Interest	Other Local	State Revenue	Federal	Total Revenue	Difference from ASD
<b>ASD</b>							
2023	\$1,980	\$13	\$148	\$5,829	\$869	\$8,839	
2024	\$2,020	\$13	\$152	\$6,219	\$890	\$9,295	
2025	\$2,174	\$14	\$157	\$6,380	\$911	\$9,637	
2026	\$2,322	\$14	\$162	\$6,545	\$933	\$9,977	
2027	\$2,493	\$15	\$168	\$6,713	\$954	\$10,342	
2028	\$2,647	\$15	\$173	\$6,884	\$976	\$10,695	
2029	\$2,824	\$16	\$178	\$7,059	\$995	\$11,072	
2030	\$2,964	\$16	\$184	\$7,237	\$1,014	\$11,416	
2031	\$3,121	\$17	\$190	\$7,419	\$1,035	\$11,781	
2032	\$3,286	\$17	\$196	\$7,603	\$1,055	\$12,158	
<b>New District</b>							
2023	\$2,750	\$14	\$146	\$6,071	\$1,023	\$10,004	\$1,165
2024	\$3,081	\$15	\$150	\$6,081	\$1,036	\$10,364	\$1,069
2025	\$3,194	\$15	\$155	\$6,199	\$1,051	\$10,615	\$979
2026	\$3,224	\$16	\$160	\$6,331	\$1,061	\$10,791	\$814
2027	\$3,333	\$16	\$165	\$6,431	\$1,067	\$11,012	\$670
2028	\$3,471	\$17	\$171	\$6,508	\$1,085	\$11,251	\$556
2029	\$3,596	\$17	\$176	\$6,660	\$1,103	\$11,553	\$482
2030	\$3,723	\$18	\$182	\$6,816	\$1,125	\$11,863	\$448
2031	\$3,892	\$18	\$188	\$6,998	\$1,147	\$12,243	\$462
2032	\$4,067	\$19	\$194	\$7,184	\$1,170	\$12,635	\$477
<b>Remaining District</b>							
2023	\$1,815	\$13	\$148	\$5,766	\$836	\$8,577	-\$262
2024	\$1,776	\$13	\$152	\$6,251	\$859	\$9,051	-\$243
2025	\$1,908	\$13	\$157	\$6,451	\$883	\$9,412	-\$225
2026	\$2,047	\$14	\$162	\$6,656	\$906	\$9,786	-\$192

2027	\$2,218	\$14	\$168	\$6,851	\$928	\$10,179	-\$163
2028	\$2,367	\$15	\$173	\$7,051	\$951	\$10,556	-\$140
2029	\$2,552	\$15	\$179	\$7,230	\$970	\$10,946	-\$125
2030	\$2,694	\$16	\$184	\$7,414	\$989	\$11,297	-\$119
2031	\$2,842	\$16	\$190	\$7,601	\$1,009	\$11,658	-\$123
2032	\$2,998	\$17	\$196	\$7,791	\$1,029	\$12,031	-\$127

Data Source: DEC

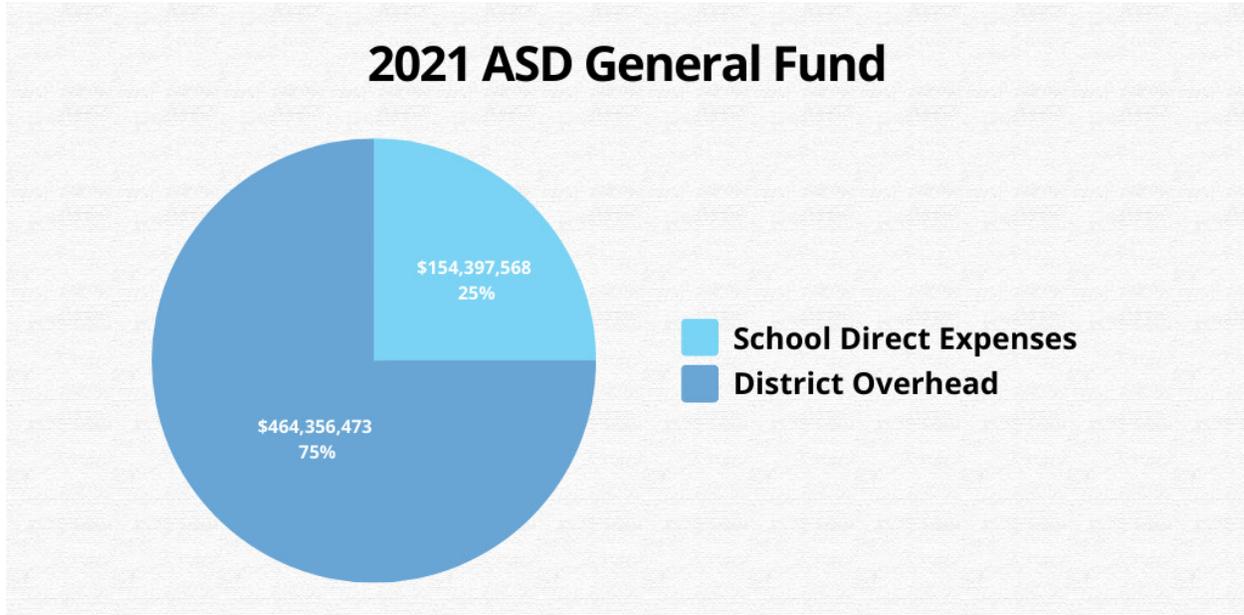
### General Fund Expenditures

The General Fund is the largest fund and is where the vast majority of instruction and other day-to-day school operations expenses are charged. The financial impacts in the General Fund are:

- Instruction - Since these are replacement projects, we expect the general staffing levels (Teachers, Support, Custodial, etc.) to remain consistent with the current staffing levels. However, each school is constructed with an eye to possible future growth and has the space required for foreseeable enrollment needs. Any significant enrollment increases will require additional staffing, and due to the larger size of the schools there is the potential need for additional custodial help.
- Maintenance & Operations - When beginning the Bond process, ASD commissioned a long-term capital projects study of the maintenance/upgrade costs of the buildings in ASD. Any new buildings, with upgraded electrical, HVAC, and other mechanical systems, will result in much more efficient use of resources. The end result is that, despite being a bit larger than the schools they are replacing, the expectation is to see savings with regards to general maintenance and operations in the General Fund as older building systems are replaced with new, more efficient installations.
- Insurance - Generally speaking, insurance for the new school buildings will not be dramatically different than that for the schools they are replacing. While the condition of the schools will be upgraded to "A" ratings, due to the increase in square footage as well as the newer equipment within the schools, the expectation is that there will not be significant savings.
- Reserve and Capital fund balances. In order to accomplish this, the need to continue the process of transferring some of the General Fund balance over to Building Reserve little by little over the next several years, as well as maximizing the Capital Fund revenue by making smart use of the resources available. The General Fund balance is very healthy, and it is expected that with the smart and capable management of current funds the ability continues to add to the Building Reserve Fund balance going forward.

Fiscal year 2021 was used to establish a basis for estimating future expenditures. DEC was provided a file titled "Enrollment by Location – FY21" to assist in developing an expense model. Using the file provided, general fund expenditures were broken out into direct school expenditures and district overhead expenditures.

Chart 1.3.C

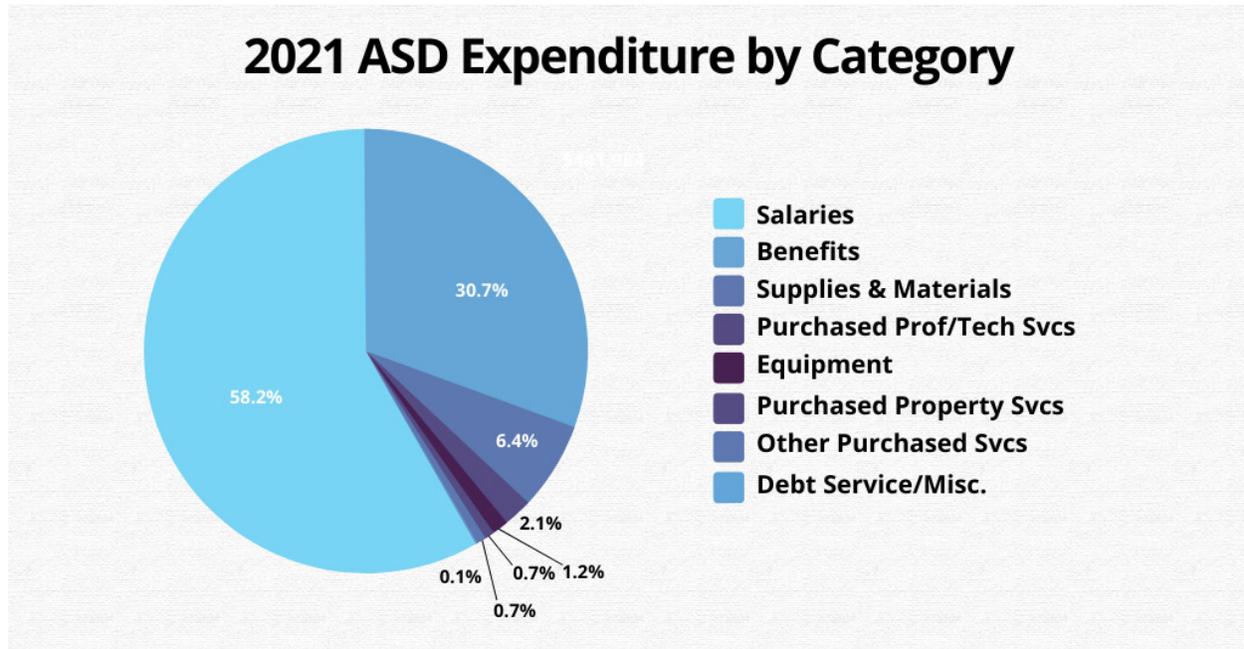


Source: ASD Expenditure by Location file

The file provided also grouped expenses by school and by major expense categories as follows:

- Salaries
- Benefits
- Purchased Professional and Technical Services
- Purchase Property Services
- Other Purchased Services
- Supplies & Materials
- Equipment
- Debt Service/Miscellaneous
- Overhead

Chart 1.3.D



*Salary Expense*

Salaries for teachers, staff, and administrators represents the largest expense of ASD, comprising 58.2% of total general fund expenditures. Salary expense per student for fiscal year 2021 was \$4,447 per student. Included, within this amount is \$943 per student that is classified by ASD as "overhead" salaries.

*Benefits Expense*

Benefits for teachers, staff, and administrators represents the second largest expense of ASD, comprising 30.7% of total general fund expenditures. Benefits expense per student for fiscal year 2021 was \$2,347 per student. Included within this amount is \$457 per student that is classified by ASD as "overhead" benefits.

*Purchased Services*

In addition to direct expenditures for employee salaries and benefits, ASD also pays for third-parties to provide various services to ensure the successful operation of the district. These expenditures in total represented 3.5% of total general fund expenditures. Purchased services for fiscal year 2021 were \$226 per student for ASD as a whole.

*Supplies & Materials*

Supplies and materials represent 6.4% of the total general fund expenditures of ASD or \$492 per student.

Salary and benefits data provided by ASD was verified by comparing the data provided in the

expenditure by location file to salary data available on the website <http://transparent.utah.gov/>. DEC notes that the data provided by the State of Utah includes expenditures for all funds, including the general fund. In addition to verifying the total expense per school, DEC also found that certain expenditures are made and included in ASD overhead that go directly to teachers and staff in the schools. These expenditures are accounted for in specific cost centers to allow for ASD personnel to track the payments separate from direct school-specific compensation. These expenditures include amounts for training and other required activities that must be completed by teachers that are not part of their classroom responsibilities.

An evaluation of the expenditures by location indicates that overhead expense for ASD is approximately \$1,907 per student. This \$1,907 figure includes the employee-specific expenditures that are in addition to the normal salary and benefits recorded for instruction in the schools. By using the state-supplied data, DEC determined that included in the \$1,907 is approximately \$441 per student that is paid directly to teachers, staff, and administrators in the various schools. In order to appropriately forecast expenditures for the New District, DEC reallocated the \$441 per student from overhead to direct school expense.

Other assumptions utilized in forming an estimate of future expenditures include estimates of enrollment growth, wage inflation, and overall inflation on goods and services.

The base per student data used as the basis for our forecast is presented in Table 1.3.K.

**Table 1.3.K: 2020 Per Student Expenditures by School in the Proposed New District**

School Name	Salaries	Benefits	Prof. Services	Supplies & Maint	Equip.	Ttl Direct	Overhead	Total
ASPEN ELEM.	\$4,973	\$2,550	\$66	\$164	448	\$7,801	\$1,379	\$16,981
BONNEVILLE ELEM.	5,178	2,580	130	456	39	8,383	1,379	18,145
CASCADE ELEM.	3,775	1,896	161	172	0	6,006	1,379	13,390
CENTENNIAL	4,192	2,341	65	111	-	6,709	1,379	14,797
CHERRY HILL ELEM.	4,920	2,318	112	171	91	7,612	1,379	16,604
FOOTHILL ELEM.	4,065	2,316	41	223	23	6,668	1,379	14,715
NORTHRIDGE ELEM.	4,177	2,161	58	163	22	6,580	1,379	14,539
ORCHARD ELEM.	3,838	2,020	49	145	51	6,103	1,379	13,584
OREM ELEM.	4,661	2,275	56	106	48	7,146	1,379	15,671
PARKSIDE ELEM.	7,643	3,934	121	501	66	12,265	1,379	25,909
SHARON ELEM.	7,477	3,662	148	442	87	11,816	1,379	25,011
WESTMORE ELEM.	5,870	2,933	253	477	46	9,579	1,379	20,537
WINDSOR ELEM.	5,880	2,898	89	377	6	9,249	1,379	19,877
CANYON VIEW JR.	4,186	2,188	75	87	15	6,551	1,379	14,480

LAKERIDGE JR.	4,136	2,215	71	169	27	6,617	1,379	14,613
OREM JR.	4,782	2,400	88	235	43	7,547	1,379	16,474
MOUNTAIN VIEW HIGH	5,019	2,602	106	375	78	8,181	1,379	17,742
OREM HIGH	4,490	2,277	81	300	57	7,205	1,379	15,788
TIMPANOGOS HIGH	4,601	2,383	117	265	203	7,570	1,379	16,518

Data Source: DEC

#### *Enrollment Growth*

Enrollment projections have been calculated as discussed in section 1.1. Those enrollment projections have been used to forecast future general fund expenditures.

#### *Wage Inflation*

Salaries and wages for teachers and staff vary from one school to the next depending on the experience and education level of the teacher. Each year, adjustments to salaries and wages are made based on decisions at the school and district levels. In order to estimate future salaries, an annual increase of 5% has been used to forecast wage inflation. The 5% growth is more than the approximately 2.3% utilized by ASD in its 2022-2023 budget proposal and is considered conservative. Benefits expense has been estimated using the historical average of 52% of salaries, which ensures that benefits grow at the same rate as salaries.

#### *Overall Inflation*

Purchased services, supplies, and materials represent expenditures that are expected to continue to ensure that the district can meet its objectives. Each of these categories are subject to pricing and availability within the greater marketplace for goods and services. It is assumed and expected that the proposed New District in Orem will employ all means possible to ensure that expenditures are made with prudence and that all efforts are made to ensure the best possible pricing for the goods and services that are purchased. For the purpose of developing a forecast of expenses, we have applied a 3.25% rate of inflation to outside services. The rate of inflation will vary from one year to the next and has averaged approximately 1.9% for the ten years ended December 31, 2021. Overall inflation since 1914 has been approximately 3.22%. Due to the mixed nature of the overhead category, we have applied a 4.5% rate of inflation to the overhead charge for the purpose of estimating future overhead expense.

**Table 1.3.L: Forecast Growth Assumptions**

Forecast Assumptions	Fiscal 2021-22	Fiscal 2022-23	Fiscal 2023-24	Thereafter
Salary Growth Rate	3.2%	8.0%	5.0%	3.2%
Benefits as % of Salaries	52.0%	52.0%	52.0%	52.0%
Overall Inflation Rate	3.2%	3.2%	3.2%	3.2%

Data Source: DEC

**Per Pupil Expense**

Using the 2021 data provided by ASD and a re-allocation of the employee specific expenses that had previously been included in overhead, DEC determined a per pupil expense at each school as follows:

**Table 1.3.M: Projected Per Pupil Expenditures by District**

	Enrollment	Salaries & Benefits	Professional Services	Supplies & Materials	Other Expense	Overhead	Total Expense
<b>Alpine School District</b>							
2023	84,974	\$6,960	\$105	\$204	\$44	\$1,586	\$8,900
2024	85,554	\$7,292	\$106	\$211	\$46	\$1,639	\$9,295
2025	86,071	\$7,513	\$110	\$217	\$47	\$1,692	\$9,579
2026	86,447	\$7,743	\$113	\$224	\$48	\$1,747	\$9,874
2027	86,909	\$7,982	\$116	\$230	\$49	\$1,803	\$10,181
2028	87,647	\$8,184	\$119	\$236	\$50	\$1,850	\$10,440
2029	88,104	\$8,427	\$123	\$243	\$52	\$1,906	\$10,751
2030	88,297	\$8,670	\$126	\$250	\$53	\$1,961	\$11,061
2031	88,213	\$8,956	\$130	\$258	\$55	\$2,026	\$11,426
2032	87,914	\$9,274	\$135	\$267	\$57	\$2,098	\$11,832
<b>AAGR</b>							<b>3.6%</b>
<b>New District</b>							
2023	14,724	\$8,105	\$102	\$269	\$60	\$1,468	\$10,004
2024	14,561	\$8,518	\$105	\$279	\$63	\$1,515	\$10,480
2025	14,438	\$8,799	\$108	\$289	\$65	\$1,564	\$10,826
2026	14,205	\$9,094	\$112	\$299	\$67	\$1,614	\$11,186
2027	14,043	\$9,387	\$116	\$309	\$69	\$1,666	\$11,546
2028	13,993	\$9,625	\$119	\$317	\$71	\$1,708	\$11,839
2029	13,944	\$9,918	\$122	\$327	\$73	\$1,760	\$12,199
2030	13,897	\$10,219	\$126	\$337	\$75	\$1,813	\$12,569
2031	13,851	\$10,581	\$130	\$348	\$78	\$1,877	\$13,014
2032	13,806	\$10,955	\$135	\$361	\$80	\$1,944	\$13,475
<b>AAGR</b>							<b>3.7%</b>
<b>Remaining District</b>							
2023	70,250	\$6,720	\$105	\$191	\$41	\$1,611	\$8,668
2024	70,993	\$7,041	\$107	\$197	\$42	\$1,665	\$9,051
2025	71,633	\$7,254	\$110	\$203	\$43	\$1,718	\$9,328
2026	72,242	\$7,477	\$113	\$209	\$44	\$1,773	\$9,616

2027	72,866	\$7,711	\$116	\$215	\$45	\$1,830	\$9,917
2028	73,654	\$7,911	\$119	\$221	\$47	\$1,877	\$10,174
2029	74,160	\$8,147	\$123	\$227	\$48	\$1,934	\$10,479
2030	74,400	\$8,381	\$126	\$234	\$49	\$1,989	\$10,779
2031	74,362	\$8,653	\$130	\$241	\$51	\$2,054	\$11,130
2032	74,108	\$8,961	\$135	\$250	\$53	\$2,127	\$11,525
<b>AAGR</b>							<b>3.5%</b>

Data Source: DEC

Utilizing the same approach and assumptions that were applied to the schools in the New District, we have estimated future expenditures for the Remaining District as well. The detailed tables with the per pupil projections have been included in Appendix C "How Funding Works for Utah Public Education".

Using the enrollment growth forecast and inflation factors mentioned previously, we have forecasted future expenditures by school as follows (all dollars are in millions):

**Table 1.3.N: Projected Annual General Fund Expenditures**

Fiscal Year	ASD	New District	Remaining District
2023	756,233,852	147,300,274	608,933,578
2024	795,189,632	152,597,628	642,592,004
2025	824,464,835	156,300,541	668,164,294
2026	853,597,989	158,891,603	694,706,387
2027	884,788,563	162,145,987	722,642,576
2028	915,042,139	165,661,312	749,380,827
2029	947,216,649	170,107,662	777,108,987
2030	976,649,826	174,673,351	801,976,475
2031	1,007,902,621	180,262,899	827,639,722
2032	1,040,155,505	186,031,311	854,124,193

Data Source: DEC

**Overall General Fund Projections**

Based on the forecasted revenues and forecasted expenditures above, the forecasted net activity in the General Fund has been included as Table 1.3.O. As discussed previously, the forecasts prepared for this study have been based on historical results and our expectations of economic conditions in the future. As a result of the process, the forecasted revenues and forecasted expenditures are equal to each other, resulting in neither a surplus or deficit in each year (see also Chapter 1.8). Actual results will vary as circumstances change and leadership for the New District makes decision regarding the annual expenditures and formation of the New District offices.

Table 1.3.O: Overall General Fund Impact

Fiscal Year	Total Revenues (\$000s)	Total Expenditures (\$000s)	Property Tax (\$000s)	Certified Tax Rate Value (\$000s)	Tax Rate	Tax Rate Increase Needed to Balance Fund
<b>ASD</b>						
2023	\$754,009	\$756,234	\$167,205	\$49,914,604	0.003350	
2024	\$799,638	\$795,190	\$177,237	\$52,909,480	0.003350	
2025	\$826,322	\$824,465	\$187,872	\$56,084,049	0.003350	
2026	\$854,047	\$853,598	\$199,144	\$59,449,092	0.003350	
2027	\$882,616	\$884,789	\$211,093	\$63,016,037	0.003350	
2028	\$912,297	\$915,042	\$223,758	\$66,796,999	0.003350	
2029	\$942,806	\$947,217	\$237,184	\$70,804,819	0.003350	
2030	\$974,507	\$976,650	\$251,415	\$75,053,108	0.003350	
2031	\$1,007,397	\$1,007,903	\$266,499	\$79,556,295	0.003350	
2032	\$1,041,528	\$1,040,156	\$282,489	\$84,329,673	0.003350	
<b>New District</b>						<b>Change</b>
2023	\$147,300	\$147,300	\$40,486	\$9,684,997	0.004180	0.000830
2024	\$152,598	\$152,598	\$45,372	\$10,169,247	0.004462	0.001112
2025	\$156,301	\$156,301	\$47,036	\$10,677,709	0.004405	0.001055
2026	\$158,892	\$158,892	\$47,466	\$11,211,594	0.004234	0.000884
2027	\$162,146	\$162,146	\$49,078	\$11,772,174	0.004169	0.000819
2028	\$165,661	\$165,661	\$51,105	\$12,360,783	0.004134	0.000785
2029	\$170,108	\$170,108	\$52,954	\$12,978,822	0.004080	0.000730
2030	\$174,673	\$174,673	\$54,819	\$13,627,763	0.004023	0.000673
2031	\$180,263	\$180,263	\$57,301	\$14,309,151	0.004004	0.000655
2032	\$186,031	\$186,031	\$59,888	\$15,024,609	0.003986	0.000636
<b>Remaining District</b>						<b>Change</b>
2023	\$608,934	\$608,934	\$128,834	\$40,137,369	0.003210	-0.000140
2024	\$642,592	\$642,592	\$126,060	\$45,808,866	0.002752	-0.000598
2025	\$668,164	\$668,164	\$135,447	\$48,786,442	0.002776	-0.000573
2026	\$694,706	\$694,706	\$145,314	\$51,957,561	0.002797	-0.000553
2027	\$722,643	\$722,643	\$157,456	\$55,334,803	0.002846	-0.000504
2028	\$749,381	\$749,381	\$168,024	\$58,931,565	0.002851	-0.000499
2029	\$777,109	\$777,109	\$181,209	\$62,762,116	0.002887	-0.000463
2030	\$801,976	\$801,976	\$191,244	\$66,841,654	0.002861	-0.000489
2031	\$827,640	\$827,640	\$201,787	\$71,186,362	0.002835	-0.000515
2032	\$854,124	\$854,124	\$212,861	\$75,813,475	0.002808	-0.000542

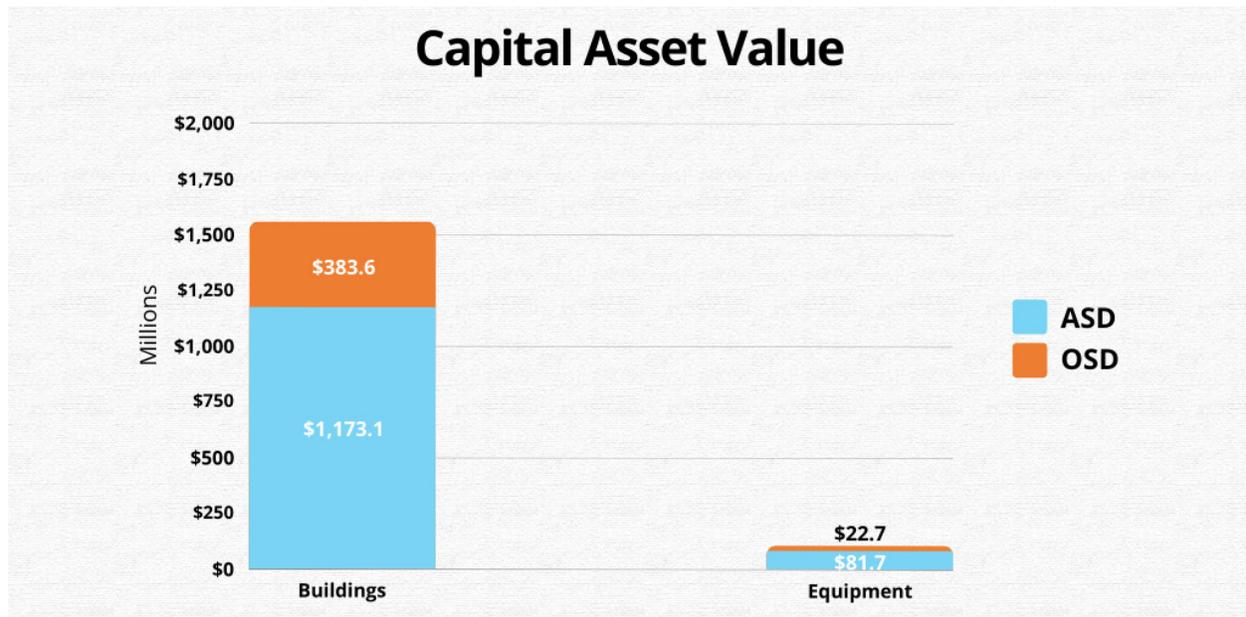
Data Source: DEC

## CHAPTER 1.4 CAPITAL OUTLAY FUND ANALYSIS

Capital facilities assets are necessary for a school district to meet its objectives. For example, school districts require building for instruction, parking buses, etc. The allocation of capital assets between two school districts after a split are governed by state law. Any allocation of assets and liabilities would be determined after a decision to split the school district was passed by voters and certified by County election officials. For the purpose of this study, a hypothetical split of assets has been evaluated based on data provided by ASD. A file titled "Alpine Facility Stats-FY21" was provided by ASD to assist in our evaluation. The file provided by ASD included information about each school, including the estimated value of the assets as of 2019.

The data provided includes information for Geneva and Hillcrest (both demolished between 2019 and the current time), and Suncrest elementary schools, but excludes current data for combined Parkside Elementary (the combination of Geneva and Suncrest students into Parkside using Suncrest's existing school building). Using the data provided by ASD, the estimated fair value of all buildings in the ASD as of 2019 is approximately \$1.56 billion. The estimated value of the contents is approximately \$104.4 million. The following chart presents an estimate of the breakout of assets based on 2019 values and the physical location of the assets:

**Chart 1.4.A: Alpine School District Capital Asset Value**



Prior to the addition of Cascade (2020) and Centennial (2019), the average age of buildings in the Orem city limits was 23.0 years old compared to the overall average age of ASD buildings of 19.6 years. An updated file (newer than 2019) will be necessary, with information regarding

new schools both inside and outside of the New District, to refine these calculations and should include the Orem rebuilds of Centennial (2019) and Cascade (2020). Regardless, the data suggests that the average age of buildings inside of the New District is greater than the average age of buildings throughout the Remaining District. This is due to the continued population growth in the North and West portions of the current ASD and the need to build new buildings to accommodate for that growth. Further, due to noncompliance with FEMA seismic standards of many of the schools within the New District and other older east side cities, additional assessments will be required to arrive at a more precise valuation.

A continued evaluation of the suitability of the facilities within the proposed New District is suggested in order to evaluate future capital improvements that would be necessary. The current capital plan for ASD includes various projects to rebuild, renovate, or construct new schools. ASD has noted in its budget documents that the Board of Education is evaluating the need for a new bond but has not provided any detailed guidance regarding the projects that the potential new bonding would be used to finance. However, an article published in the Lehi Free Press on June 28, 2022, indicates that public support for continuing the \$595 million bond.

ASD's Capital Improvement Policies can be found on Page 48 of the FY2023 ASD Budget, which is shown in Figure 5. One important policy is the maintenance of capital investments. The policy reads as follows: "The District will maintain all assets at a level adequate to protect the District's capital investment and to minimize future maintenance and replacement costs." One potential concern was a quote by Steve Reese, ASD's Director of Accounting. Mr. Reese stated:

Potential uses for the fiscal year 2022 increase could go toward addressing an anticipated \$4 million cut in state funding for capital uses, purchasing property for future schools or for \$82.5 million in *maintenance that's been deferred* since 2016.<sup>92</sup>

This comment suggests that ASD is deferring maintenance that would normally be expensed through the general fund. Deferring maintenance is a concern because it decreases the useful life of assets, and it increases both the scope and cost of maintenance when the needed work is eventually performed.<sup>93</sup> Further, deferred maintenance negatively impacts property values, as well as creating potential safety, productivity and efficiency concerns. Both the New District and the Remaining District could achieve significant cost savings if scheduled maintenance is completed on time.

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<sup>92</sup> Lehi Free Press article dated April 14, 2021: <https://lehifreepress.com/2021/04/14/alpine-school-district-considering-property-tax-increase/>

<sup>93</sup> The Department of Energy has numerous recommendations for operations and maintenance. One study indicates that costs savings of 5 to 20 percent can be achieved if routine maintenance is performed on schedule.

**Capital Improvement Budget Policies**

- The District will develop and administer a multi-year plan for capital improvements and update it annually.
- The District will budget for major capital projects in accordance with the priorities of the Board of Education.
- The District will coordinate development of the capital improvement budget with development of the operating budget. Future operating costs associated with new capital improvement will be projected and included in the operating budgets.
- The District will maintain all assets at a level adequate to protect the District’s capital investment and to minimize future maintenance and replacement costs.
- The District will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to the Board for approval.
- The District will restrict any new or replacement construction to be consistent with state guidelines for school building utilization.
- The District will determine the least costly financing method for all new projects.
- The criteria for determining the order of project completion are primarily based on safety, housing, need, funding, and efficiency.

Figure 5, Capital Improvement Budget Policies, ASD

Table 1.4.A shows the historical tax rates comparison for the FY2019 through the current Budget for the FY2023. The Capital Local Levy amount is generally declining, but the annual amount depends significantly on whether the Districts adopt a pay-as-you go approach or passes either General Obligation or Lease Revenue Bonds.

**Table 1.4.A: Historical Capital Fund Outlay Tax Rate Comparison**

Levy	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23
Capital Local Levy	0.000550	0.000558	0.000529	0.000803	0.000626

Data Source: DEC, and publicly available information in ASD financial statements

**Capital Fund Revenues and Expenses**

The Capital Fund receives revenues from the Capital Local Levy. The Capital Fund expenses items when placed in service and the cost basis is transferred to a capitalized asset.

**Table 1.4.B: Historical Capital Fund Revenues**

	Actual 2018-19	Actual 2019-20	Actual 2020-21
Property Tax	\$21,772,781	\$24,670,615	\$22,612,200
State	\$8,147,020	\$4,686,677	\$786,481
Total	\$29,919,801	\$29,357,292	\$23,398,681

Data Source: DEC, and publicly available information in ASD financial statements

**Table 1.4.C: Forecasted Capital Outlay Fund Revenues**

Fiscal Year	Tax Rate	Property Tax	State	Interest	Total Revenue
<b>ASD</b>					
2023	0.001529	\$76,320,024	\$10,022,621	\$400,000	\$86,742,645
2024	0.000786	\$41,582,611	10,323,300	412,800	\$52,318,711
2025	0.000741	\$41,561,040	10,632,999	426,010	\$52,620,048
2026	0.000734	\$43,609,744	10,951,989	439,642	\$55,001,374
2027	0.000739	\$46,567,198	11,280,548	453,710	\$58,301,456
2028	0.000744	\$49,712,350	11,618,965	468,229	\$61,799,544
2029	0.000749	\$53,056,770	11,967,534	483,213	\$65,507,516
2030	0.000754	\$56,612,732	12,326,560	498,675	\$69,437,967
2031	0.000759	\$60,393,256	12,696,356	514,633	\$73,604,245
2032	0.000764	\$64,412,152	13,077,247	531,101	\$78,020,500
<b>New District</b>					
2023	0.000568	\$5,840,000	\$1,948,303	\$76,217	\$7,864,520
2024	0.000568	\$6,132,000	\$1,991,472	\$78,054	\$8,201,526
2025	0.000568	\$6,438,600	\$2,035,570	\$79,934	\$8,554,104
2026	0.000568	\$6,760,530	\$2,080,615	\$81,859	\$8,923,004
2027	0.000568	\$7,098,557	\$2,126,628	\$83,829	\$9,309,013
2028	0.000369	\$4,839,085	\$2,173,628	\$85,845	\$7,098,558
2029	0.000373	\$5,143,941	\$2,221,637	\$87,908	\$7,453,486
2030	0.000378	\$5,465,465	\$2,270,675	\$90,020	\$7,826,160
2031	0.000382	\$5,804,523	\$2,320,764	\$92,181	\$8,217,468
2032	0.000386	\$6,162,022	\$2,371,926	\$94,393	\$8,628,341
<b>Remaining District</b>					
2023	0.001821	\$78,344,544	\$8,074,318	\$323,783	\$86,742,645
2024	0.000953	\$43,652,138	\$8,331,827	\$334,746	\$52,318,711
2025	0.000895	\$43,676,544	\$8,597,429	\$346,075	\$52,620,048
2026	0.000881	\$45,772,218	\$8,871,373	\$357,783	\$55,001,374
2027	0.000882	\$48,777,654	\$9,153,921	\$369,882	\$58,301,456
2028	0.000882	\$51,971,823	\$9,445,337	\$382,384	\$61,799,544
2029	0.000882	\$55,366,315	\$9,745,897	\$395,304	\$65,507,516
2030	0.000882	\$58,973,427	\$10,055,885	\$408,655	\$69,437,967
2031	0.000882	\$62,806,201	\$10,375,593	\$422,452	\$73,604,245
2032	0.000882	\$66,878,471	\$10,705,321	\$436,708	\$78,020,500

Data Source: DEC

The schools within the New District have a number of capital needs. First, as noted previously the average age of school buildings within the New District are approximately three years older than

in the Remaining District. Additionally, there are now known seismic issues on at least 12 Orem schools identified by the February 2022 study released by the Federal Emergency Management Agency (FEMA). The FEMA study referenced a 2006 seismic study performed by Reavelery Engineers & Associates for ASD documenting a number of schools with known under-reinforced masonry construction that could pose a significant danger to children and employees during a moderate earthquake. Given the 16 years that Alpine School District has known of these seismic issues, with 13 schools from the original study remain un-remediated, it appears unlikely that any significant progress will be made at this time.

If a split with ASD were to occur, DEC recommends that the New District hire a commercial property management company to assess the school buildings within the New District, in conjunction with professional engineers, to determine each schools's current status, seismic issues, and develop both a short-term and long-term capital maintenance plan. The experts should be asked to provide recommendations on any significant capital projects that should be undertaken and a master schedule for when these projects should be undertaken. A team of qualified, experienced commercial appraisers should be hired to perform the valuation of each New District asset.

Future spending in all districts will be dictated by the Board of Education and needs at the various schools. A pro-rata portion of the Capital Fund revenues and expenses would follow a new school district. For the current ASD, DEC followed the FY2023 Budget and subsequent three-year forecast followed by future growth at three percent. For the Remaining District, DEC followed the current ASD schedule. Based on enrollment estimates, approximately 18% of the future enrollment would be in the proposed New District. Using the 18% allocation, future capital fund revenues would be approximately \$5.8 million per year and then projected to grow at three percent beginning in FY2025. Capital expenditures for the New District and Remaining District may alternatively be funded by bond issuance.. For the New District, \$5,840,000 are the projected capital needs for the initial startup. When capital funds are created through bonds, the Capital Fund is increased by a transfer from the Debt Service Fund, rather being shown as a revenue item within the fund.

**Table 1.4.D: Capital Outlay Fund Expense Projections**

Fiscal Year	ASD	New District	Remaining District	Total Cost for Divided Districts	Additional Costs Incurred
2023	\$86,742,645	\$5,840,000	\$86,742,645	\$92,582,645	(\$5,840,000)
2024	\$52,318,711	\$5,840,001	\$52,318,711	\$58,158,712	(\$5,840,001)
2025	\$52,620,048	\$6,132,001	\$52,620,048	\$58,752,049	(\$6,132,001)
2026	\$55,001,374	\$6,438,601	\$55,001,374	\$61,439,975	(\$6,438,601)
2027	\$58,301,456	\$6,760,531	\$58,301,456	\$65,061,988	(\$6,760,531)

2028	\$61,799,544	\$7,098,558	\$61,799,544	\$68,898,102	(\$7,098,558)
2029	\$65,507,516	\$7,453,486	\$65,507,516	\$72,961,002	(\$7,453,486)
2030	\$69,437,967	\$7,826,160	\$69,437,967	\$77,264,127	(\$7,826,160)
2031	\$73,604,245	\$8,217,468	\$73,604,245	\$81,821,713	(\$8,217,468)
2032	\$78,020,500	\$8,628,341	\$78,020,500	\$86,648,842	(\$8,628,341)

Data Source: DEC

Table 1.4.E: Capital Outlay Fund Summary

Fiscal Year	Enrollment	Total Revenue	Revenue Per Student	Expenses	Expense Per Student	Net Effect on Capital Outlay Fund	Tax Rate	Tax Rate Change
<b>ASD</b>								
2023	85,554	\$86,742,645	\$1,014	\$86,742,645	\$1,014	\$0	0.001529	
2024	86,071	\$52,318,711	\$608	\$52,318,711	\$608	\$0	0.000786	
2025	86,447	\$52,620,048	\$609	\$52,620,048	\$609	\$0	0.000741	
2026	86,909	\$55,001,374	\$633	\$55,001,374	\$633	\$0	0.000734	
2027	87,129	\$58,301,456	\$669	\$58,301,456	\$669	\$0	0.000739	
2028	87,422	\$61,799,544	\$707	\$61,799,544	\$707	\$0	0.000744	
2029	87,353	\$65,507,516	\$750	\$65,507,516	\$750	\$0	0.000749	
2030	87,353	\$69,437,967	\$795	\$69,437,967	\$795	\$0	0.000754	
2031	87,353	\$73,604,245	\$843	\$73,604,245	\$843	\$0	0.000759	
2032	87,353	\$78,020,500	\$893	\$78,020,500	\$893	\$0	0.000764	
<b>New District</b>								
2023	14,724	\$7,864,520	\$534	\$5,840,000	\$397	\$2,024,520	0.000394	(0.001135)
2024	14,561	\$8,201,526	\$563	\$5,840,001	\$401	\$2,361,525	0.000371	(0.000415)
2025	14,438	\$8,554,104	\$592	\$6,132,001	\$425	\$2,422,103	0.000376	(0.000365)
2026	14,205	\$8,923,004	\$628	\$6,438,601	\$453	\$2,484,403	0.000381	(0.000352)
2027	13,903	\$9,309,013	\$670	\$6,760,531	\$486	\$2,548,482	0.000387	(0.000352)
2028	13,833	\$7,098,558	\$513	\$7,098,558	\$513	\$0	0.000391	(0.000353)
2029	13,764	\$7,453,486	\$542	\$7,453,486	\$542	\$0	0.000396	(0.000353)
2030	13,764	\$7,826,160	\$569	\$7,826,160	\$569	\$0	0.000401	(0.000353)
2031	13,764	\$8,217,468	\$597	\$8,217,468	\$597	\$0	0.000406	(0.000353)
2032	13,764	\$8,628,341	\$627	\$8,628,341	\$627	\$0	0.000410	(0.000354)
<b>Remaining ASD</b>								
2023	70,993	\$86,742,645	\$1,222	\$86,742,645	\$1,222	\$0	0.001952	0.000423
2024	71,626	\$52,318,711	\$730	\$52,318,711	\$730	\$0	0.001026	0.000240
2025	72,239	\$52,620,048	\$728	\$52,620,048	\$728	\$0	0.000968	0.000227
2026	72,860	\$55,001,374	\$755	\$55,001,374	\$755	\$0	0.000957	0.000224

2027	73,226	\$58,301,456	\$796	\$58,301,456	\$796	\$0	0.000963	0.000224
2028	73,589	\$61,799,544	\$840	\$61,799,544	\$840	\$0	0.000968	0.000223
2029	73,589	\$65,507,516	\$890	\$65,507,516	\$890	\$0	0.000972	0.000223
2030	73,589	\$69,437,967	\$944	\$69,437,967	\$944	\$0	0.000977	0.000223
2031	73,589	\$73,604,245	\$1,000	\$73,604,245	\$1,000	\$0	0.000982	0.000223
2032	73,589	\$78,020,500	\$1,060	\$78,020,500	\$1,060	\$0	0.000986	0.000222

Data Source: DEC

Table 1.4.D shows the projected Capital Fund expenditures for each district. The additional costs incurred are the initial capital needs for the New District in FY2023 and then simply the required capital expenditure needs for the New District in future years. The Remaining District will be expected to have greater capital needs than the New District due to increasing student enrollment growth, absent seismic remediation costs which are decisions for the new School Board of the New District. Table 1.4.E summarizes the projected revenue and expenditures for the districts. The student enrollment growth requires significant capital investment that historically, and currently, are being subsidized by the more mature cities within the current ASD, including the New District. As a result, as a result of a split, the New District will control its own capital needs and will experience a decrease in property taxes relative to the current ASD, while the Remaining District will experience a corresponding increase in property taxes for the Capital Fund. The slight tax increases and decreases within the Capital Outlay Fund are within feasible limits. Given future enrollment projections by the ASD, there will be continued capital needs in the Remaining District for decades. For the slower-growth portions of the ASD, there will be continued subsidies to the high-growth areas as has been seen historically for the last twenty years.

## CHAPTER 1.5 DEBT SERVICE FUND ANALYSIS

The Debt Service Fund is a major fund with the principal purpose of creating revenue through property taxes to finance new school construction and remodeling older schools. Revenues need to be sufficient to pay the annual principal and interest expenditure requirements on the outstanding bonds of the district.

Alpine School District's outstanding debt is currently \$538,847,876 as of the year ending June 30, 2022. State law limits general obligation indebtedness to 4% of the fair market value of the taxable property located within a district. ASD is well below the allowable debt limit of approximately \$1.5 billion (\$37.3 billion x 4%).

Figure 7 shows ASD's debt management policy is stated on Page 48 of ASD's FY2023 Budget:

### Debt Management Policies

- The District will confine long-term borrowing to capital projects and purchases of equipment, as required by law.
- When the District finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed the expected useful life of the asset acquired.
- The District will try to keep the average maturity of general obligation bonds at or below 17 years.
- Total general obligation debt will not exceed 4% of the reasonable fair market value of taxable property within the District.
- The District will not use long-term debt for current operations.
- The District will meet all debt service obligations when due.
- The District will retire tax and revenue anticipation debt annually.
- The District will maintain communication with bond rating agencies about its financial condition. The District will follow a policy of full disclosure in every financial report and official statement.
- The District will provide to the capital markets ongoing disclosure of annual financial information and material events that may affect the District's financial strength.

Figure 7, Debt Management Policies, ASD

### New District's (Orem) Historical Bond Allocations

ASD received voter approval for bonds in 2001, 2006, 2011, and 2016. ASD has not had any general obligation bonds approved since 2016, but has used another mechanism, lease revenue bonds, to build Centennial Elementary (Orem), Harbor Point Elementary (Saratoga Springs), and Trailside Elementary (Vineyard). Additionally, ASD issued new lease revenue bonds in 2022 for a yet unnamed school project. Figure 8, denotes the New District allocation of bond issuances since 2001.

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bonds, to build Centennial Elementary (Orem), Harbor Point Elementary (Saratoga Springs), and Trailside Elementary (Vineyard). Additionally, ASD issued new lease revenue bonds in 2022 for a yet unnamed school project(s). Figure 8, shows the New District's projects included in ASD's bond since 2001.

ASD's 2021 Financial Statements (Page 72) differentiates between general obligation bonds and lease revenue bonds as follows: "General obligation bonds are serviced by property taxes and earnings on investments received by the debt service fund. Lease revenue bonds and obligations under capital lease are serviced by the capital projects fund." So, general obligation bond expenses are provided by the Debt Service Fund while Lease Revenue Bond expenses are provided through the Capital Outlay Fund.

Certain portions of the allocation, for example, the Timpanogos High School roof replacement more closely represents capital maintenance, which is generally expensed in the General Fund as maintenance expense.<sup>94</sup>

**Table 1.5.A: Historical Bond Summary**

School	Bond	Plan	Actual	Cost
Timpanogos HS (roof)	2016 GO Bond	Phase 1	Phase 1	\$4,000,000
Mountain View HS (cameras)	2016 GO Bond		Phase 2	\$3,309,359
Mountain View HS Renovation	2016 GO Bond	Phase 2	Phase 2	\$7,575,500
Cascade Elem	2016 GO Bond	Phase 3	Phase 3	\$20,286,301
Aspen Elem (Secure Entry)	2016 GO Bond	Phase 3	Phase 3	\$925,383
Bonneville Elem (Secure Entry)	2016 GO Bond	Phase 3	Phase 3	\$869,532
Centennial Elem	2016 GO Bond	None	Lease Rev Bond	\$20,078,451
Cherry Hill Elem rebuild	2011 GO Bond	Phase 1	Phase 1	\$10,320,558
Westmore Elem rebuild	2011 GO Bond	Phase 1	Phase 1	\$9,565,272
Orem JH Gym Addition	2011 GO Bond	Phase 3	Phase 3	\$4,978,684
Timpanogos HS Weight Room	2011 GO Bond	Phase 4	Phase 4	\$369,143
Orem JH Renovation	2006 GO Bond	Phase 1	Phase 1	\$1,856,114
Orem HS Reconstruction	2006 GO Bond	Phase 2	Phase 2	\$43,424,900
Lake Ridge JH Renovation	2006 GO Bond	Phase 2	Phase 3	\$4,649,079
Cherry Hill Elem	2001 GO Bond	Phase A	Phase 1	\$3,006,202
Orem HS	2001 GO Bond	Phase A	Phase 1	\$4,033,365
Geneva Elem	2001 GO Bond	Phase C	Phase 4	\$789,358

<sup>94</sup> Completing maintenance expenses as part of a bond is close to violation of ASD's Debt Management, see bullet point 2 in Figure 7 above. This policy requires that the life of an asset placed in a bond to have an expected life at least as long as the bond (20 years in ASD's case). Given that Timpanogos was 21 years old, and had a remaining life of approximately 19 years, the inclusion in the 2016 bond during 2017 is questionable.

Hillcrest Elem	2001 GO Bond	Phase C	Phase 4	\$3,046,004
Scera Park Elem	2001 GO Bond	Phase C		\$811,137
Sharon Elem	2001 GO Bond	Phase C		\$3,340,766
Suncrest Elem	2001 GO Bond	Phase C		\$492,241
Westmore Elem	2001 GO Bond	Phase C		\$2,203,413
Windsor Elem	2001 GO Bond	Phase C		\$3,064,765
Canyon View JH	2001 GO Bond	Phase C		\$644,095
Lakeridge JH	2001 GO Bond	Phase C		\$1,190,139
Orem JH	2001 GO Bond	Phase C		\$1,994,027
Orem HS	2001 GO Bond	Phase C		\$684,362
Bonneville Elem	2001 GO Bond	Phase D		\$816,304
Northridge Elem	2001 GO Bond	Phase D		\$2,290,729
Orem Elem	2001 GO Bond	Phase D		\$1,771,505
Canyon View JH	2001 GO Bond	Phase D		\$638,184
<b>Total</b>				<b>\$163,024,872</b>

The \$163M of bond allocations since 2001 to the New District, represents 13.4% of the \$1.2B bond allocations awarded to cities across the district. The likelihood of ASD building new schools within the New District, according to ASD's historical 's bond allocation awards, are fourth in priority among cities in the district, below Lehi (\$329M), Saratoga Springs (\$241M), and Eagle Mountain (\$201M), despite Orem's historical place as the ASD's largest taxpayer—paying 28 percent of taxes over this time period. The granting of a school project isn't as straight forward for residents of the New District as it has been for other cities who have received brand-new schools, without any consolidation of facilities. ASD has consolidated four Orem schools into two schools in the past five years, without support from residents of the New District. Additionally, the proceeds received by ASD for the disposition of schools from the New District are often used elsewhere within the district. Chart 1.5.A, shows ASD's bond allocations received by city between 2001 and 2021 with, only the six cities (of 13 contributing cities) receiving the 89 percent of the allocations are named.

Chart 1.5.A: Allocation of Bond Proceeds by City

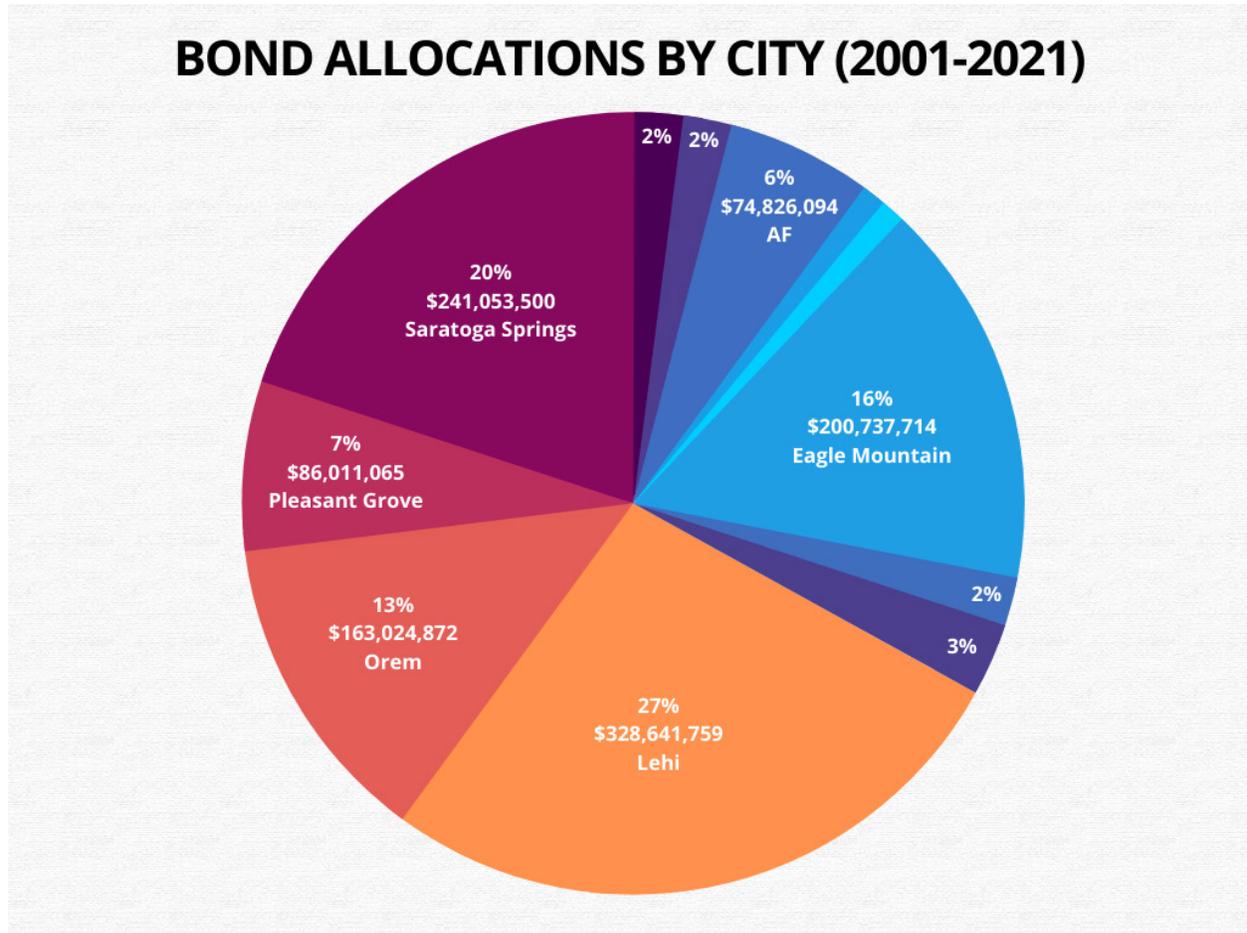


Table 1.5.B provides the historical tax rate comparison of the ASD's Debt Service Fund. The Debt Service Levy provides the revenue necessary to finance the district's bond-related expenditures. Table 1.5.B shows the tax rates for FY2019 through the FY2023 Budget. The rate is generally declining due because of two factors: 1) the taxable value of the district is increasing faster than the debt and 2) the outstanding debt is decreasing as the 2001 bonds were paid off and the 2006 bonds are in there last few years of payments.

Table 1.5.B: Historical Debt Service Fund Tax Rate Comparison

Levy	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23
Debt Service Levy	0.002524	0.002225	0.002305	0.002219	0.001713

Data Source: DEC, and publicly available information in ASD financial statements

The current scenario is likely to continue beyond the current year due to the combination of the proposed \$595 million ASD bond and the proposed New District scenario. For this reason, DEC

has provided three Debt Service Fund scenarios: 1) current ASD debt scenario, 2) ASD issuing the proposed \$595 million general obligation bond, and 3) a district split with both New and Remaining District issuing bonds necessary to fulfill their relative capital needs.

**Scenario 1, Current ASD Debt**

Page 90 of the FY2023 Budget notes that the principal and interest costs for the upcoming school year will be \$63.77 million and \$16.95 million, respectively, for a total cost of \$80.72 million. Table X.7 provides the revenue projections necessary to pay for the current debt situation for the current ASD, New District, and Remaining District based on projections of future tax values. Table X.7 provides projections through FY2035, while prior revenues for other funds were only forecast through FY2032, because that is the payoff dates of the Remaining District bond debt.

**Table 1.5.C: Projected Debt Service Fund Revenues**

Fiscal Year	Tax Rate	Proposed Tax Rate Value	Property Tax
<b>ASD</b>			
2023	0.001617	\$49,914,603,694	\$80,722,553
2024	0.001431	\$52,909,479,916	\$75,693,176
2025	0.001145	\$56,084,048,711	\$64,209,391
2026	0.000715	\$59,449,091,633	\$42,510,356
2027	0.000644	\$63,016,037,131	\$40,600,356
2028	0.000531	\$66,796,999,359	\$35,466,856
2029	0.000502	\$70,804,819,321	\$35,524,406
2030	0.000453	\$75,053,108,480	\$33,990,106
2031	0.000351	\$79,556,294,989	\$27,948,356
2032	0.000331	\$84,329,672,688	\$27,943,006
2033	0.000313	\$89,389,453,049	\$27,939,481
2034	0.000295	\$94,752,820,232	\$27,955,163
2035	0.000182	\$100,437,989,446	\$18,274,675
<b>New District</b>			
2023	0.001620	\$9,684,996,717	\$15,691,701
2024	0.001436	\$10,169,246,553	\$14,602,004
2025	0.001151	\$10,677,708,880	\$12,292,177
2026	0.000720	\$11,211,594,324	\$8,075,948
2027	0.000650	\$11,772,174,041	\$7,654,046
2028	0.000537	\$12,360,782,743	\$6,634,993
2029	0.000508	\$12,978,821,880	\$6,594,702
2030	0.000459	\$13,627,762,974	\$6,261,315

2031	0.000357	\$14,309,151,122	\$5,108,673
2032	0.000337	\$15,024,608,679	\$5,068,249
2033	0.000305	\$15,926,085,199	\$4,857,546
2034	0.000288	\$16,881,650,311	\$4,860,272
2035	0.000178	\$17,894,549,330	\$3,177,227
<b>Remaining District</b>			
2023	0.001620	\$40,137,368,913	\$65,030,852
2024	0.001436	\$42,545,611,048	\$61,091,172
2025	0.001151	\$45,098,347,711	\$51,917,214
2026	0.000720	\$47,804,248,574	\$34,434,408
2027	0.000650	\$50,672,503,488	\$32,946,310
2028	0.000537	\$53,712,853,697	\$28,831,863
2029	0.000508	\$56,935,624,919	\$28,929,704
2030	0.000459	\$60,351,762,414	\$27,728,791
2031	0.000357	\$63,972,868,159	\$22,839,683
2032	0.000337	\$67,811,240,249	\$22,874,757
2033	0.000321	\$71,879,914,664	\$23,081,935
2034	0.000303	\$76,192,709,543	\$23,094,891
2035	0.000187	\$80,764,272,116	\$15,097,448

Data Source: DEC

Under UCA 53G-3-307, paragraph (5)(b), discusses the treatment of the existing debt of a split district, and requires the "New District" and the "Remaining District" to impose a tax levy that generate revenues from the combined districts that is uniform withing the New District and Remaining Districts. This requirement essentially treats the New District and Remaining Districts as if they were still one district and therefore requires the annual assessment of the debt levy to vary over time based on the relative value of the taxable values. The New District's portion of the existing ASD debt would be 19.4% for FY2023, see Table 1.2.G from the taxable value section.

**Table 1.5.D: Debt Service Fund Expense Projections**

Fiscal Year	Revenue	Expense	Fund Change	Tax Rate	Tax Rate Change
<b>ASD</b>					
2023	\$80,722,553	\$80,722,553	\$0	0.001617	
2024	\$75,693,176	\$75,693,176	0	0.001431	
2025	\$64,209,391	\$64,209,391	0	0.001145	
2026	\$42,510,356	\$42,510,356	0	0.000715	
2027	\$40,600,356	\$40,600,356	0	0.000644	
2028	\$35,466,856	\$35,466,856	0	0.000531	
2029	\$35,524,406	\$35,524,406	0	0.000502	

2030	\$33,990,106	\$33,990,106	0	0.000453	
2031	\$27,948,356	\$27,948,356	0	0.000351	
2032	\$27,943,006	\$27,943,006	0	0.000331	
2033	\$27,939,481	\$27,939,481	0	0.000313	
2034	\$27,955,163	\$27,955,163	0	0.000295	
2035	\$18,274,675	\$18,274,675	0	0.000182	
<b>New District</b>					
2023	\$15,691,701	\$15,691,701	\$0	0.001620	0.000003
2024	\$14,602,004	\$14,602,004	0	0.001436	0.000005
2025	\$12,292,177	\$12,292,177	0	0.001151	0.000006
2026	\$8,075,948	\$8,075,948	0	0.000720	0.000005
2027	\$7,654,046	\$7,654,046	0	0.000650	0.000006
2028	\$6,634,993	\$6,634,993	0	0.000537	0.000006
2029	\$6,594,702	\$6,594,702	0	0.000508	0.000006
2030	\$6,261,315	\$6,261,315	0	0.000459	0.000007
2031	\$5,108,673	\$5,108,673	0	0.000357	0.000006
2032	\$5,068,249	\$5,068,249	0	0.000337	0.000006
2033	\$4,857,546	\$4,857,546	0	0.000305	(0.000008)
2034	\$4,860,272	\$4,860,272	0	0.000288	(0.000007)
2035	\$3,177,227	\$3,177,227	0	0.000178	(0.000004)
<b>Remaining District</b>					
2023	\$65,030,852	\$65,030,852	\$0	0.001620	0.000003
2024	\$61,091,172	\$61,091,172	0	0.001436	0.000005
2025	\$51,917,214	\$51,917,214	0	0.001151	0.000006
2026	\$34,434,408	\$34,434,408	0	0.000720	0.000005
2027	\$32,946,310	\$32,946,310	0	0.000650	0.000006
2028	\$28,831,863	\$28,831,863	0	0.000537	0.000006
2029	\$28,929,704	\$28,929,704	0	0.000508	0.000006
2030	\$27,728,791	\$27,728,791	0	0.000459	0.000007
2031	\$22,839,683	\$22,839,683	0	0.000357	0.000006
2032	\$22,874,757	\$22,874,757	0	0.000337	0.000006
2033	\$23,081,935	\$23,081,935	0	0.000321	0.000009
2034	\$23,094,891	\$23,094,891	0	0.000303	0.000008
2035	\$15,097,448	\$15,097,448	0	0.000187	0.000005

Data Source: DEC

Table 1.5.D projects the Debt Service Fund expenditures based for the current ASD, New District, and Remaining District. Under Scenario 1, the current ASD debt scenario, there are virtually no tax effects for the current ASD, New District, and Remaining District. The projected tax rates are

declining over the time period for the current ASD debt to be extinguished.

**Scenario 2, ASD Issues \$595 Million of Bonds in 2022**

In addition to the \$81M in current debt expenditures, the Issuance of \$595M of bonds in 2022 would generate another \$42M in annual principal and interest expenses from FY2023<sup>95</sup> through FY2042 . Will this new bond issuance, if approved, affect the New District's portion of the debt? Yes. Orem residents will be responsible for whatever portion of the bond issuance debt that occurs prior to the school district split, regardless of whether Orem receives any bond allocations for improvements or not. As a result, Orem residents could be responsible for approximately \$116M over the next 20 years (\$595M bond x 19.4%). However, if the New District was to vote in favor of the split, residents of the New District would likely be able to avoid debt that was issued after the New District was created. Table 1.5.E provides the revenue projections necessary to pay for the current debt situation for the current ASD, New District, and Remaining District based on projections of future tax values based on the current ASD issuing new debt.

**Table 1.5.E: Debt Service Fund Projections With Proposed \$595M Bond**

Fiscal Year	Tax Rate	Proposed Tax Rate Value	Property Tax
<b>ASD</b>			
2023	0.002438	\$49,914,603,694	\$121,678,089
2024	0.002205	\$52,909,479,916	\$116,648,712
2025	0.001875	\$56,084,048,711	\$105,164,927
2026	0.001404	\$59,449,091,633	\$83,465,892
2027	0.001294	\$63,016,037,131	\$81,555,892
2028	0.001144	\$66,796,999,359	\$76,422,392
2029	0.001080	\$70,804,819,321	\$76,479,942
2030	0.000999	\$75,053,108,480	\$74,945,642
2031	0.000866	\$79,556,294,989	\$68,903,892
2032	0.000817	\$84,329,672,688	\$68,898,542
2033	0.000771	\$89,389,453,049	\$68,895,017
2034	0.000727	\$94,752,820,232	\$68,910,699
2035	0.000590	\$100,437,989,446	\$59,230,211
2036	0.000385	\$106,464,268,813	\$40,955,536
2037	0.000502	\$112,852,124,942	\$56,647,237
2038	0.000464	\$119,623,252,438	\$55,557,541
2039	0.000420	\$126,800,647,585	\$53,247,714
2040	0.000365	\$134,408,686,440	\$49,031,484

<sup>95</sup> This assumes a 20-year bond, with a AAA credit rating, with interest stated at 3.15% (the rate on July 1, 2022). Actual costs could differ based on a change in credit rating, interest rates, etc.

2041	0.000341	\$142,473,207,626	\$48,609,583
2042	0.000315	\$151,021,600,084	\$47,590,529
<b>New District</b>			
2023	0.001620	\$9,684,996,717	\$15,691,701
2024	0.001436	\$10,169,246,553	\$14,602,004
2025	0.001151	\$10,677,708,880	\$12,292,177
2026	0.000720	\$11,211,594,324	\$8,075,948
2027	0.000650	\$11,772,174,041	\$7,654,046
2028	0.000537	\$12,360,782,743	\$6,634,993
2029	0.000508	\$12,978,821,880	\$6,594,702
2030	0.000459	\$13,627,762,974	\$6,261,315
2031	0.000357	\$14,309,151,122	\$5,108,673
2032	0.000337	\$15,024,608,679	\$5,068,249
2033	0.000305	\$15,926,085,199	\$4,857,546
2034	0.000288	\$16,881,650,311	\$4,860,272
2035	0.000178	\$17,894,549,330	\$3,177,227
2036	0.000000	\$18,968,222,290	\$0
2037	0.000000	\$20,106,315,627	\$0
2038	0.000000	\$21,312,694,565	\$0
2039	0.000000	\$22,591,456,239	\$0
2040	0.000000	\$23,946,943,613	\$0
2041	0.000000	\$25,383,760,230	\$0
2042	0.000000	\$26,906,785,843	\$0
<b>Remaining District</b>			
2023	0.002641	\$40,137,368,913	\$105,986,388
2024	0.002399	\$42,545,611,048	\$102,046,708
2025	0.002059	\$45,098,347,711	\$92,872,750
2026	0.001577	\$47,804,248,574	\$75,389,945
2027	0.001458	\$50,672,503,488	\$73,901,846
2028	0.001299	\$53,712,853,697	\$69,787,400
2029	0.001227	\$56,935,624,919	\$69,885,240
2030	0.001138	\$60,351,762,414	\$68,684,327
2031	0.000997	\$63,972,868,159	\$63,795,219
2032	0.000941	\$67,811,240,249	\$63,830,293
2033	0.000891	\$71,879,914,664	\$64,037,472
2034	0.000841	\$76,192,709,543	\$64,050,427
2035	0.000694	\$80,764,272,116	\$56,052,985
2036	0.000478	\$85,610,128,443	\$40,955,536

2037	0.000451	\$90,746,736,150	\$40,955,536
2038	0.000426	\$96,191,540,319	\$40,955,536
2039	0.000402	\$101,963,032,738	\$40,955,536
2040	0.000379	\$108,080,814,702	\$40,955,536
2041	0.000357	\$114,565,663,584	\$40,955,536
2042	0.000337	\$121,439,603,399	\$40,955,536

Data Source: DEC

Table 1.5.F projects the Debt Service Fund expenditures based for the current ASD, New District, and Remaining District. Under Scenario 2, the ASD issues new debt scenario, there are substantial tax effects for the current ASD, New District, and Remaining District. The projected tax rates are declining over the time period as the existing ASD debt is extinguished. For the current ASD, the tax increases are relevant to Scenario 1 (without the new debt). For the New District, the tax decreases are substantial over the 20-year period related to the issuance of the \$595M in new general obligation bonds.<sup>96</sup> For the Remaining District, there are tax increases over the new bond period due to both increased debt and having a smaller tax base (without the New District) to allocate the existing debt.

**Table 1.5.F: Debt Service Fund Expense Projections With Proposed \$595M Bond**

Fiscal Year	Revenue	Expense	Fund Change	Tax Rate	Tax Rate Change
<b>ASD</b>					
2023	\$121,678,089	\$121,678,089	\$0	0.002438	0.000821
2024	\$116,648,712	\$116,648,712	0	0.002205	0.000774
2025	\$105,164,927	\$105,164,927	0	0.001875	0.000730
2026	\$83,465,892	\$83,465,892	0	0.001404	0.000689
2027	\$81,555,892	\$81,555,892	0	0.001294	0.000650
2028	\$76,422,392	\$76,422,392	0	0.001144	0.000613
2029	\$76,479,942	\$76,479,942	0	0.001080	0.000578
2030	\$74,945,642	\$74,945,642	0	0.000999	0.000546
2031	\$68,903,892	\$68,903,892	0	0.000866	0.000515
2032	\$68,898,542	\$68,898,542	0	0.000817	0.000486
2033	\$68,895,017	\$68,895,017	0	0.000771	0.000458
2034	\$68,910,699	\$68,910,699	0	0.000727	0.000432
2035	\$59,230,211	\$59,230,211	0	0.000590	0.000408
2036	\$40,955,536	\$40,955,536	0	0.000385	0.000000
2037	\$56,647,237	\$56,647,237	0	0.000502	0.000000

<sup>96</sup> The current debt service decreases show the subsidy provided by the New District to the Remaining District. Historically, this subsidy has existed since at least 2001 as shown by the large tax base relative to the smaller bond allocations received.

2038	\$55,557,541	\$55,557,541	0	0.000464	0.000000
2039	\$53,247,714	\$53,247,714	0	0.000420	0.000000
2040	\$49,031,484	\$49,031,484	0	0.000365	0.000000
2041	\$48,609,583	\$48,609,583	0	0.000341	0.000000
2042	\$47,590,529	\$47,590,529	0	0.000315	0.000000
<b>New District</b>					
2023	\$15,691,701	\$15,691,701	\$0	0.001620	(0.000818)
2024	\$14,602,004	\$14,602,004	0	0.001436	(0.000769)
2025	\$12,292,177	\$12,292,177	0	0.001151	(0.000724)
2026	\$8,075,948	\$8,075,948	0	0.000720	(0.000684)
2027	\$7,654,046	\$7,654,046	0	0.000650	(0.000644)
2028	\$6,634,993	\$6,634,993	0	0.000537	(0.000607)
2029	\$6,594,702	\$6,594,702	0	0.000508	(0.000572)
2030	\$6,261,315	\$6,261,315	0	0.000459	(0.000539)
2031	\$5,108,673	\$5,108,673	0	0.000357	(0.000509)
2032	\$5,068,249	\$5,068,249	0	0.000337	(0.000480)
2033	\$4,857,546	\$4,857,546	0	0.000305	(0.000466)
2034	\$4,860,272	\$4,860,272	0	0.000288	(0.000439)
2035	\$3,177,227	\$3,177,227	0	0.000178	(0.000412)
2036	\$0	\$0	0	0.000000	(0.000385)
2037	\$0	\$0	0	0.000000	(0.000502)
2038	\$0	\$0	0	0.000000	(0.000464)
2039	\$0	\$0	0	0.000000	(0.000420)
2040	\$0	\$0	0	0.000000	(0.000365)
2041	\$0	\$0	0	0.000000	(0.000341)
2042	\$0	\$0	0	0.000000	(0.000315)
<b>Remaining District</b>					
2023	\$105,986,388	\$105,986,388	\$0	0.002641	0.000203
2024	\$102,046,708	\$102,046,708	0	0.002399	0.000194
2025	\$92,872,750	\$92,872,750	0	0.002059	0.000184
2026	\$75,389,945	\$75,389,945	0	0.001577	0.000173
2027	\$73,901,846	\$73,901,846	0	0.001458	0.000164
2028	\$69,787,400	\$69,787,400	0	0.001299	0.000155
2029	\$69,885,240	\$69,885,240	0	0.001227	0.000147
2030	\$68,684,327	\$68,684,327	0	0.001138	0.000139
2031	\$63,795,219	\$63,795,219	0	0.000997	0.000131
2032	\$63,830,293	\$63,830,293	0	0.000941	0.000124
2033	\$64,037,472	\$64,037,472	0	0.000891	0.000120

2034	\$64,050,427	\$64,050,427	0	0.000841	0.000113
2035	\$56,052,985	\$56,052,985	0	0.000694	0.000104
2036	\$40,955,536	\$40,955,536	0	0.000478	0.000094
2037	\$40,955,536	\$40,955,536	0	0.000451	(0.000051)
2038	\$40,955,536	\$40,955,536	0	0.000426	(0.000039)
2039	\$40,955,536	\$40,955,536	0	0.000402	(0.000018)
2040	\$40,955,536	\$40,955,536	0	0.000379	0.000014
2041	\$40,955,536	\$40,955,536	0	0.000357	0.000016
2042	\$40,955,536	\$40,955,536	0	0.000337	0.000022

Data Source: DEC

**Scenario 3, ASD Issues \$595M of Bonds in 2022 and New District Issues Bonds**

The Remaining District issues \$595M in bonds with \$42M in annual principal and interest expenses for FY2023 through FY2042. Also assume that the New District issues \$125M with \$9M in annual principal and interest expenses for FY2023 through FY2042<sup>97</sup>, with proceeds used to replace or remediate seismic issues. The costs for the New District are avoidable, as local representation and decision making allows voters within the New District to make the choice to issue new debt or not. Table 1.5.G provides the revenue projections necessary to pay for the current debt situation for the current ASD, New District, and Remaining District based on projections of future tax values based on both the Remaining District and New District issuing additional debt.

**Table 1.5.G: Debt Service Fund Projections With Proposed \$595M Bond and \$125M New District Bond**

Fiscal Year	Tax Rate	Proposed Tax Rate Value	Property Tax
<b>ASD</b>			
2023	0.002438	\$49,914,603,694	\$121,678,089
2024	0.002205	\$52,909,479,916	\$116,648,712
2025	0.001875	\$56,084,048,711	\$105,164,927
2026	0.001404	\$59,449,091,633	\$83,465,892
2027	0.001294	\$63,016,037,131	\$81,555,892
2028	0.001144	\$66,796,999,359	\$76,422,392
2029	0.001080	\$70,804,819,321	\$76,479,942
2030	0.000999	\$75,053,108,480	\$74,945,642
2031	0.000866	\$79,556,294,989	\$68,903,892

<sup>97</sup> The New District would have to leverage its bond offering off of ASD or go through the bond rating process. The City of Orem has a AAA credit rating as can be seen here: <https://www.fitchratings.com/entity/orem-ut-99769#rating-actions>

2032	0.000817	\$84,329,672,688	\$68,898,542
2033	0.000771	\$89,389,453,049	\$68,895,017
2034	0.000727	\$94,752,820,232	\$68,910,699
2035	0.000590	\$100,437,989,446	\$59,230,211
2036	0.000385	\$106,464,268,813	\$40,955,536
2037	0.000502	\$112,852,124,942	\$56,647,237
2038	0.000464	\$119,623,252,438	\$55,557,541
2039	0.000420	\$126,800,647,585	\$53,247,714
2040	0.000365	\$134,408,686,440	\$49,031,484
2041	0.000341	\$142,473,207,626	\$48,609,583
2042	0.000315	\$151,021,600,084	\$47,590,529
<b>New District</b>			
2023	0.002505	\$9,684,996,717	\$24,261,389
2024	0.002279	\$10,169,246,553	\$23,171,692
2025	0.001954	\$10,677,708,880	\$20,861,865
2026	0.001485	\$11,211,594,324	\$16,645,636
2027	0.001378	\$11,772,174,041	\$16,223,734
2028	0.001230	\$12,360,782,743	\$15,204,681
2029	0.001168	\$12,978,821,880	\$15,164,390
2030	0.001088	\$13,627,762,974	\$14,831,003
2031	0.000956	\$14,309,151,122	\$13,678,361
2032	0.000908	\$15,024,608,679	\$13,637,937
2033	0.000843	\$15,926,085,199	\$13,427,234
2034	0.000796	\$16,881,650,311	\$13,429,960
2035	0.000656	\$17,894,549,330	\$11,746,915
2036	0.000452	\$18,968,222,290	\$8,569,688
2037	0.000426	\$20,106,315,627	\$8,569,688
2038	0.000402	\$21,312,694,565	\$8,569,688
2039	0.000379	\$22,591,456,239	\$8,569,688
2040	0.000358	\$23,946,943,613	\$8,569,688
2041	0.000338	\$25,383,760,230	\$8,569,688
2042	0.000318	\$26,906,785,843	\$8,569,688
<b>Remaining District</b>			
2023	0.002641	\$40,137,368,913	\$105,986,388
2024	0.002399	\$42,545,611,048	\$102,046,708
2025	0.002059	\$45,098,347,711	\$92,872,750
2026	0.001577	\$47,804,248,574	\$75,389,945
2027	0.001458	\$50,672,503,488	\$73,901,846

2028	0.001299	\$53,712,853,697	\$69,787,400
2029	0.001227	\$56,935,624,919	\$69,885,240
2030	0.001138	\$60,351,762,414	\$68,684,327
2031	0.000997	\$63,972,868,159	\$63,795,219
2032	0.000941	\$67,811,240,249	\$63,830,293
2033	0.000891	\$71,879,914,664	\$64,037,472
2034	0.000841	\$76,192,709,543	\$64,050,427
2035	0.000694	\$80,764,272,116	\$56,052,985
2036	0.000478	\$85,610,128,443	\$40,955,536
2037	0.000451	\$90,746,736,150	\$40,955,536
2038	0.000426	\$96,191,540,319	\$40,955,536
2039	0.000402	\$101,963,032,738	\$40,955,536
2040	0.000379	\$108,080,814,702	\$40,955,536
2041	0.000357	\$114,565,663,584	\$40,955,536
2042	0.000337	\$121,439,603,399	\$40,955,536

Data Source: DEC

Table 1.5.H projects the Debt Service Fund expenditures based for the current ASD, New District, and Remaining District. Under Scenario 3, the Remaining District and New District both issues new debt scenario, there are substantial tax effects for the current ASD, New District, and Remaining District. The projected tax rates for all districts are declining over the time period as the existing ASD debt is extinguished. For both the New District and Remaining District, there are tax increases over the 15-year period related to the issuance of prior bonds.

**Table 1.5.H: Debt Service Fund Expense Projections With Proposed \$595M Bond and \$125M New District Bond**

Fiscal Year	Revenue	Expense	Fund Change	Tax Rate	Tax Rate Change
<b>ASD</b>					
2023	\$121,678,089	\$121,678,089	\$0	0.002438	
2024	\$116,648,712	\$116,648,712	0	0.002205	
2025	\$105,164,927	\$105,164,927	0	0.001875	
2026	\$83,465,892	\$83,465,892	0	0.001404	
2027	\$81,555,892	\$81,555,892	0	0.001294	
2028	\$76,422,392	\$76,422,392	0	0.001144	
2029	\$76,479,942	\$76,479,942	0	0.001080	
2030	\$74,945,642	\$74,945,642	0	0.000999	
2031	\$68,903,892	\$68,903,892	0	0.000866	

2032	\$68,898,542	\$68,898,542	0	0.000817	
2033	\$68,895,017	\$68,895,017	0	0.000771	
2034	\$68,910,699	\$68,910,699	0	0.000727	
2035	\$59,230,211	\$59,230,211	0	0.000590	
2036	\$40,955,536	\$40,955,536	0	0.000385	
2037	\$56,647,237	\$56,647,237	0	0.000502	
2038	\$55,557,541	\$55,557,541	0	0.000464	
2039	\$53,247,714	\$53,247,714	0	0.000420	
2040	\$49,031,484	\$49,031,484	0	0.000365	
2041	\$48,609,583	\$48,609,583	0	0.000341	
2042	\$47,590,529	\$47,590,529	0	0.000315	
<b>New District</b>					
2023	\$24,261,389	\$24,261,389	\$0	0.002505	0.000067
2024	\$23,171,692	\$23,171,692	0	0.002279	0.000074
2025	\$20,861,865	\$20,861,865	0	0.001954	0.000079
2026	\$16,645,636	\$16,645,636	0	0.001485	0.000081
2027	\$16,223,734	\$16,223,734	0	0.001378	0.000084
2028	\$15,204,681	\$15,204,681	0	0.001230	0.000086
2029	\$15,164,390	\$15,164,390	0	0.001168	0.000088
2030	\$14,831,003	\$14,831,003	0	0.001088	0.000090
2031	\$13,678,361	\$13,678,361	0	0.000956	0.000090
2032	\$13,637,937	\$13,637,937	0	0.000908	0.000091
2033	\$13,427,234	\$13,427,234	0	0.000843	0.000072
2034	\$13,429,960	\$13,429,960	0	0.000796	0.000068
2035	\$11,746,915	\$11,746,915	0	0.000656	0.000067
2036	\$8,569,688	\$8,569,688	0	0.000452	0.000067
2037	\$8,569,688	\$8,569,688	0	0.000426	(0.000076)
2038	\$8,569,688	\$8,569,688	0	0.000402	(0.000062)
2039	\$8,569,688	\$8,569,688	0	0.000379	(0.000041)
2040	\$8,569,688	\$8,569,688	0	0.000358	(0.000007)
2041	\$8,569,688	\$8,569,688	0	0.000338	(0.000004)
2042	\$8,569,688	\$8,569,688	0	0.000318	0.000003
<b>Remaining District</b>					
2023	\$105,986,388	\$105,986,388	\$0	0.002641	0.000203
2024	\$102,046,708	\$102,046,708	0	0.002399	0.000194
2025	\$92,872,750	\$92,872,750	0	0.002059	0.000184
2026	\$75,389,945	\$75,389,945	0	0.001577	0.000173
2027	\$73,901,846	\$73,901,846	0	0.001458	0.000164

2028	\$69,787,400	\$69,787,400	0	0.001299	0.000155
2029	\$69,885,240	\$69,885,240	0	0.001227	0.000147
2030	\$68,684,327	\$68,684,327	0	0.001138	0.000139
2031	\$63,795,219	\$63,795,219	0	0.000997	0.000131
2032	\$63,830,293	\$63,830,293	0	0.000941	0.000124
2033	\$64,037,472	\$64,037,472	0	0.000891	0.000120
2034	\$64,050,427	\$64,050,427	0	0.000841	0.000113
2035	\$56,052,985	\$56,052,985	0	0.000694	0.000104
2036	\$40,955,536	\$40,955,536	0	0.000478	0.000094
2037	\$40,955,536	\$40,955,536	0	0.000451	(0.000051)
2038	\$40,955,536	\$40,955,536	0	0.000426	(0.000039)
2039	\$40,955,536	\$40,955,536	0	0.000402	(0.000018)
2040	\$40,955,536	\$40,955,536	0	0.000379	0.000014
2041	\$40,955,536	\$40,955,536	0	0.000357	0.000016
2042	\$40,955,536	\$40,955,536	0	0.000337	0.000022

Data Source: DEC

### Debt Capacity

As mentioned earlier, school districts have a debt capacity equal to four percent of fair market value, not taxable value. Table 1.5.I shows the capacity of the current ASD and the relative share of the existing ASD debt for the New District and Remaining District.

**Table 1.5.I: Current Debt Capacity**

Fiscal Year	Proposed Tax Rate Value (\$000s)	Current Debt Portion	Fair Market Value (\$000s)	Fair Market Value Portion
ASD	\$49,914,604	100.0%	\$81,952,782	100.0%
New District	\$9,684,997	19.4%	\$16,539,681	20.2%
Remaining District	\$40,137,369	80.6%	\$65,413,101	79.8%

Data Source: DEC

Table 1.5.J provides the debt capacity and current portion used for the current ASD, New District, and Remaining District. All districts are in relatively safe debt capacity situations, and within feasible limits.

**Table 1.5.J: Current Debt Portion Used**

Fiscal Year	Proposed Tax Rate Value (\$000s)	Current Debt Portion	Fair Market Value (\$000s)	Fair Market Value Portion
ASD	\$3,278,111	\$443,770	\$2,834,341	100.0%
New District	\$661,587	\$86,265	\$575,323	20.3%
Remaining District	\$2,616,524	\$357,505	\$2,259,019	79.7%

Data Source: DEC

Tables 1.5.K and 1.5.L show the projected debt capacity under the current ASD, New District, and Remaining District issuing bonds as described in Scenarios 2 and 3. Once again, all districts are in relatively safe projected debt capacity situations, and within feasible limits.

**Table 1.5.K: Projected Debt Capacity With Alpine Bond**

Fiscal Year	Proposed Tax Rate Value (\$000s)	Current Debt Portion	Fair Market Value (\$000s)	Fair Market Value Portion
ASD	\$3,278,111	\$1,044,720	\$2,233,391	31.9%
New District	\$661,587	\$86,265	\$575,323	13.0%
Remaining District	\$2,616,524	\$958,455	\$1,658,069	36.6%

Data Source: DEC

**Table 1.5.L: Projected Debt Capacity With Alpine Bond and New District Bond**

Fiscal Year	Proposed Tax Rate Value (\$000s)	Current Debt Portion	Fair Market Value (\$000s)	Fair Market Value Portion
ASD	\$3,278,111	\$1,044,720	\$2,233,391	31.9%
New District	\$661,587	\$212,010	\$449,578	32.1%
Remaining District	\$2,616,524	\$958,455	\$1,783,814	36.6%

Data Source: DEC

## CHAPTER 1.6 SUMMARY AND CONCLUSIONS

### Summary of Revenues and Expenses

The purpose of this report is to determine whether or not it is feasible to begin the New District. A significant factor in that decision is the economic feasibility of the proposed New District. Table 1.6.A provides a summary of revenue and expenses for the General, Capital Outlay, and Debt Service Funds. Based on our analysis it appears that there is sufficient revenues to cover expenses within each of the major funds.

**Table 1.6.A: Summary of Revenues and Expenditures by Fund (\$000,000s)**

Fiscal Year	General Fund Revenues	General Fund Expenses	Capital Fund Revenues	Capital Fund Expenses	Debt Fund Revenue	Debt Fund Expenses	Total Revenues	Total Expenses
<b>ASD</b>								
2023	\$754	\$756	\$87	\$87	\$81	\$81	\$921	\$924
2024	\$800	\$795	\$52	\$52	\$76	\$76	\$928	\$923
2025	\$826	\$824	\$53	\$53	\$64	\$64	\$943	\$941
2026	\$854	\$854	\$55	\$55	\$43	\$43	\$952	\$951
2027	\$883	\$885	\$58	\$58	\$41	\$41	\$982	\$984
2028	\$912	\$915	\$62	\$62	\$35	\$35	\$1,010	\$1,012
2029	\$943	\$947	\$66	\$66	\$36	\$36	\$1,044	\$1,048
2030	\$975	\$977	\$69	\$69	\$34	\$34	\$1,078	\$1,080
2031	\$1,007	\$1,008	\$74	\$74	\$28	\$28	\$1,109	\$1,109
2032	\$1,042	\$1,040	\$78	\$78	\$28	\$28	\$1,147	\$1,146
<b>New District</b>								
2023	\$147	\$147	\$8	\$6	\$16	\$16	\$171	\$169
2024	\$153	\$153	\$8	\$6	\$15	\$15	\$175	\$173
2025	\$156	\$156	\$9	\$6	\$12	\$12	\$177	\$175
2026	\$159	\$159	\$9	\$6	\$8	\$8	\$176	\$173
2027	\$162	\$162	\$9	\$7	\$8	\$8	\$179	\$177
2028	\$166	\$166	\$7	\$7	\$7	\$7	\$179	\$179
2029	\$170	\$170	\$7	\$7	\$7	\$7	\$184	\$184
2030	\$175	\$175	\$8	\$8	\$6	\$6	\$189	\$189
2031	\$180	\$180	\$8	\$8	\$5	\$5	\$194	\$194
2032	\$186	\$186	\$9	\$9	\$5	\$5	\$200	\$200
<b>Remaining District</b>								

2023	\$609	\$609	\$87	\$87	\$65	\$65	\$761	\$761
2024	\$643	\$643	\$52	\$52	\$61	\$61	\$756	\$756
2025	\$668	\$668	\$53	\$53	\$52	\$52	\$773	\$773
2026	\$695	\$695	\$55	\$55	\$34	\$34	\$784	\$784
2027	\$723	\$723	\$58	\$58	\$33	\$33	\$814	\$814
2028	\$749	\$749	\$62	\$62	\$29	\$29	\$840	\$840
2029	\$777	\$777	\$66	\$66	\$29	\$29	\$872	\$872
2030	\$802	\$802	\$69	\$69	\$28	\$28	\$899	\$899
2031	\$828	\$828	\$74	\$74	\$23	\$23	\$924	\$924
2032	\$854	\$854	\$78	\$78	\$23	\$23	\$955	\$955

Data Source: Utah State Tax Commission, Certified Tax Rates, DEC

Table 1.6.B provides a summary of the property taxes by fund required of the current ASD, New District, and Remaining District.

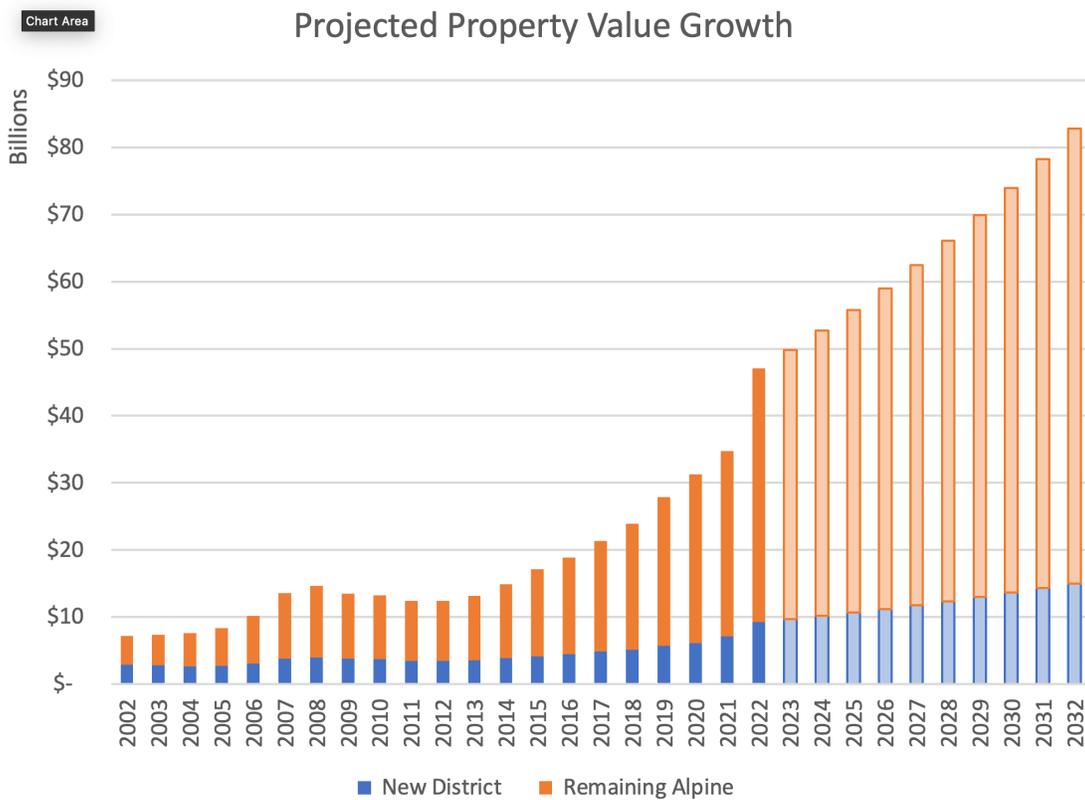
**Table 1.6.B: Summary of Property Taxes by Fund (\$000s)**

Fiscal Year	General	Capital	Debt Service	Total
<b>ASD</b>				
2023	\$167,205	\$76,320	\$80,723	\$324,248
2024	\$177,237	\$41,583	\$75,693	\$294,513
2025	\$187,872	\$41,561	\$64,209	\$293,642
2026	\$199,144	\$43,610	\$42,510	\$285,264
2027	\$211,093	\$46,567	\$40,600	\$298,260
2028	\$223,758	\$49,712	\$35,467	\$308,937
2029	\$237,184	\$53,057	\$35,524	\$325,765
2030	\$251,415	\$56,613	\$33,990	\$342,017
2031	\$266,499	\$60,393	\$27,948	\$354,841
2032	\$282,489	\$64,412	\$27,943	\$374,845
<b>New District</b>				
2023	\$40,486	\$5,840	\$15,692	\$62,017
2024	\$45,372	\$6,132	\$14,602	\$66,106
2025	\$47,036	\$6,439	\$12,292	\$65,766
2026	\$47,466	\$6,761	\$8,076	\$62,302
2027	\$49,078	\$7,099	\$7,654	\$63,831
2028	\$51,105	\$4,839	\$6,635	\$62,579
2029	\$52,954	\$5,144	\$6,595	\$64,693
2030	\$54,819	\$5,465	\$6,261	\$66,545
2031	\$57,301	\$5,805	\$5,109	\$68,214
2032	\$59,888	\$6,162	\$5,068	\$71,118

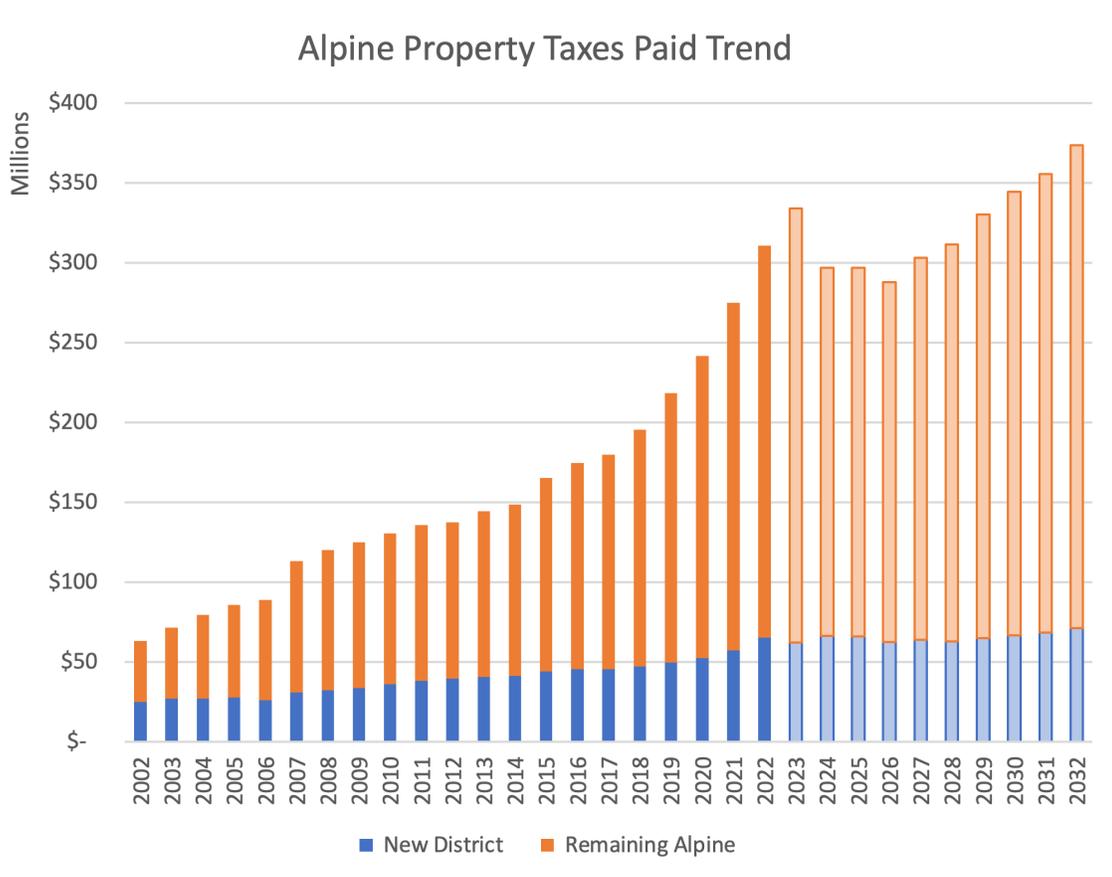
Remaining District				
2023	\$128,834	\$78,345	\$65,031	\$272,210
2024	\$126,060	\$43,652	\$61,091	\$230,803
2025	\$135,447	\$43,677	\$51,917	\$231,041
2026	\$145,314	\$45,772	\$34,434	\$225,520
2027	\$157,456	\$48,778	\$32,946	\$239,180
2028	\$168,024	\$51,972	\$28,832	\$248,828
2029	\$181,209	\$55,366	\$28,930	\$265,505
2030	\$191,244	\$58,973	\$27,729	\$277,947
2031	\$201,787	\$62,806	\$22,840	\$287,433
2032	\$212,861	\$66,878	\$22,875	\$302,615

Data Source: Utah State Tax Commission, Certified Tax Rates, DEC

Chart 1.6.A: Alpine School District Property Value Trend



**Chart 1.6.B: Alpine School District Property Taxes Paid Trend**



**Summary of Tax Impact**

The financial sections of this report have strived to demonstrate the tax impact of several scenarios in creating new school districts, the foremost of which is the creation of the New District. Like any modeling, the analysis performed cannot include all potential variables, or scenarios, that could affect the current ASD, New District, the Remaining District. The summary does include conclusions regarding the tax impact of these scenarios.

**Scenario 1: No New Bonds for the Existing and New Districts**

Scenario 1 models a potential split based on the current debt environment in the Alpine School District. The property tax summary allows a user to compare historical taxes paid to projected taxes, by major fund, for each of the district scenarios.

Table 1.6.C provides a cumulative summary of the impact on tax rates by fund for the current ASD, New District, and Remaining District. A separate analysis of tax rates is done for each of the three Debt Fund scenarios. For Scenario 1, the current ASD debt scenario, which is the

least likely future situation (the current ASD is likely to bond regardless of the New District split decision), the New District would face small tax increases, averaging four percent, over the 10-year forecast period. This result is due to a general fund tax increase offset by a small capital fund tax decrease. The Remaining District would benefit from small tax decreases due to slightly lower general fund levies and small tax increases in the capital tax levy.

**Table 1.6.C: Summary of Fund Impact on Property Tax Rates**

Fiscal Year	General Fund	Capital Fund	Debt Service Fund	Total Tax Rate	Change
<b>ASD</b>					
2023	0.003394	0.001529	0.001617	0.006541	
2024	0.003366	0.000786	0.001431	0.005482	
2025	0.003317	0.000741	0.001145	0.005203	
2026	0.003342	0.000734	0.000715	0.004791	
2027	0.003384	0.000739	0.000644	0.004768	
2028	0.003391	0.000744	0.000531	0.004666	
2029	0.003412	0.000749	0.000502	0.004663	
2030	0.003378	0.000754	0.000453	0.004586	
2031	0.003356	0.000759	0.000351	0.004467	
2032	0.003334	0.000764	0.000331	0.004429	
<b>New District</b>					
2023	0.004180	0.000394	0.001620	0.006194	(0.000346)
2024	0.004462	0.000399	0.001436	0.006297	0.000815
2025	0.004405	0.000405	0.001151	0.005961	0.000758
2026	0.004234	0.000410	0.000720	0.005364	0.000573
2027	0.004169	0.000415	0.000650	0.005234	0.000467
2028	0.004134	0.000420	0.000537	0.005091	0.000425
2029	0.004080	0.000425	0.000508	0.005013	0.000350
2030	0.004023	0.000430	0.000459	0.004912	0.000326
2031	0.004004	0.000434	0.000357	0.004796	0.000329
2032	0.003986	0.000439	0.000337	0.004762	0.000333
<b>Remaining District</b>					
2023	0.003210	0.001952	0.001620	0.006782	0.000241
2024	0.002752	0.001026	0.001436	0.005214	(0.000269)
2025	0.002776	0.000968	0.001151	0.004896	(0.000307)
2026	0.002797	0.000957	0.000720	0.004475	(0.000316)
2027	0.002846	0.000963	0.000650	0.004458	(0.000309)
2028	0.002851	0.000968	0.000537	0.004356	(0.000311)
2029	0.002887	0.000972	0.000508	0.004368	(0.000295)
2030	0.002861	0.000977	0.000459	0.004298	(0.000288)

2031	0.002835	0.000982	0.000357	0.004173	(0.000293)
2032	0.002808	0.000986	0.000337	0.004131	(0.000297)

Data Source: DEC

Table 1.6.D estimates the actual tax impact for an average home valued at \$450,000 for FY2023.<sup>98</sup> For a New District taxpayer owning a \$450,000 home, property taxes are expected to increase proportionately, with an average annual tax increase, relative to the current ASD of \$56 annually. For the average taxpayer in the Remaining District, property taxes are expected to increase proportionately, but with an average annual tax decrease, relative to the current ASD of \$84 annually.

**Table 1.6.D: Estimated Impact for \$450,000 Home Owner**

Fiscal Year	ASD	New District	Increase (Decrease)	Remaining District	Increase (Decrease)
2023	\$1,619	\$1,533	(\$86)	\$1,679	\$60
2024	\$1,438	\$1,636	\$198	\$1,368	(\$70)
2025	\$1,447	\$1,627	\$180	\$1,362	(\$85)
2026	\$1,412	\$1,537	\$125	\$1,319	(\$93)
2027	\$1,490	\$1,575	\$85	\$1,393	(\$97)
2028	\$1,545	\$1,608	\$63	\$1,443	(\$103)
2029	\$1,637	\$1,663	\$26	\$1,533	(\$104)
2030	\$1,707	\$1,711	\$4	\$1,599	(\$107)
2031	\$1,762	\$1,754	(\$8)	\$1,646	(\$116)
2032	\$1,852	\$1,828	(\$23)	\$1,727	(\$124)

Data Source: DEC

**Scenario 2: Alpine Issues a \$595M Bond and New District Issues No Bond**

Scenario 2 models the current ASD after issuing new debt. This scenario would provide no change in taxes for the New District, but tax increases for the Remaining District of approximately \$41M to cover the additional bond expenditures.

Table 1.6.E provides a cumulative summary of the impact on tax rates by fund for the current ASD, New District, and Remaining District. A separate analysis of tax rates is done for each of the three Debt Fund scenarios. For Scenario 2, the current ASD issues new debt, the New District would face small tax decreases, averaging 2.5 percent, over the 10-year forecast period. This result is due to a general fund tax increase offset by a larger debt fund tax decrease relative

<sup>98</sup> To provide a realistic annual tax calculation, the average \$450,000 is projected to increase at 6 percent in the current or Remaining District and 5 percent in the New District.

to remaining in the ASD and sharing the new bonding expenses. The Remaining District would benefit from a small general fund tax decrease and a larger debt fund tax increase.

**Table 1.6.E: Summary of Fund Impact on Property Tax Rates After \$595M Bond**

Fiscal Year	General Fund	Capital Fund	Debt Service Fund	Total Tax Rate	Change
<b>ASD</b>					
2023	0.003394	0.001529	0.002438	0.007361	
2024	0.003266	0.000786	0.002205	0.006256	
2025	0.003317	0.000741	0.001875	0.005933	
2026	0.003342	0.000734	0.001404	0.005480	
2027	0.003384	0.000739	0.001294	0.005417	
2028	0.003391	0.000744	0.001144	0.005279	
2029	0.003412	0.000749	0.001080	0.005242	
2030	0.003378	0.000754	0.000999	0.005131	
2031	0.003356	0.000759	0.000866	0.004981	
2032	0.003334	0.000764	0.000817	0.004914	
<b>New District</b>					
2023	0.004180	0.000394	0.001620	0.006194	(0.001167)
2024	0.004462	0.000399	0.001436	0.006297	0.000041
2025	0.004405	0.000405	0.001151	0.005961	0.000028
2026	0.004234	0.000410	0.000720	0.005364	(0.000116)
2027	0.004169	0.000415	0.000650	0.005234	(0.000183)
2028	0.004134	0.000420	0.000537	0.005091	(0.000188)
2029	0.004080	0.000425	0.000508	0.005013	(0.000228)
2030	0.004023	0.000430	0.000459	0.004912	(0.000219)
2031	0.004004	0.000434	0.000357	0.004796	(0.000186)
2032	0.003986	0.000439	0.000337	0.004762	(0.000152)
<b>Remaining District</b>					
2023	0.003210	0.001952	0.002641	0.007802	0.000441
2024	0.002752	0.001026	0.002399	0.006176	(0.000080)
2025	0.002776	0.000968	0.002059	0.005804	(0.000129)
2026	0.002797	0.000957	0.001577	0.005331	(0.000148)
2027	0.002846	0.000963	0.001458	0.005267	(0.000151)
2028	0.002851	0.000968	0.001299	0.005118	(0.000161)
2029	0.002887	0.000972	0.001227	0.005087	(0.000154)
2030	0.002861	0.000977	0.001138	0.004976	(0.000155)
2031	0.002835	0.000982	0.000997	0.004814	(0.000168)
2032	0.002808	0.000986	0.000941	0.004735	(0.000179)

Data Source: DEC

Table 1.6.F estimated the actual tax impact for an average home valued at \$450,000 for FY2023.<sup>99</sup> For a New District taxpayer owning a \$450,000 home, property taxes are expected to increase proportionately, with an average annual tax decrease, relative to staying in the current ASD of \$147 annually. For the average taxpayer in the Remaining District, property taxes are expected to increase proportionately, but with an average annual tax increase, relative to the current ASD of \$34 annually.

**Table 1.6.F: Estimated Impact for \$450,000 Home Owner After \$595M Bond**

Fiscal Year	ASD	New District	Increase (Decrease)	Remaining District	Increase (Decrease)
2023	\$1,822	\$1,533	(\$289)	\$1,931	\$09
2024	\$1,641	\$1,629	(\$5)	\$1,620	(\$21)
2025	\$1,650	\$1,627	(\$23)	\$1,614	(\$36)
2026	\$1,615	\$1,537	(\$78)	\$1,572	(\$44)
2027	\$1,693	\$1,575	(\$118)	\$1,646	(\$47)
2028	\$1,749	\$1,608	(\$140)	\$1,695	(\$53)
2029	\$1,840	\$1,663	(\$177)	\$1,786	(\$54)
2030	\$1,910	\$1,711	(\$199)	\$1,852	(\$58)
2031	\$1,965	\$1,754	(\$211)	\$1,899	(\$66)
2032	\$2,055	\$1,828	(\$226)	\$1,980	(\$75)

Data Source: DEC

**Scenario 3: Alpine Issues a \$595M Bond and New District Issues a \$125M Bond**

Scenario 3 models both the New District and Remaining District issuing new debt. This scenario would provide no change in taxes for the Remaining District, relative to Scenario 2, but tax increases for the New District of approximately \$9M to cover the additional bond expenditures.

Table 1.6.G provides a cumulative summary of the impact on tax rates by fund for the current ASD, New District, and Remaining District. A separate analysis of tax rates is done for each of the three Debt Fund scenarios. For Scenario 3, both districts would issue new debt. The New District would face small tax increases, averaging 4.5%, over the 10-year forecast period. This result is due to a general fund tax increase plus a debt fund tax increase relative to remaining in the ASD. The Remaining District would be in the same situation as Scenario 2 and have a small general fund tax decrease and a small debt fund tax decrease—less than 1 percent in total.

<sup>99</sup> To provide a realistic annual tax calculation, the average \$450,000 is projected to increase at 6 percent in the current or Remaining District and 5 percent in the New District.

Table 1.6.G

Fiscal Year	General Fund	Capital Fund	Debt Service Fund	Total Tax Rate	Change
<b>ASD</b>					
2023	0.003394	0.001529	0.002438	0.007361	
2024	0.003366	0.000786	0.002205	0.006356	
2025	0.003317	0.000741	0.001875	0.005933	
2026	0.003342	0.000734	0.001404	0.005480	
2027	0.003384	0.000739	0.001294	0.005417	
2028	0.003391	0.000744	0.001144	0.005279	
2029	0.003412	0.000749	0.001080	0.005242	
2030	0.003378	0.000754	0.000999	0.005131	
2031	0.003356	0.000759	0.000866	0.004981	
2032	0.003334	0.000764	0.000817	0.004914	
<b>New District</b>					
2023	0.004180	0.000394	0.002505	0.007079	(0.000282)
2024	0.004462	0.000399	0.002279	0.007140	0.000883
2025	0.004405	0.000405	0.001954	0.006764	0.000831
2026	0.004234	0.000410	0.001485	0.006128	0.000649
2027	0.004169	0.000415	0.001378	0.005962	0.000545
2028	0.004134	0.000420	0.001230	0.005785	0.000505
2029	0.004080	0.000425	0.001168	0.005674	0.000432
2030	0.004023	0.000430	0.001088	0.005541	0.000409
2031	0.004004	0.000434	0.000956	0.005395	0.000413
2032	0.003986	0.000439	0.000908	0.005333	0.000418
<b>Remaining District</b>					
2023	0.003210	0.001952	0.002641	0.007802	0.000441
2024	0.002752	0.001026	0.002399	0.006176	(0.000080)
2025	0.002776	0.000968	0.002059	0.005804	(0.000129)
2026	0.002797	0.000957	0.001577	0.005331	(0.000148)
2027	0.002846	0.000963	0.001458	0.005267	(0.000151)
2028	0.002851	0.000968	0.001299	0.005118	(0.000161)
2029	0.002887	0.000972	0.001227	0.005087	(0.000154)
2030	0.002861	0.000977	0.001138	0.004976	(0.000155)
2031	0.002835	0.000982	0.000997	0.004814	(0.000168)
2032	0.002808	0.000986	0.000941	0.004735	(0.000179)

Data Source: DEC

Table 1.6.H estimates the actual tax impact for an average home valued at \$450,000 for FY2023.<sup>100</sup> For a New District taxpayer owning a \$450,000 home, property taxes are expected to increase proportionately, with an average annual tax increase, relative to staying in the current ASD of \$72 annually. While New District taxpayers would have a minimal tax increase that was approved by voters within the New District, exercising local representation and decision making, the real benefit is that the New District would receive the entire \$125M proceeds from the bond rather than the likely scenario of subsidizing new construction in other cities in the faster-growing portion of the district—which has been happening regularly over the last two decades.

**Table 1.6.H: Estimated Impact for \$450,000 Home Owner After \$595M Bond and New District Issues a \$125M Bond**

Fiscal Year	ASD	New District	Increase (Decrease)	Remaining District	Increase (Decrease)
2023	\$1,822	\$1,752	(\$70)	\$1,931	\$109
2024	\$1,641	\$1,855	\$214	\$1,620	(\$21)
2025	\$1,650	\$1,846	\$196	\$1,614	(\$36)
2026	\$1,615	\$1,756	\$141	\$1,572	(\$44)
2027	\$1,693	\$1,794	\$101	\$1,646	(\$47)
2028	\$1,749	\$1,827	\$79	\$1,695	(\$53)
2029	\$1,840	\$1,882	\$42	\$1,786	(\$54)
2030	\$1,910	\$1,930	\$20	\$1,852	(\$58)
2031	\$1,965	\$1,973	\$8	\$1,899	(\$66)
2032	\$2,055	\$2,047	(\$7)	\$1,980	(\$75)

Data Source: DEC

A split of the Alpine School District into a New District and the Remaining District will result in changes to the taxpayers in community. These changes can be evaluated by looking at the amount of taxes paid or the mil rate charged to arrive at the taxes that are paid. Regardless of the approach taken, a split of the district is just the first step. The overall impact that it will have to tax payers will ultimately be determined by the decisions that are made after the split, for each of the communities.

Without any other changes (i.e. issuance of new bonds, increased expenditures for capital projects, or significant changes in state or federal funding), the tax mil rate for the current and potential two new districts would be expected to decrease over time, unless decisions are made to increase the amount of operating expenditures that are budgeted and approved in future periods. With changes to capital spending and debt service as the result of new bonds, tax rates will increase for a period of time before beginning to decrease as a result of the repayment of

<sup>100</sup> To provide a realistic annual tax calculation, the average \$450,000 is projected to increase at 6 percent in the current or Remaining District and 5 percent in the New District.

outstanding debt or the reduction in the need for capital improvements. A split is feasible and can be done without a significant change to the amount of taxes paid by each community but the ultimate impact will come from the decisions that are made to increase general spending, increase capital spending, or the issuance of bonds in the future, regardless of whether there is a split of the existing district.

## CHAPTER 1.7 COST SAVING AND SHARED SERVICES AGREEMENTS

The DEC team met with senior school district leadership all along the Wasatch Front in its preparation of this Comprehensive Feasibility Study. The purpose of the meetings was to explore ways school districts can share costs with other school districts and governmental entities in direct student and teacher services, and non-teaching expenditures common to most Utah school districts. Sharing the costs and responsibilities for such services can provide a cost savings to districts or entities that cooperatively share such costs.

DEC highly recommends a shared services model be implemented if the New District is created within Orem. Such agreements can help improve student education, teacher instruction and related services by providing a higher quality of services at lower costs. It would also allow a newly formed city school district and a neighboring school district to offer services that might not otherwise be available or that would otherwise be cost prohibitive.

### ***Shared Services Agreement Are Cost Effective and Can Improve Quality of Service***

A newly formed city school district can share the cost of services and to avoid the duplicating of services with municipalities and neighboring school districts. A shared services agreement between the New District and a municipality can include, but are not limited to:

- Grounds and facilities maintenance
- Vehicle maintenance, garage & storage facilities
- Transportation (buses & maintenance)
- Information technology
- Accounting & Purchasing

Partnering with neighboring school district can result in immense savings and reduce costs. Examples of shared services between the New District and a neighboring school district can include, but are not limited to:

- Transportation (buses & vehicle maintenance);
- Purchasing & warehouse;
- A centralized Food Kitchen for the two school districts & shared Food Services;
- Special Education & Special Needs centralized school(s) for medically fragile & severely handicapped students, including mental health specialists, speech and language therapists, occupational therapists, and physical health services.
- Preschool;

- Shared instructional technology;
- Shared curriculum and staff development;
- Student Health (nurses & emotional health care workers, social workers, advocates);
- School Safety & Student Security;
- Title One Program Supervision & Services
- Various Arts & Specialty Classes
- Library/Media/Technology Services
- Before and After School programs

Although these governing bodies act independently of each other, sharing of these services could result in significant savings annually for each governing body. This will allow the partnering districts more options for specialists, training, curriculum enhancements, specialty classes, as well as maximizing the efficiency and work product of employees.

### **Personnel Savings**

The largest cost savings with shared services agreements is the costs related to personnel. Studies have shown sharing personnel is a strategy to achieving greater efficiency in small school districts while also greatly reducing costs.<sup>101</sup> The sharing of school personnel can occur between schools within a district or between school districts in a similar geographical area.<sup>102</sup> For example, in Utah's Granite School District elementary assistant principals are assigned to two schools, instead of one. Currently five of the 13 elementary schools in Orem function without an Assistant Principal/TSA. The 2021 cost to the other eight Orem elementary schools with Assistant Principals/TSAs amounted to \$623,670 in salaries and \$1,002,872 including benefits.<sup>103</sup>

Certificated and credentialed school employees are shared, saving anywhere from \$15,000 to \$50,000 per year per employee. Sharing of staff between school districts, especially those staff members trained in student assessment can stagger district-wide testing to be able to administer and score student assessments for all schools. Other personnel that have been known to be shared among schools and school districts within a reasonably small geographic area include school and campus security, psychologists, therapists, technology/IT specialists and nurses.<sup>104</sup> Shared services agreements are commonplace in special education district partnerships and vocational schools in other states.

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<sup>101</sup> Archer, J. (November 2, 2005). In Iowa, some superintendents serve two masters. *Education Week*, 25(10), 8.

<sup>102</sup> Lawrence, B. K., Abramson, et. al. *Dollars and sense II: Lessons from good, cost-effective small schools*. Cincinnati, OH: Knowledge Works Foundation, 2007.

<sup>103</sup> [Transparent.Utah.gov](https://transparent.utah.gov)

<sup>104</sup> Lawrence, op. cit.

## Food Services

Food Services and a centralized food kitchen can serve two or more neighboring school districts at a cost savings for all. With this approach the two school districts are able to get more leverage in the types of food served and the quality of the product. If two neighboring school districts have need for a new centralized kitchen, it makes sense to share in the building and operational costs to serve the students in both districts with one kitchen. There is also the possibility of contracting with an existing private corporation that provides facilities management and food services to schools.

Granite School District has such a centralized kitchen called the Bates Central Kitchen. The Bates Central Kitchen provides catering services to neighboring school districts and charter schools, including servicing all of Granite School District schools. The Bates Central Kitchen delivers nearly 10 million meals to over 90 sites across the district every school year.<sup>105</sup> The Granite School District contracted with Sodexo America to serve as a management company for the district's food services program. This resulted in reduced costs to the district, and Sodexo's efficient management model gave Granite School District additional financial savings that were directed elsewhere in the Granite School District to better serve students and teachers.

Provo School District is a "Multiple Winner of Best in State" for their child nutrition program.<sup>106</sup> A new city school district in Orem could benefit with a shared services partnership with more than a financial savings and benefit. Such a partnership could produce delicious and nutritious food services for the new city school district's 14,500+ students, as well as specialty meals for those with food sensitivities and allergies.

## Special Need Students Benefits in Learning & Services

There exists immense student benefits when employing shared service agreements. If a shared service agreement is entered with a neighboring school district, each district could focus on its strongest programs. For example, a school district may have an excellent program with a school staffed with specially trained professionals for medically fragile and/or severely handicapped students. Its neighboring school district may not have a similar school or the ability to provide the same quality of services to its students. Entering a shared service agreement to provide services for both school districts can become a cost-saver for both districts.

When Canyons School District was formed from Jordan School District in 2008, Jordan Valley School, a school for students with significant disabilities, remained in Canyons. Shared-service agreements between the two school districts were established so students' living in

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<sup>105</sup> <https://www.graniteschools.org/nutritionservices/bates-central-kitchen-tours/>

<sup>106</sup> [Provo.edu/child-nutrition](https://www.provo.edu/child-nutrition)

the remaining Jordan School District could continue to be served in Canyons. This agreement ensured student services were not interrupted. It also allowed Jordan School District's students to attend Jordan Valley School until a replacement school, Kauri Sue Hamilton School, was built.

### **Municipal and County Shared Agreements with Local School Districts**

Simple shared service agreements are also effective. For instance, Ogden City School District has an agreement with the City of Ogden for use of a 10-wheel dump truck. During the year there are times when Ogden City School District needs the services of a dump truck. In their agreement with the City of Ogden, the dump truck with a driver is available to the district. This has saved the district from buying a dump truck, the cost of a certified driver, liability insurance, as well as the cost of maintaining and storing the truck.

New York's Albany County has shared services for enhancing efficiency in local service delivery while reducing the local property tax burden for its citizens. They are projected to save more than \$2.6 million in 2022 and over \$6 million in annual savings when all proposals are fully implemented. Taken together, proposals from the 2019 and 2020 Albany County Shared Services Plans are estimated to result in at least \$11 million in recurring annual taxpayer savings when fully implemented.<sup>107</sup>

By sharing the costs and contracts for some services, the city and school district(s) can ensure that the best, most cost-effective service is being used, and potentially leverage greater savings for such services.

### **Cautions in Entering Shared Services Agreements**

There are areas of concern regarding shared services agreement that need to be taken into consideration. There may be a fear of losing control of the services provided, concern for the quality of the service, concern that state laws and requirements differ between school districts and/or municipalities. The district should evaluate and maintain a degree of control over the shared service, loss of institutional knowledge/expertise, resistance to exploring shared services for fear that current agency staff will become obsolete and political obstacles in sharing services.<sup>108</sup>

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<sup>107</sup> [https://dos.ny.gov/system/files/documents/2022/02/2021-albany-county-cwssi-plan\\_0.pdf](https://dos.ny.gov/system/files/documents/2022/02/2021-albany-county-cwssi-plan_0.pdf)

<sup>108</sup> <https://patch.com/california/burlingame-hillsborough/shared-services-model-can-help-school-districts-cut-costs>

**Examples of Shared Services Agreements for cost savings between school districts and municipalities nationwide<sup>109</sup>**

**Food Services** – Caldwell-West Caldwell / Verona School District (New Jersey)

**Telecommunications, Computer Network** – Montclair Public Schools, Montclair Township, Montclair Public Library (New Jersey)

**Professional Development** – Bridgewater-Raritan Regional School Districts (New Jersey)

**Distance Learning** – Monmouth-Ocean Educational Services Commission (New Jersey)

**Special Education Programs, Cooperative Purchasing, Professional Development,**

**Transportation, Alternative School** – 10 Massachusetts School Districts

**Business Services, Employee Benefits, Supplies, Teacher Placement, Legal Services, Teacher**

**Productivity Center, Textbook Adoption Support** – 59 Texas School Districts

**Computer Software, Computer Hardware, Telecommunications, Risk Management** – 11  
Midwestern States

**Special Education** – 6 Connecticut School Districts

**Academic Pairing** – 24 Minnesota School Districts

**Joint Public / High School Library** – Sweetwater Union High School District / City of Chula  
Vista, California

**Library Services** – University of California Campuses

**Recreation** – Northville Public Schools / City of Northville / Northville Township, Michigan

**Food Services Director** – Cornwall-Lebanon / Northern Lebanon School Districts, Pennsylvania

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<sup>109</sup> Shared Services in School Districts - Catalogue of Best Practices, Institute on Education Law and Policy, Rutgers, The State University of New Jersey <http://ielp.rutgers.edu> September 2007

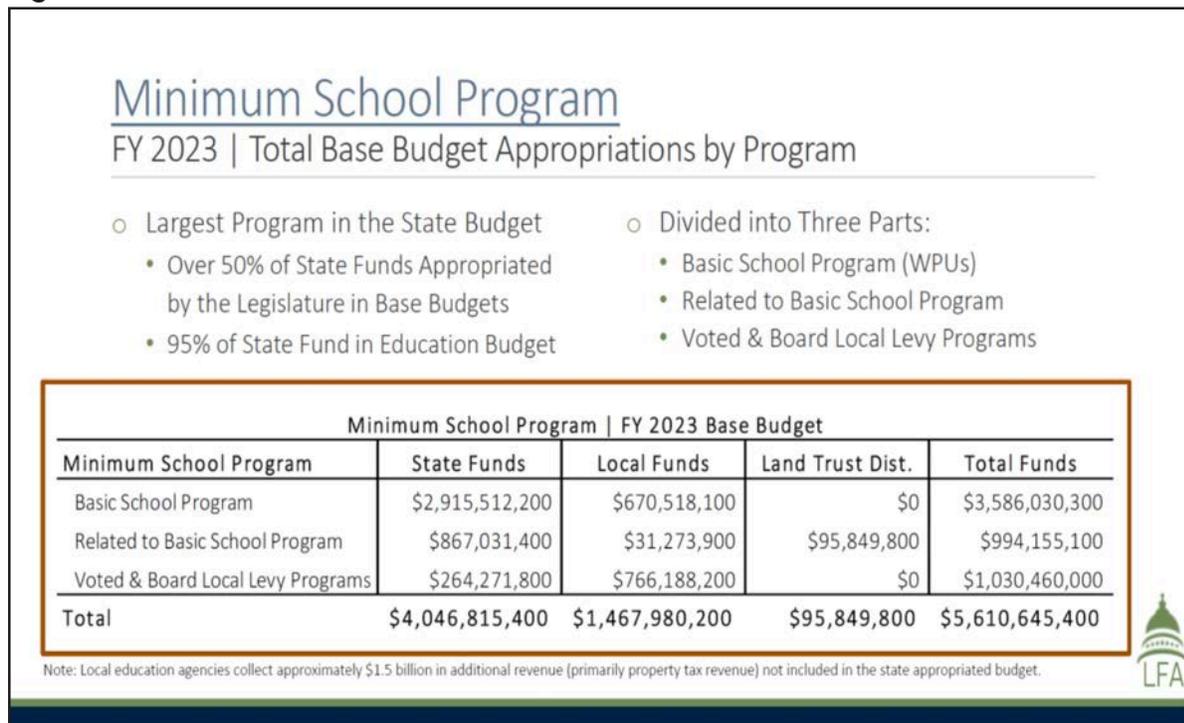
## CHAPTER 1.8 MINIMUM SCHOOL PROGRAM PRIMARY FUNDING FOR SCHOOL DISTRICTS & CHARTER SCHOOLS

The Minimum School Program (MSP) was created by the 1972 Legislature, and first funded in 1974, to equalize funding across school districts in Utah. The Minimum School Program (MSP) tries to equalize funding across school districts.

The Minimum School Program (MSP) is the primary funding source for school districts and charter schools in Utah. The Fiscal Year 2022 total budget is \$5,369,815,300 including state and local dollars. The state MSP funds represent 75.86% of total MSP revenues and includes 24.14% of local revenue. The funds are used to support over 1,300 traditional, alternative, special education, online, and charter schools for 675,247 K-12 Utah students.<sup>110</sup>

Figure 3 delineates the relative size of the MSP components on a statewide basis.

**Figure 3**



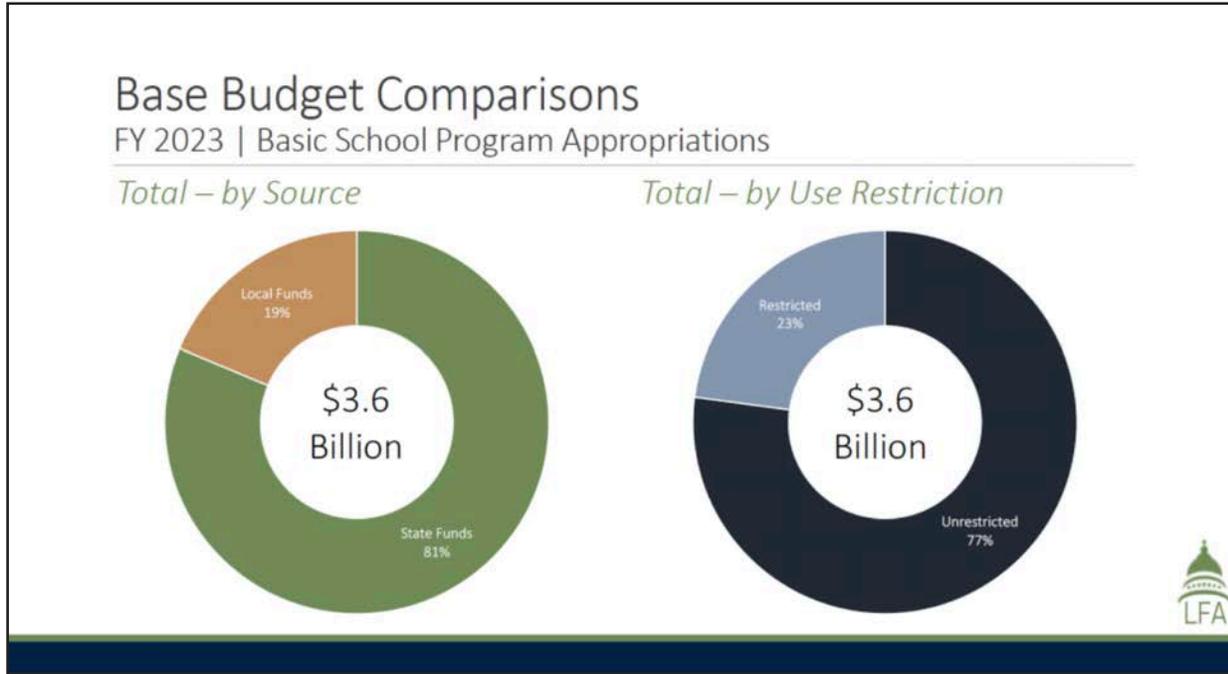
Data Source: *Minimum School Program*<sup>111</sup>

<sup>110</sup> <https://www.schools.utah.gov/financialoperations/msp>

<sup>111</sup> The Figures in Appendix C are sourced from the Utah State Legislature: Lieshman, Benjamin (2021), Minimum School Program, slide presentation located at: <https://le.utah.gov/interim/2022/pdf/00000398.pdf>

Figure 4 identifies the state versus local portion of the MSP program and provides the percentage of MSP funds that are restricted (23%) and unrestricted (77%). The WPU is so important to Utah school district revenue that enrollment projections are critical to properly budgeting for districts.

**Figure 4**



*Basic School sources and restrictions*

**Basic School Program**

The Basic School Program is funded with a combination of income taxes and property taxes at the state level. Because Utah has a uniform income tax system, the income tax is an equalized revenue source statewide. In addition, the basic school levy is fully equalized statewide because a uniform property tax rate (basic levy) is imposed statewide. All school districts within Utah, including the Alpine School District, must impose a basic school levy of 0.001661 on the taxable value of property during 2021. To explain this concept, let's use the owner of \$350,000 residential property, which is used as a primary residence. Regardless of whether the property is in Orem, or Eagle Mountain, the taxpayers will pay the exact same amount under the basic levy.

**Minimum School Program**

The Minimum School Program (MSP) also tries to equalize funding across school districts. The following example provides an example of how the equalization works across three hypothetical districts, see Figure 5. The WPU value times the number of WPUs per district is the basic school costs or expenditures—with a WPU value of \$4,000 and 10,000 WPUs (based on number of

students and additional WPUs) each district is expected to cost \$40,000,000. District A, B, and C raise property taxes of \$8,000,000, \$24,000,000 and \$48,000,000, respectively. District A will receive \$32,000,000 in state funds. District B will receive \$16,000,000 in state funds. District C will actually pay \$8,000,000 of excess funds into the Uniform School Fund.

Figure 5

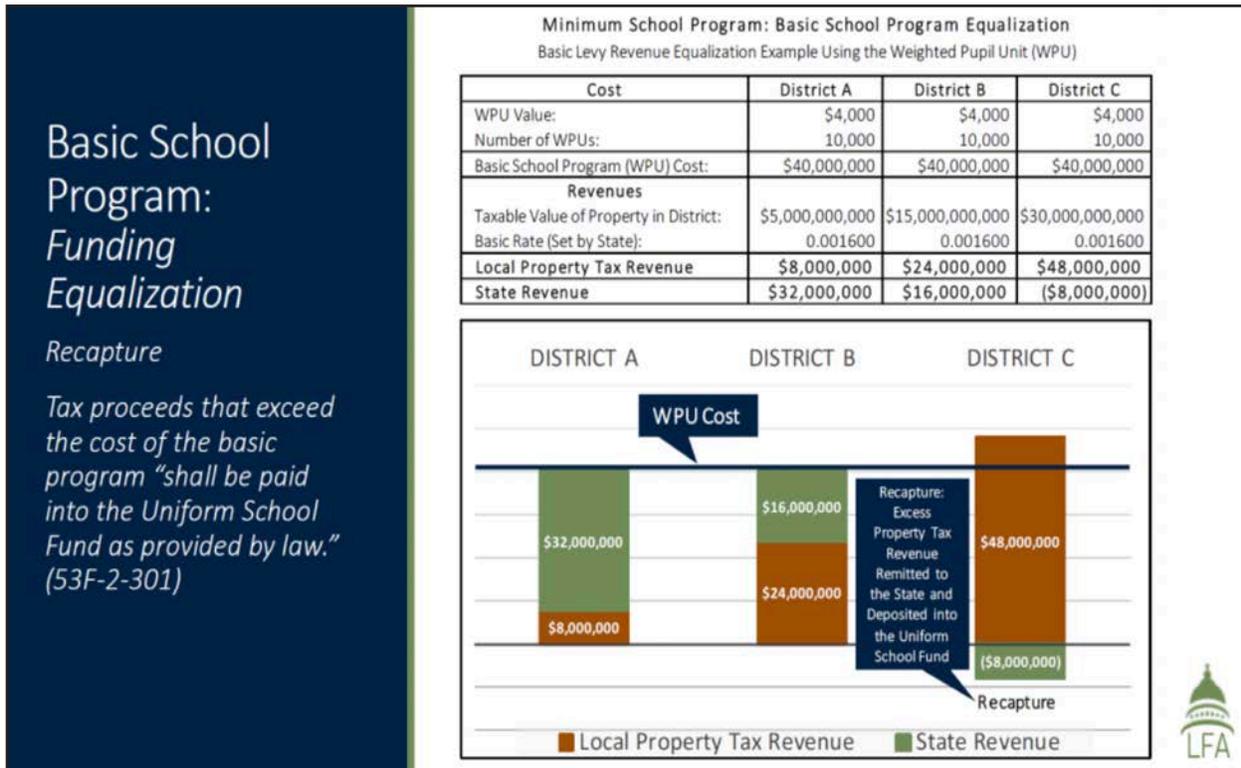


Figure 5, Example of Equalization Program

District A would represent a district like ASD. District B would represent a district like Wasatch School District. District C would represent a district like Park City School District. Park City is the only district that must pay into the Uniform School Fund, rather than receiving funds, due to its extremely high property tax revenues, as seen in Figure 5.

Figure 6 shows the ratio of state to local funding and ASD's relative position as compared to other Utah districts. ASD ranks in the bottom quartile. That rank is due to a number of factors including a large number of children, moderate property tax base, and relatively low property tax rate.

Figure 6

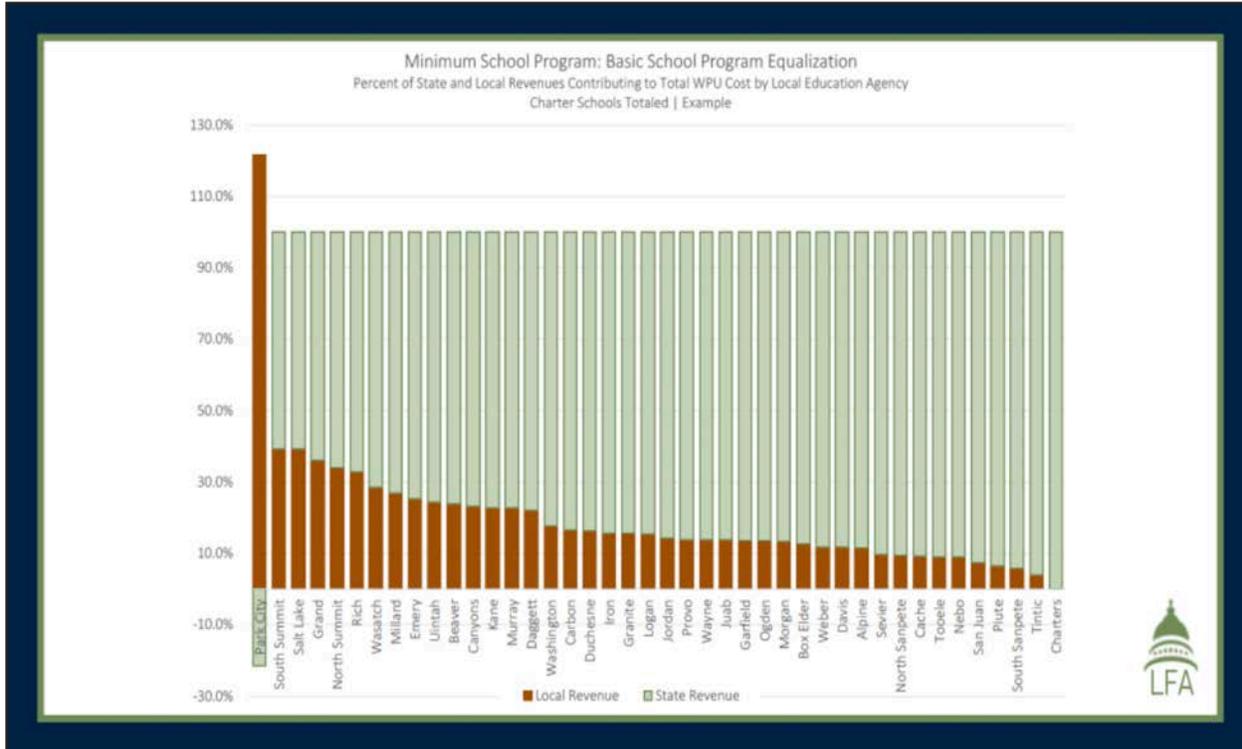


Figure 6, FY 2021 Ratio of State to Local Funding

The total WPU for the district is a composite of a number of components. The basic number is on a per student basis. Districts receive 0.55 WPU per student for traditional (non-full day) kindergarten students and 1 WPU per student for all other students. Additional WPUs are also awarded some other programs that are also part of the Basic Program listed in Figure 7—see Parts A and B.

For a full list of programs see MSP Descriptions document at the following link:  
<https://www.schools.utah.gov/financialoperations/msp?mid=2194&tid=4>

The Related to Basic School Program is a little more complex. Figure 8 provides a summary of the Related to Basic School Program. The Related to the Basic Program, IS not WPU formula based, but are dependent on other formulaic calculations.

The Board and Local Levy Program also provide matching funds to School Districts that encourage

local jurisdictions to increase school funding. Figure 9 discusses the basics of the levy program. These funds are funded by local property taxes with the state providing equalization funds to qualifying school districts, such as the Alpine School District. These funds, like the Basic Program are unrestricted.

The Basic Program, Related to Basic Program, and the Local Levy Program comprise the sources of Utah State funding that comprise the largest source of school district funding within the State of Utah.

A more complete discussion of State and federal funding is located in Appendix C.

## CHAPTER 2

### STUDENT TEST SCORES AND STUDENT ACHIEVEMENT OVERVIEW OF K-12 ALPINE SCHOOL DISTRICT SCHOOLS IN OREM

*Carl Hernandez, Orem resident, expressed appreciation to the City Council for the opportunity to come and speak with them about this issue of student test scores. The important principals (sic) that are at issue here are the education of the children, self-governance, and finances. He reviewed the most recent UPASS scores for the Alpine School District. He advised that sixty-four percent of the lowest scores in language arts are from Orem schools. **The inequality of the top-rated school and the lower schools is astounding.** The same can be seen in science and math. There is a disproportionate amount of students that are scoring non-proficient in the testing. He indicated that as a parent he does not have a voice to be able to have the self-determination to set the educational agenda for their children. He urged the City Council to put it to a vote of the citizens. (Minutes from August 22, 2017 Orem City Council Meeting – citizen support for Orem City Council to approve the question 'Shall a new city school district in Orem be created?', be placed on the November 2017, ballot)*

#### Declining Orem student test scores and student academic achievement.

Our Comprehensive Feasibility Study found declining student test scores and student academic achievement of schools within the City of Orem.<sup>112</sup> In the last five years, ASD and state testing data has revealed declining student academic achievement, particularly in ASD schools located in Orem. In our research, we discovered significant disparities in student test score data provided by ASD. The majority of schools located in the City of Orem have experienced a continual decline in student test scores for the past five years, well before the COVID epidemic. State testing during the school year 2019-2020 did not occur and has been excluded from consideration.

The DEC Team researched and evaluated student assessment and test scores in ASD schools in the City of Orem, for the years 2011 thru 2021. A quantitative research approach was utilized to collect and analyze the student test score numerical data. DEC then used this analysis of collected data to find patterns, averages, test causal relationships, and to make predictions.

#### A review of the ASAD K-12 schools in Orem revealed significant declines in student achievement over the past ten years.

- Many schools' test scores are poor/failing.
- Large disparities in ASD reporting of student test scores were found, compared to the

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<sup>112</sup> DEC found ASD's test score data, provided pursuant to GRAMA, completely unreliable. Most of the test score datasets provided by ASD were inflated.

official Utah State Board of Education SAGE & RISE/ASPIRE results.<sup>113</sup>

For many years ASD has experienced growth in academic achievement as measured by state test scores. But in the last few years, district and state testing data has revealed slower growth, and in some cases negative student academic growth, particularly in ASD schools in the City of Orem. In a presentation to the Orem City Council in 2021, ASD's Business Manager, Mr. Rob Smith, stated the number one condition that would justify a split of ASD and the consequent formation of the New District was declining test scores and "student performing at lower levels due to the district's size".

In addition to reducing the size of the district, research has shown one of the best methods to reverse the decline of student test scores and improve student academic learning is increasing teachers' salaries and benefits. Increased teacher salary has a positive effect and impact upon improved student test scores and student academic learning, as discussed in the Executive Summary. The impact of increased teacher compensation is addressed in the 2020 research study by Stanford University Hoover Institution<sup>114</sup>.

### **Importance of Student Test Scores**

Student test scores are important because they measure whether or not a school district is giving its students a rigorous education with high expectations. A school district should do all it can to give each student the best learning and instruction environments possible. Student test scores can be a measurement of the success of a school district's commitment to its students and teachers. For the students, this commitment allows students to aim high without settling for less than they are capable of achieving. Test scores provide a means for comparison and an opportunity to show growth, as well as indications of where more attention should be placed by educators.

Educators know that student test scores — much like graduation rates and college acceptance rates — are only one measure of a student. But test scores can also be used to dispel stereotypes. Some public views deem test scores not useful. This often leads to the misplaced belief and practice that subgroups, particularly Hispanic, African American and socio-economically disadvantaged students, are not capable of achieving at high levels. That misguided approach, in turn, leads to lower expectations and lower levels of student achievement. DEC's findings in this study show that test scores are a matter of equity and access.

When the focus on student test scores is reduced, there is a large risk of losing focus on disadvantaged students. Studies have shown high expectations, rigorous academics and attention to test scores have resulted in improved grades, success in elementary and secondary

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<sup>113</sup> Reports (utah.gov), see Assessments tab, annual Proficiency Levels

<sup>114</sup> <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%202020%20HESI%20teacher%20compensation.pdf>

schools, increased high school graduation rates and increased acceptance into colleges and universities.

1. *Is the decline in ASD's K-12 schools in Orem a result of ASD being too large?*
2. *Are smaller school districts better for student academic learning?*

Similar questions and statements were submitted to the City of Orem on their "SeamlessDocs School Study Feedback Submission", and DEC has obtained and incorporated into this Study. A straightforward answer to these questions is "YES".

Such an answer has been reached, based upon historical and factual evidence from Canyons School District split from Jordan, and a review of industry research and literature. Canyons School District did experience a **significant increase** in student test scores and high school graduation rates following its successful split from Jordan. Among the many research studies concluding larger school district have a negative impact on student learning and academic achievement, one landmark study particularly stands out.

Dr. Frank W. Robertson, School of Urban Affairs and Public Policy at the University of Memphis, published in December 2019 the results of cross-sectional data from the 99 largest school districts in America that assessed "the economies of scale in large school districts".<sup>115</sup> ***The results showed no validity larger school districts (such as ASD) were better for student achievement and instructional learning.***

The study validated earlier conclusions published in The Social Science Journal, vol.44, 2007-issue 4. The study concluded ***large school districts did not achieve better performance at a lower cost due to economies of scale.*** It was reported "the data indicates that significant inefficiencies exist in large districts" that interfere with successful teacher instruction and student learning.

The study also supported a 2003 study by the California State Office of Education concluding that "controlling for characteristics of the student population and other environmental factors, including class and school size, ***large school districts hinder educational achievement, having its biggest negative impact on middle school students***" (D. Driscoll, et. al. Economics of Education Review, 2003).

This Comprehensive Feasibility Study's collection and analysis of student assessment and testing data showed the following statement from the above California study to be accurate for secondary students attending Alpine School District schools in Orem. ***The biggest negative impact on Orem's student testing was evident in secondary school students, particularly those in junior high (middle school).***

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<sup>115</sup> <http://doi.org/10.1016/j.soscij.2007.10.005>

The collection and analysis of student assessment and test scores in ASD elementary and secondary schools located in the City of Orem give support and evidence to the nationwide research that large school districts such as ASD, with its 83,000+ student enrollment have a negative impact upon student achievement, learning, and teacher instruction. Student test scores from public schools located in the City of Orem are trending downwards, and immediate attention to this issue is needed. The results of this Comprehensive Feasibility Study's extensive quantitative analysis are as follows:

- Two of the three public high schools in Orem are seeing test scores lower in 2021 than they were in 2011.
- Three of the four junior high schools in Orem are seeing lower test scores in 2021 than those in 2011, while one remains roughly the same.
- Ten of Orem's elementary schools are seeing slightly improved test scores than those seen in 2011, while four are seeing lower scores in 2021 than a decade ago. However, as these elementary school numbers may appear positive, perspective matters: just three fall into the 75-100% percentile, four fall into the 50-75% percentile, and six fall below 50% for the past five years.

For purposes of this study, the schools' test scores have been listed by the following categories: senior high, junior high, and elementary schools. As of June 15, 2022, the RISE/ASPIRE test results are still not available on the Utah State Board of Education website for the 2021-2022 school year (testing occurred in April/May 2022). For purposes of this section, the Normal Standard Distribution method was used to find the "Average Standard Score" to efficiently evaluate each school's test scores in relation to all other schools in the state of Utah.

**SENIOR HIGH SCHOOLS**

Test scores are unavailable for the 2020 school year due to COVID shutdowns. Test scores shown below for senior high school date from 2008 to give indication of historical performance. Test scores are categorized as follows for the most recent five-year time period (2016-2021): The rating system used:

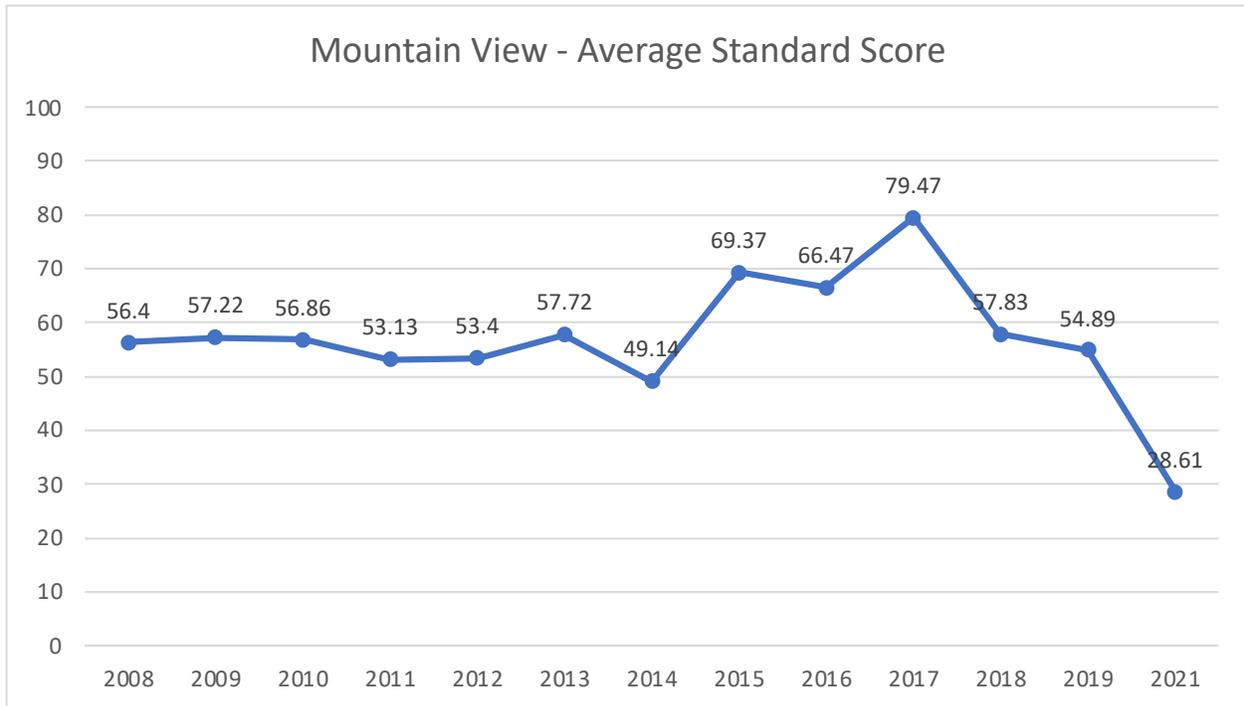
- 75-100% means "Achieving Proficiency"
- 50-75% means "Below Proficiency"
- Below 50% means "Failing"

**5-Year School Performance: 75-100% (Achieving Proficiency)**

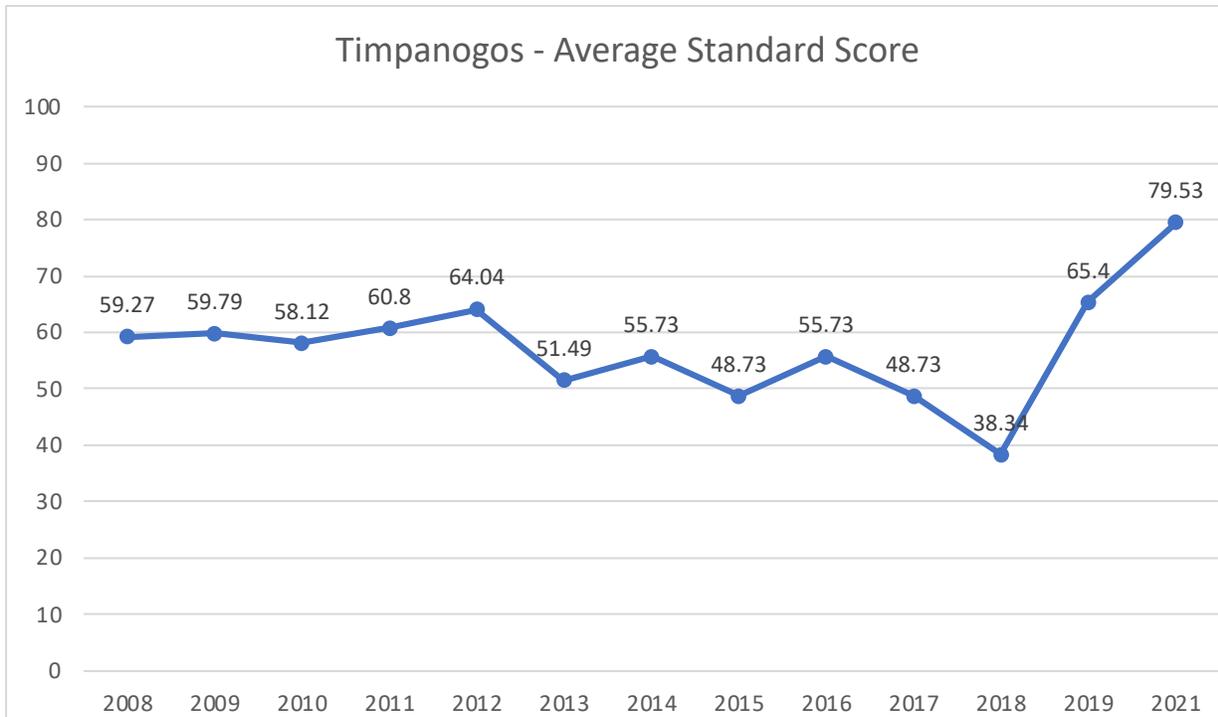
No public high schools located in the City of Orem rank in the 75-100% category (Achieving Proficiency) for test scoring for the past five years.

**5-Year School Performance: 50-75% (Below Proficiency)**

Two public high schools located in the City of Orem rank in the 50-75% category (Below Proficiency) for test scoring for the past five years: Mountain View (57.45% avg) and Timpanogos (57.55% avg.). *The precipitous drop of Mountain View students' test scores since 2017 is extremely alarming.*



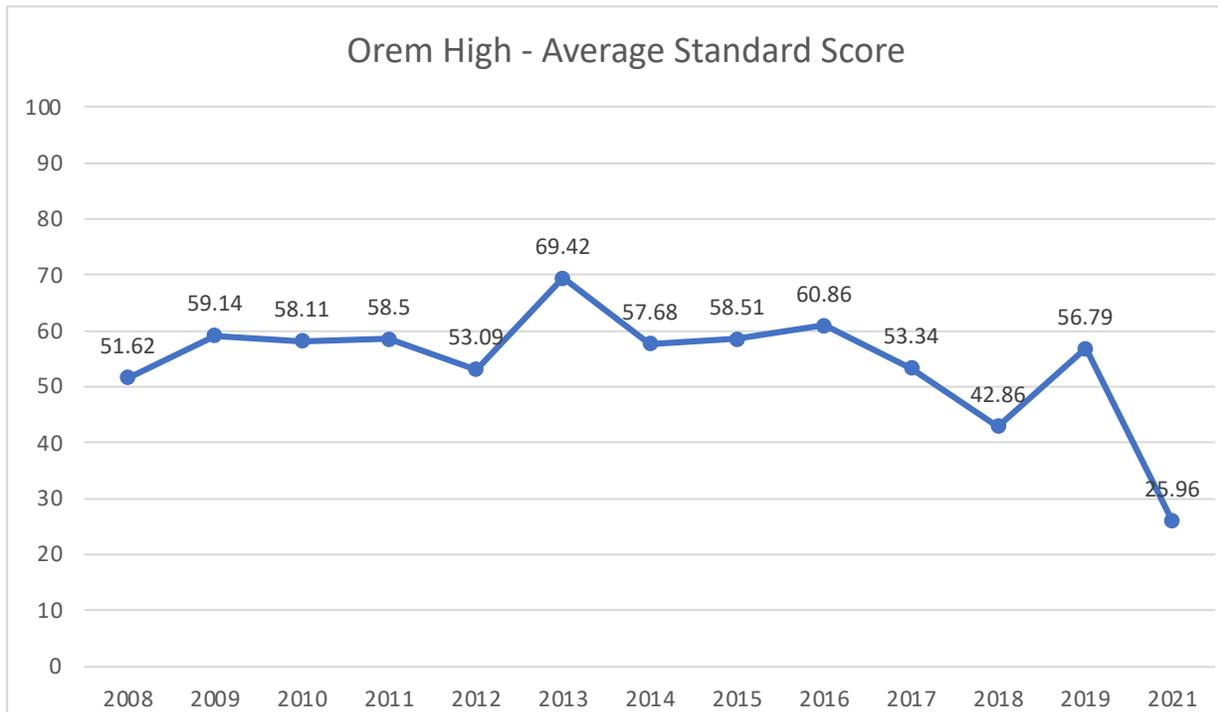
Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC

**5-Year School Performance: Below 50% (Failing)**

One public high school located in the City of Orem falls below 50% for the past five years: Orem Senior High (47.96% avg.). The test score declines since 2019 are extremely critical.



Data source: Utah State Board of Education, DEC

**JUNIOR HIGH SCHOOLS**

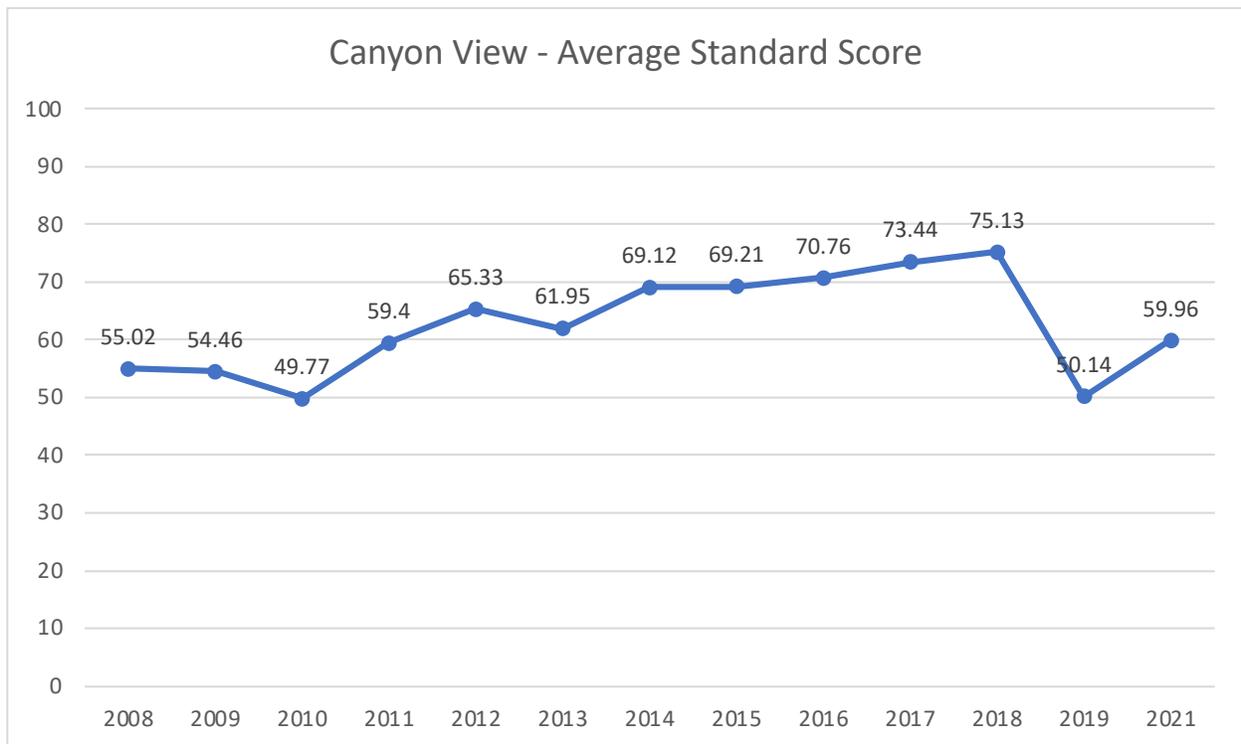
Student test scores are unavailable for the 2020 school year due to COVID shutdowns. Test scores shown below for junior high school date from 2008 to give indication of historical performance. Test scores are categorized as follows for the most recent five-year time period (2016-2021): 75-100% (Above Proficiency), 50-75% (Below Proficiency), and below 50% (Failing).

**5-Year School Performance: 75-100% (Above Proficiency)**

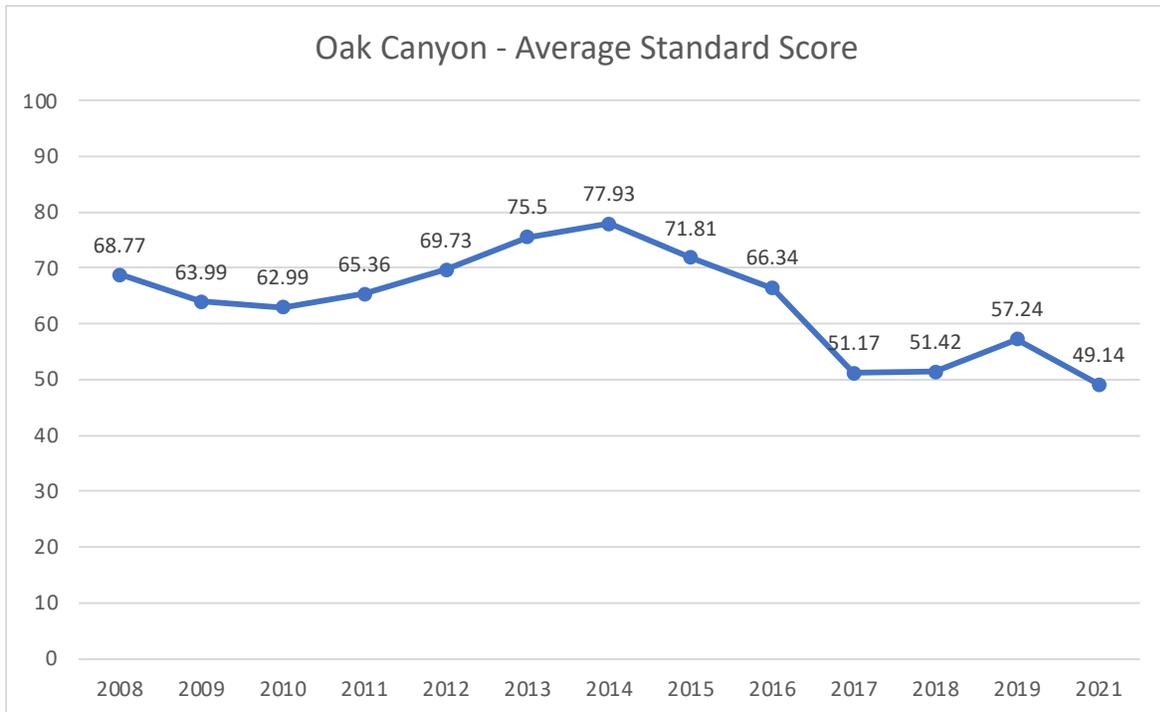
No public junior high schools located in the City of Orem rank in the 75-100% category for test scoring for the past five years.

**5-Year School Performance: 50-75% (Below Proficiency)**

Three of the four public junior high schools located in the City of Orem rank in the 50-75% category for test scoring for the past five years: Canyon View (65.89% avg), Lakeridge (67.76% avg.), and Oak Canyon (55.06% avg.). Oak Canyon's decline since 2014 is worrying.



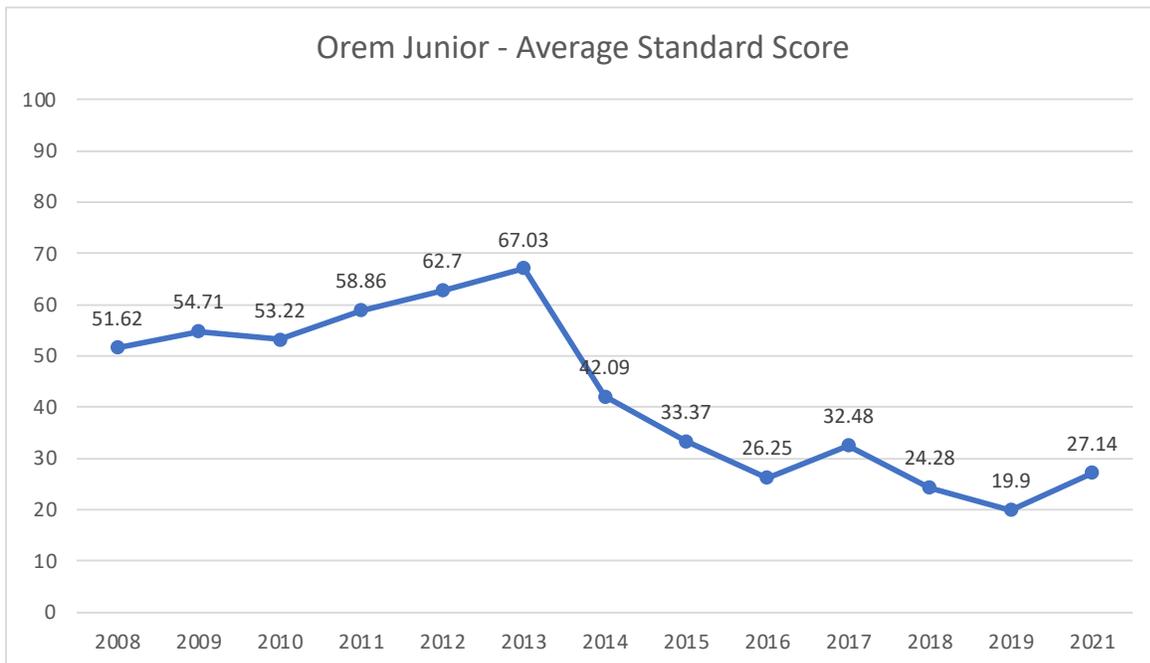
Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC

**5-Year School Performance: Below 50% (Failing)**

One public junior high school located in the City of Orem falls below 50% (Failing) for average standard scores in the past five years: Orem Junior High (26.01% avg.). Orem Junior High School students' test scores are in a desperate situation.



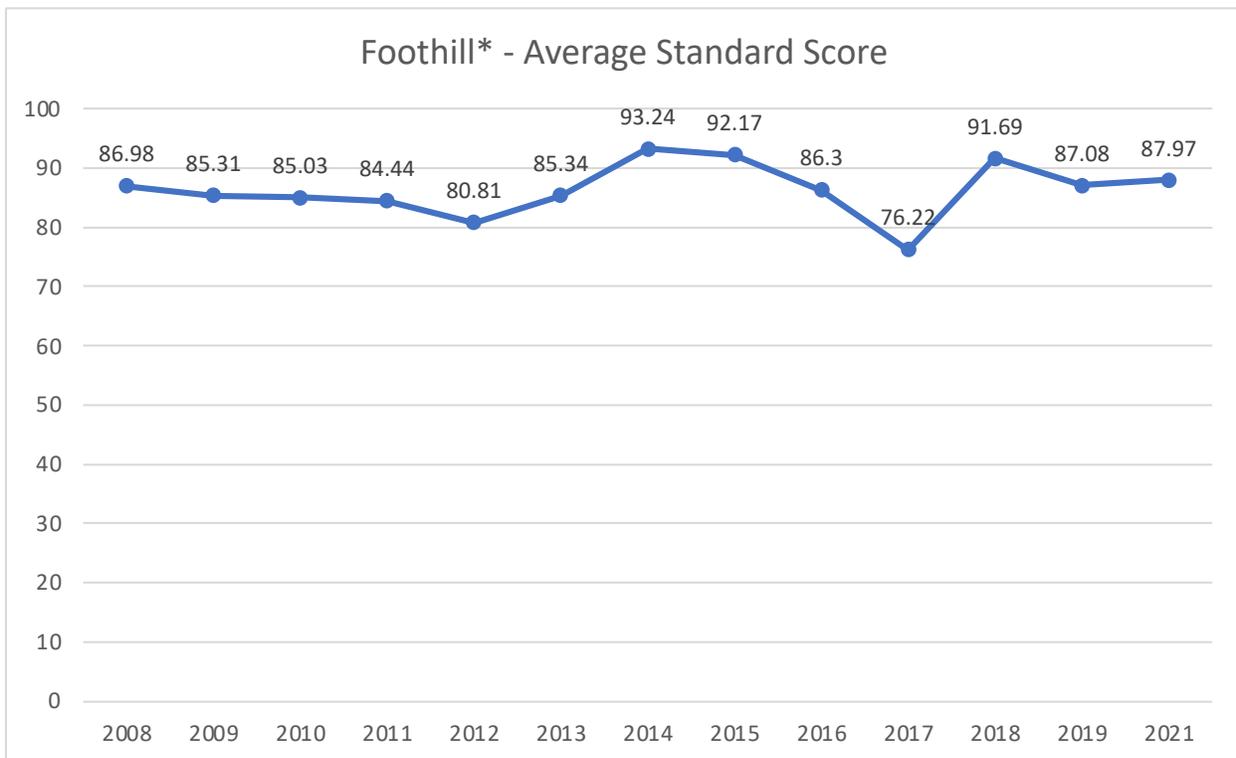
Data source: Utah State Board of Education, DEC

**ELEMENTARY SCHOOLS**

Test scores are unavailable for the 2020 school year due to COVID shutdowns. Student test scores shown below for each elementary school date from 2008 to give indication of historical performance. Test scores are categorized as follows for the most recent five-year time period (2016-2021): 75-100% (Above Proficiency) , 50-75% (Below Proficiency), and below 50% (Failing).

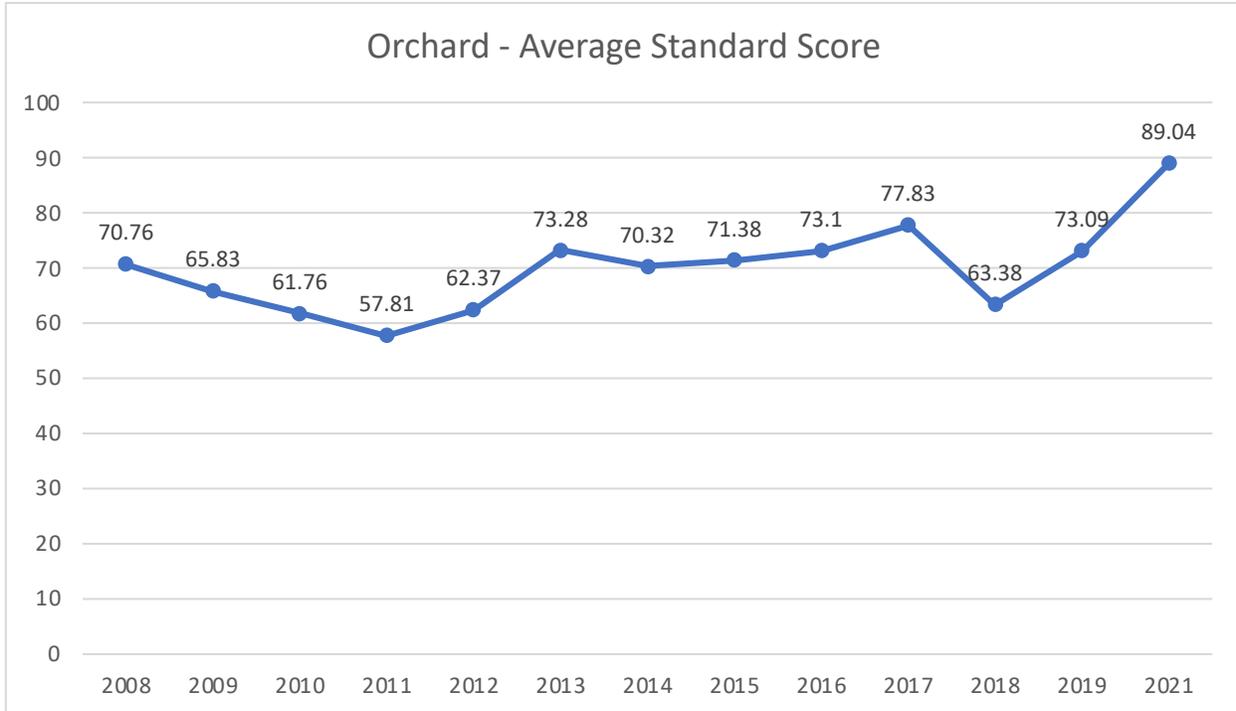
**5-Year School Performance: 75-100% (Above Proficiency)**

Three of the 13 public elementary schools located in the City of Orem rank in the 75-100% (Above Proficiency) category for test scoring for the past five years: Foothill (85.85% avg), Orchard (75.28% avg.), and Orem (80.48% avg.). Orchard and Orem have made commendable improvement.

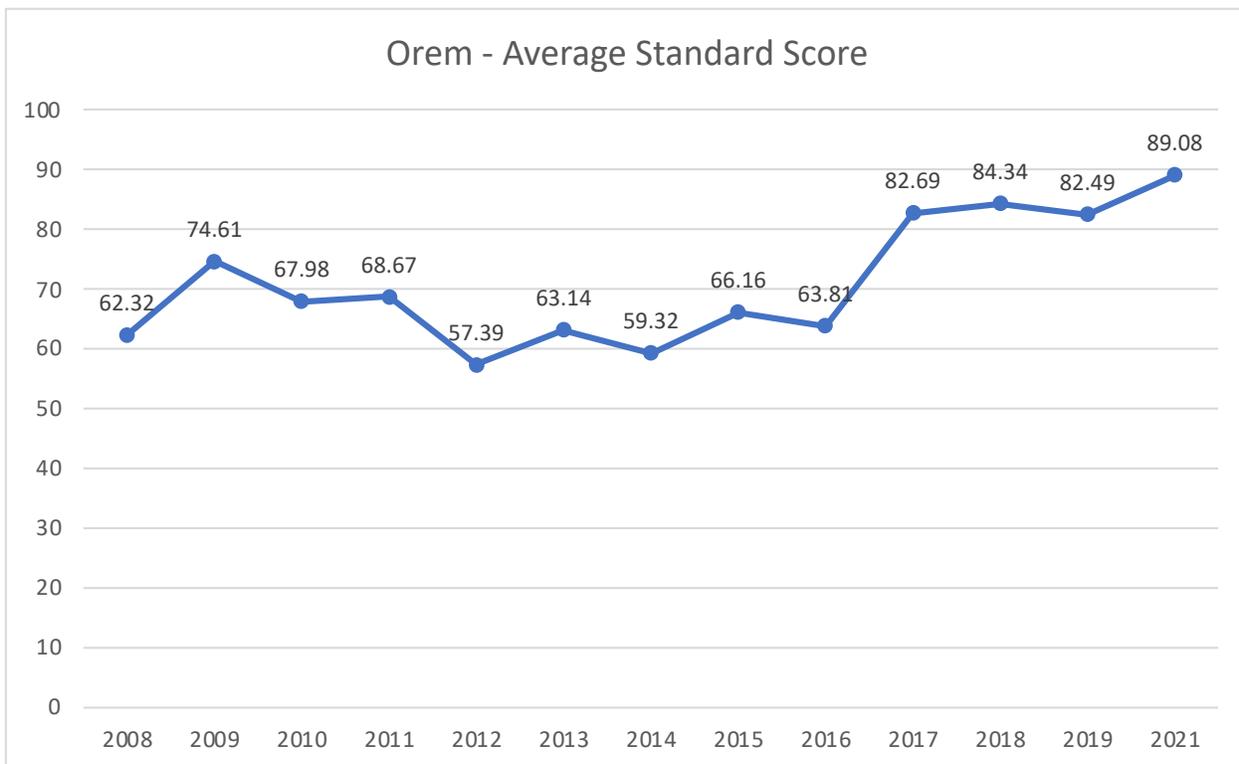


Data source: Utah State Board of Education, DEC

*\*Foothill Elementary is one of three designated ALL (advanced learning lab) schools in Alpine School District for gifted/advanced students in grades 3-6. The ALL designation improves the test scores for Foothill.*



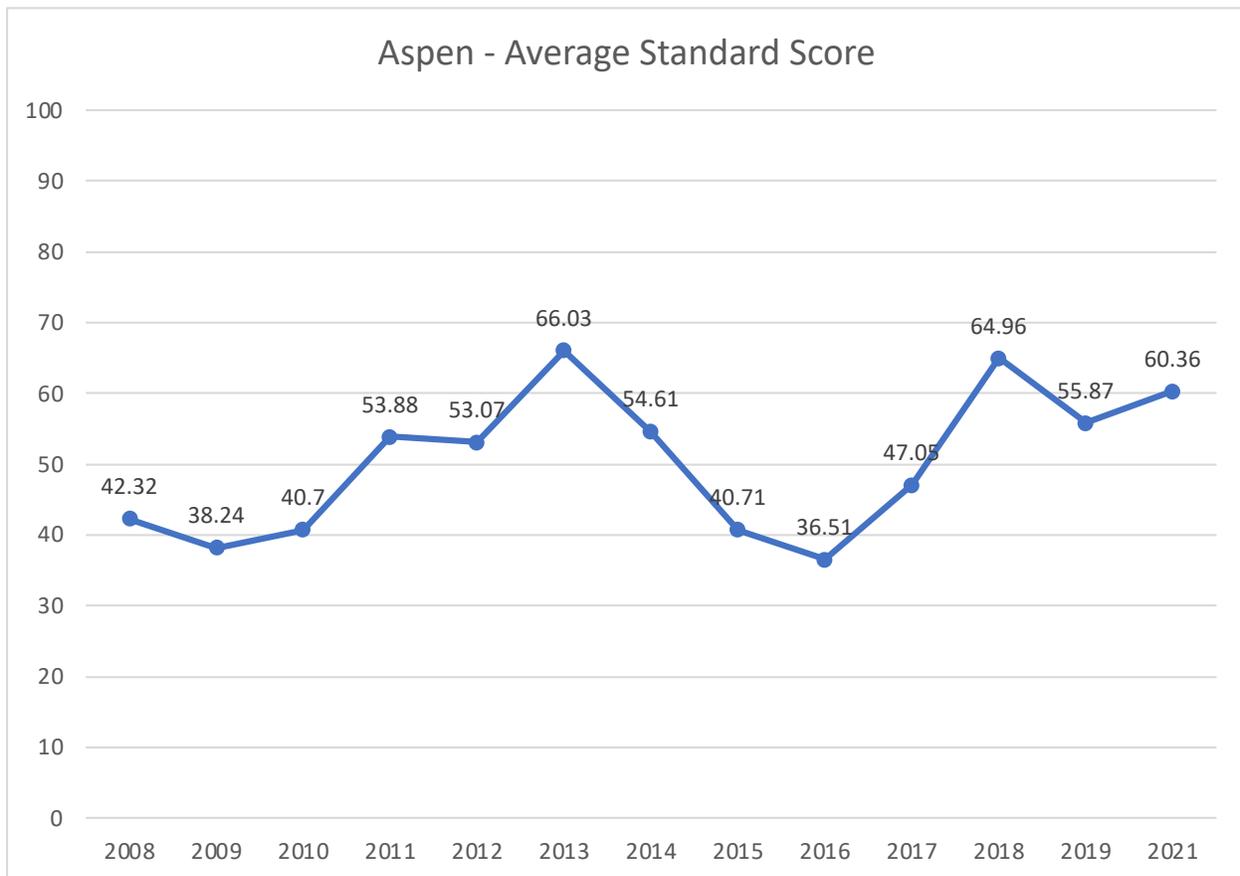
Data source: Utah State Board of Education, DEC



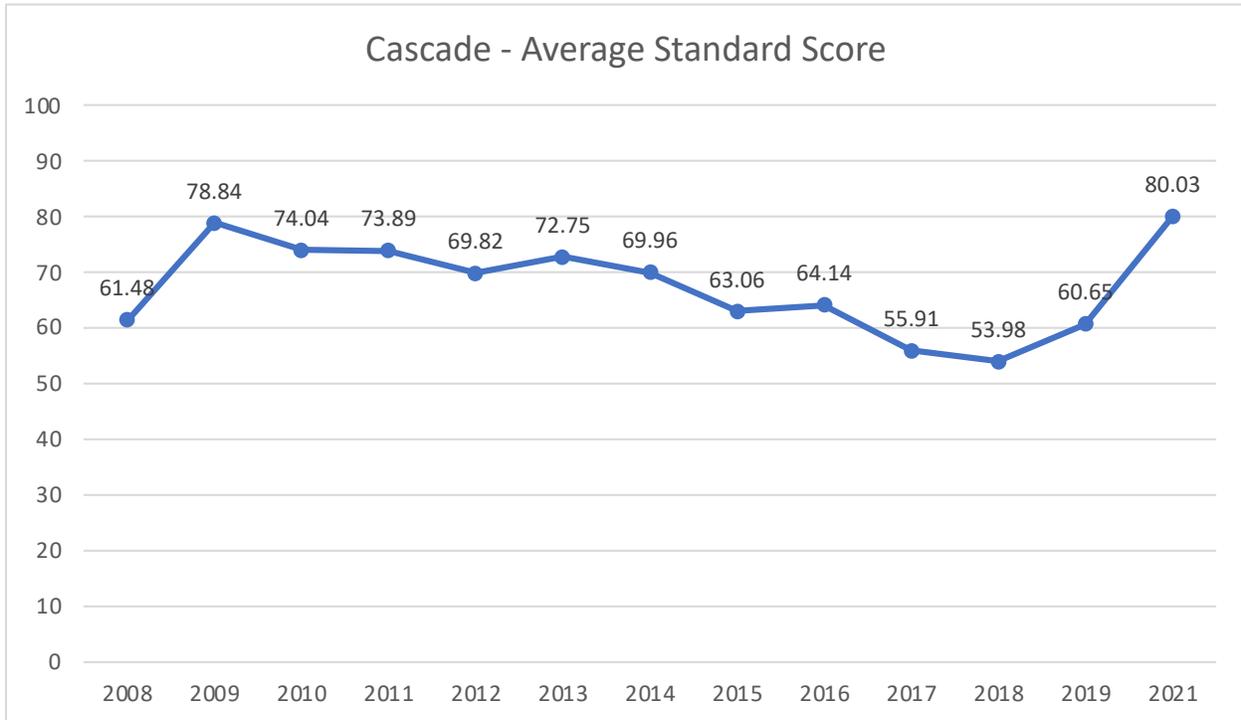
Data source: Utah State Board of Education, DEC

**5-Year School Performance: 50-75% (Below Proficiency)**

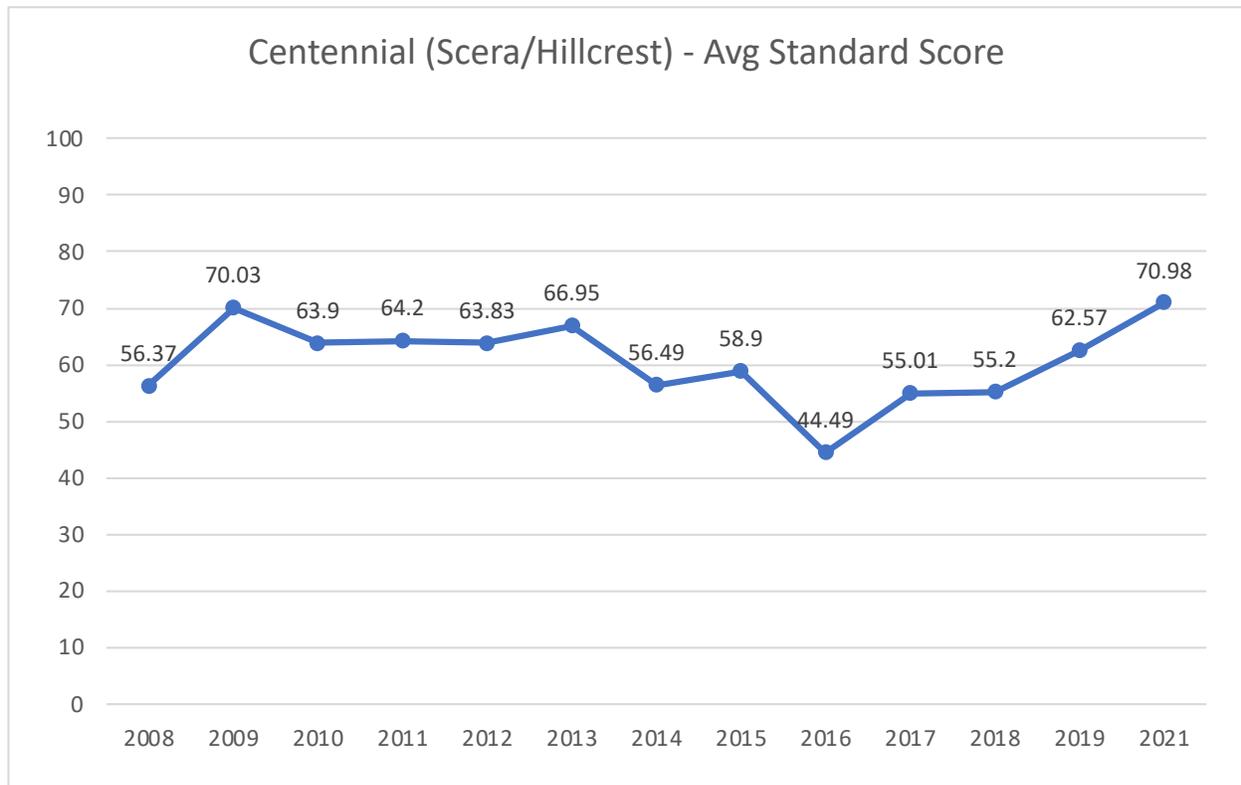
Four of the 13 public elementary schools located in the City of Orem ranked in the 50-75% (Below Proficiency) category for test scoring for the past five years: Aspen (52.95% avg), Cascade (62.94% avg.), Centennial (57.65% avg.), and Northridge (54.31% avg.).



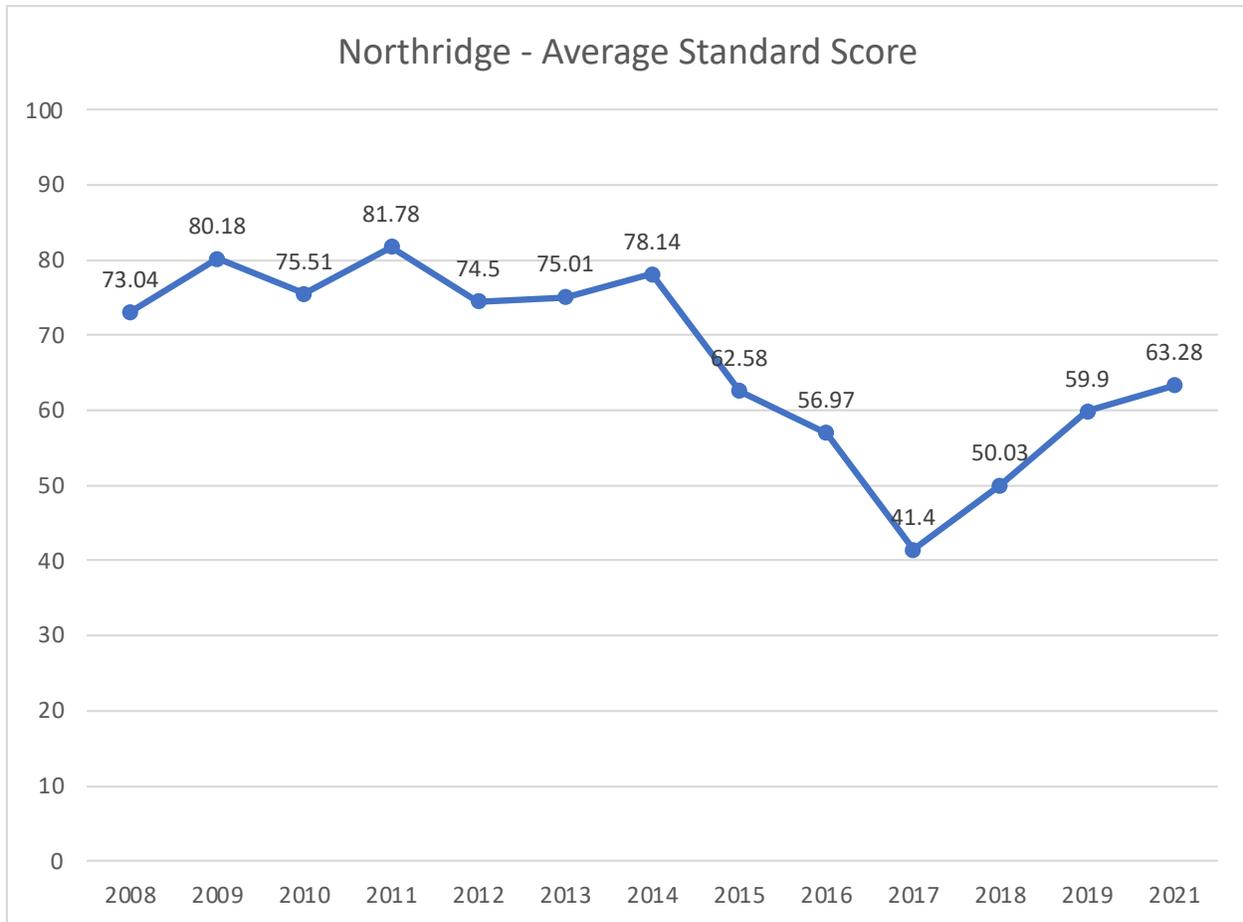
Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC

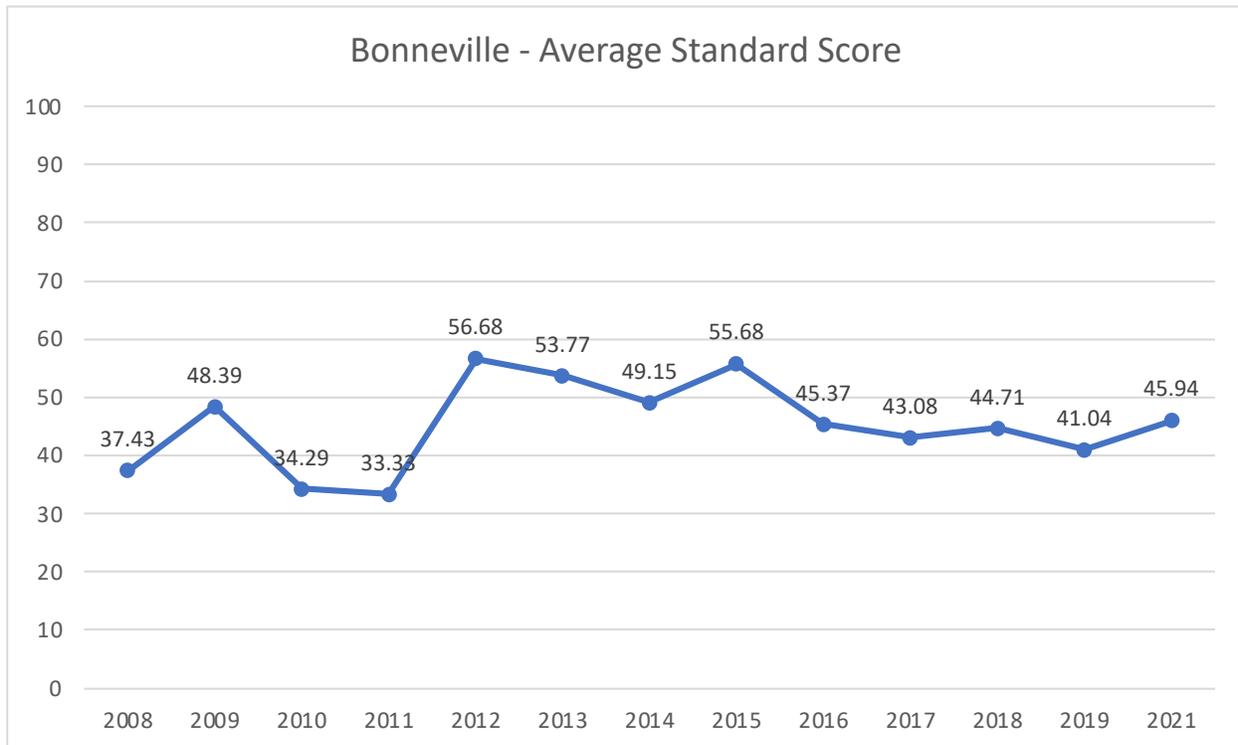


Data source: Utah State Board of Education, DEC

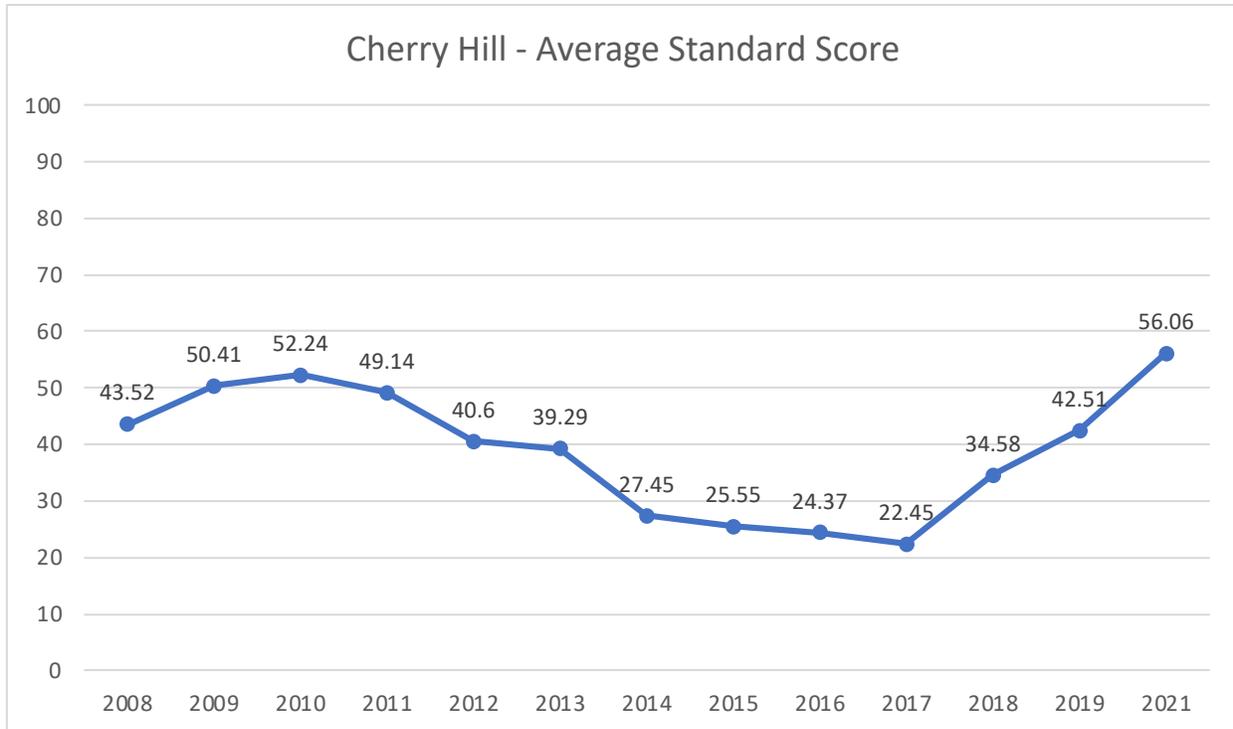
**5-Year School Performance: Below 50% (Failing)**

Six of Orem's 13 public schools fall below 50% for the past five years. They are Bonneville (44.02% avg), Cherry Hill (35.99% avg), Parkside (35.21% avg – Geneva/Suncrest merged 2021), Sharon (23.08% avg), Westmore (48.45% avg), Windsor (34.37% avg).

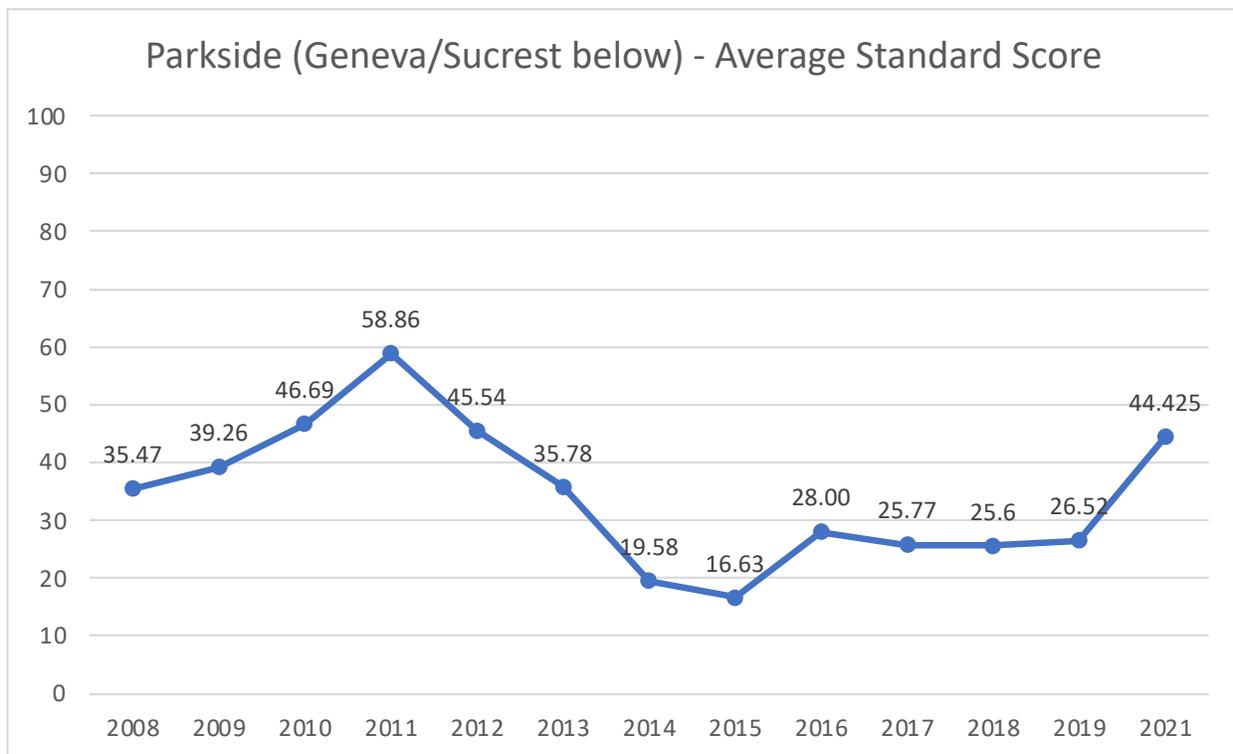
The students in these schools are in desperate need of increased educational curricula and strategic action.



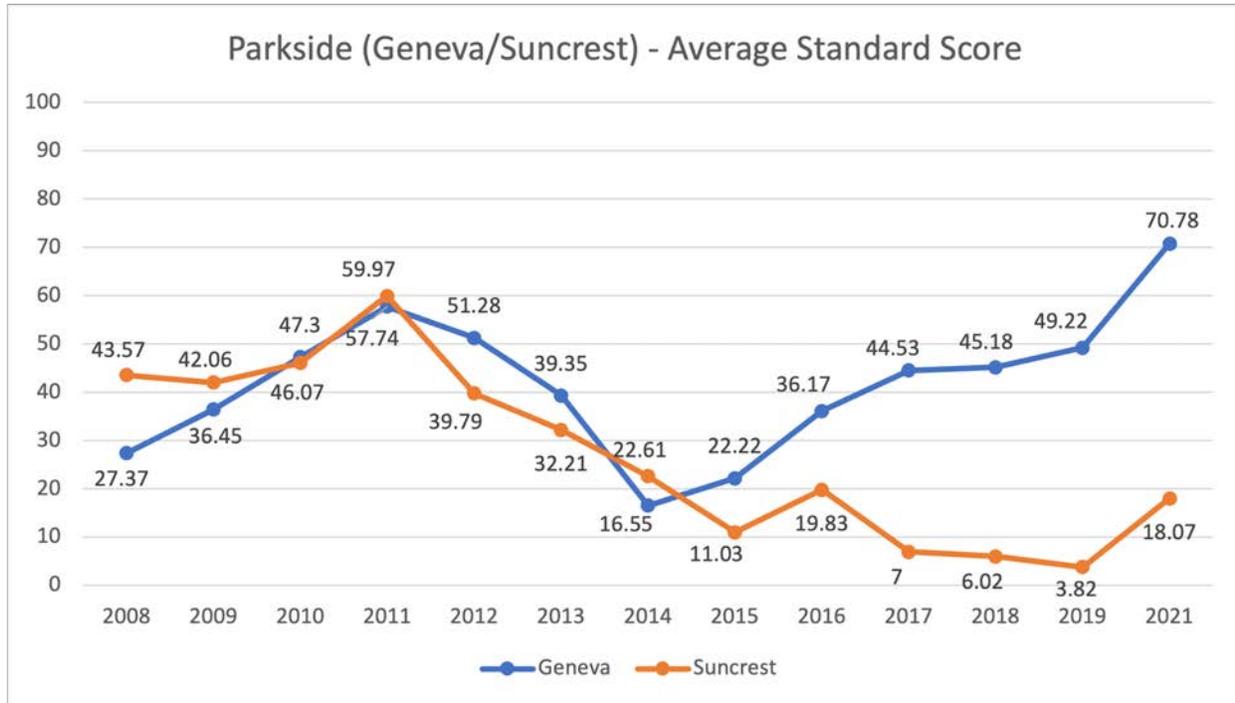
Data source: Utah State Board of Education, DEC



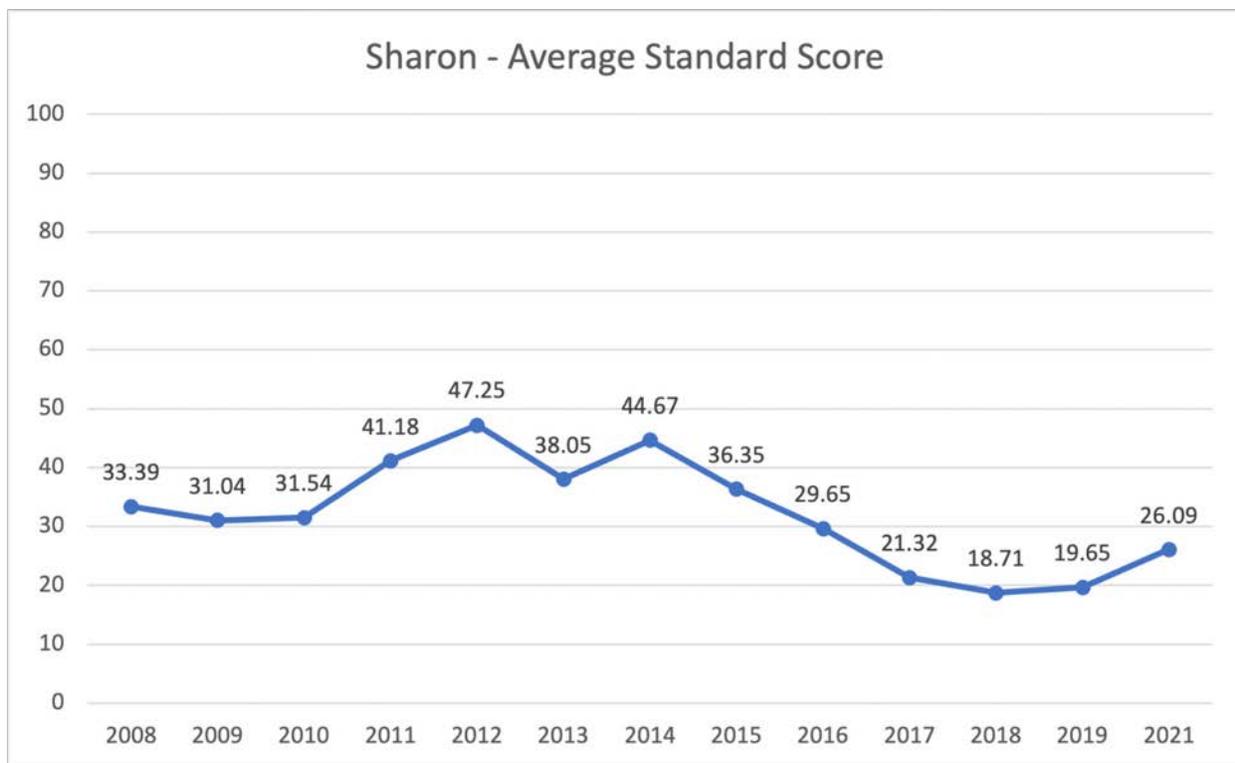
Data source: Utah State Board of Education, DEC



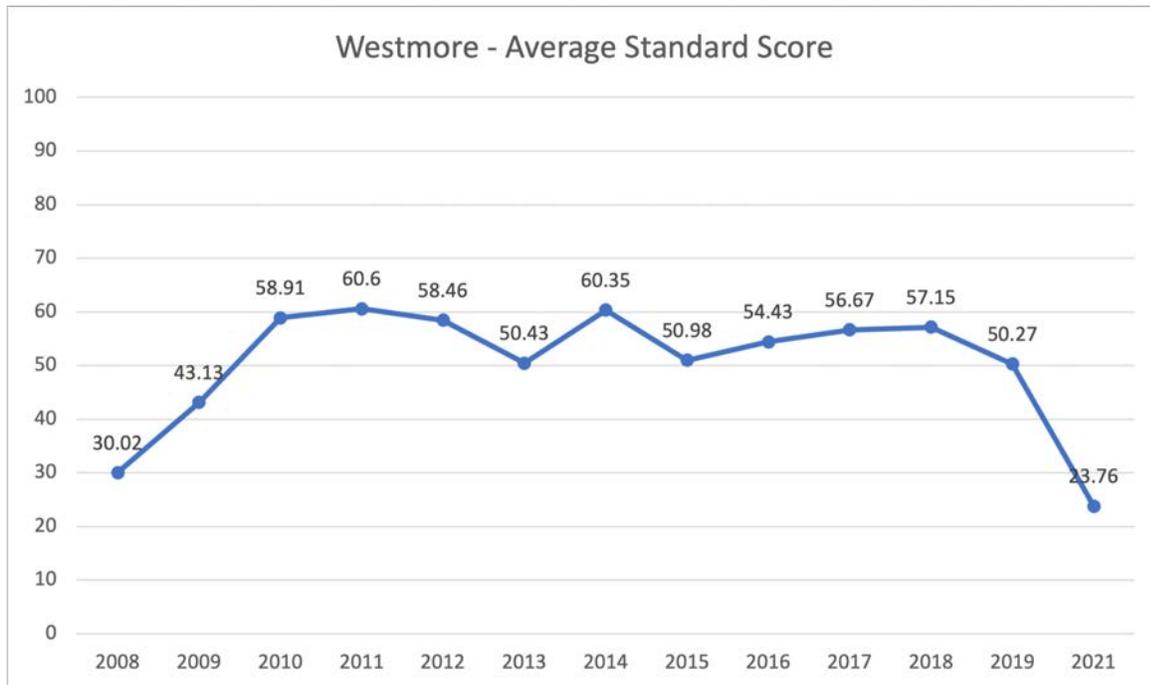
Data source: Utah State Board of Education, DEC – Geneva & Suncrest merged in 2021 to become Parkside (historical test scores shown below for both schools). This graph is the average of both schools scores.



Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC



Data source: Utah State Board of Education, DEC

The data referenced in this Section is from the Utah State Board of Education and can be found at [www.schools.utah.gov](http://www.schools.utah.gov). An easy-to-use website for parents to access school test scores and other information is [www.schooldigger.com](http://www.schooldigger.com). Test score data provided on the Utah State Board of Education website is available for 2014-2021. Historical data was gathered from [schooldigger.com](http://schooldigger.com) to access test scores from 2008.

## Conclusion

Current test scores located in the City of Orem schools are poor. It is clear that an action plan is necessary to formulate and then implement in Orem schools, so that student test scores will increase. This should include the following:

- Increasing teachers' salaries, recruiting and retaining high-quality teachers,
- Utilizing more parent volunteerism in classrooms,
- Decreasing class sizes,
- Establishing a best practices system with other Districts and retired teachers to bring winning strategies in learning to Orem classrooms,
- Communicating to students that high-level achievement is expected from them,
- Testing modules/opportunities presented to students at various times of the year to acclimate students to testing protocols, verbiage, methodology, managing anxiety, etc. instead of just during the RISE/ASPIRE testing period (April/May).

## CHAPTER 2.1 POSSIBLE ALTERATION AND DISTORTION OF STUDENT TESTING REPORTING PRACTICES BY ASD

DEC was directed by Orem Mayor Young and members of the Orem City Council to focus on how the creation of the New District will impact students and teachers, as well as the financial viability. There have been inquiries from parents and patrons asking for the same information. For this purpose, DEC has created a K-12 Schools & School District Data Analytics and Resources to Analyze Patterns and Trends for this Comprehensive Feasibility Study.

There are major areas of concern of DEC's finding that come possibly have impacts upon students and teachers:

- The appearance of alteration and distortion of student and school testing reporting by ASD, as compared to the same ASD student test scores reported by the Utah State Board of Education.
- Evidence that most of the ASD's schools located in Orem have declining student test scores – as reported in Chapter 2).

### Importance of Student Test Scores

Student test scores are important because it measures if a school district is giving their students a rigorous education with high expectations. A school district should do all it can to give all its students the best learning and instruction environments possible. Student test scores can be a measurement of the success of a school district's commitment to its students and teachers. For the students, this commitment allows students to aim high without settling for less than they are capable of achieving. Test scores provide a means for comparison and an opportunity to show growth.

Educators know that student test scores — much like graduation rates and college acceptance rates — are only one measure of a student. But test scores can also be used to dispel stereotypes. Some public views deem test scores not useful.

**Contrary to the view that sociologically disadvantaged students are also academically disadvantaged, research tells us that student subgroups can achieve at very high levels.** A 2019 study from Stanford University & the Learning Policy Institute, entitled California's Positive Outliers: Districts Beating the Odds, identified 54 school districts which had unusually high achievement for their Hispanic, African American and white students, and what worked for all students to attain high achievement and superior test scores. "Positive outlier districts appear to

have leveraged the state's updated educational standards, funding, and accountability systems to support students of color in meeting the more rigorous standards," stated the researchers.<sup>116</sup>

While the Stanford University researchers looked at many factors that contributed to the districts' success, state and local school district student test scores were used to measure academic achievement.

### **Alpine School District Student & School Achievement and Student Test Schools**

This Study has used student test scores from the Alpine School District, and checked the accuracy of those ASD test scores with the Utah State Board of Education. It is hoped that an accurate understanding of the student academic growth made, especially among those students attending ASD schools in the City of Orem, can help parents, teachers, and school districts understand what needs to be done to continue an upward trajectory in student achievement in the proposed New District if voters choose to create it.

Schools across the nation should not teach to the test. They need to focus on the whole child, as evidenced by the availability of music and arts programs and the innovative use of technology in the classrooms. However, the efficacy of our innovative programs is difficult to measure and/or compare, so we look to Alpine School District student and school test scores to guide our next steps.

**When a school district fails to generate or report accurate and usable student testing data local school administrators and teachers are deprived of an extremely important and reliable best practice to assess student academic learning and curriculum instruction.** For the purpose of this Study, DEC requested data regarding student test scores from ASD. Student testing data received from Alpine School District (ASD) was compared to the same data collected by the Utah State Board of Education.

DEC found various discrepancies in the student test score data provided by ASD for elementary schools located in Orem, as follows:

- Out of 165 ASD data points, only 4 data points were accurate (shown in black with a check mark)
- Of the 165 data points, 119 data points were inflated/overstated by ASD (actual shown in red);
- Of the 165 data points, 42 data points were deflated/understated by ASD (actual shown in green);

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<sup>116</sup> Podolsky, Anne & Darling-Hammond, Linda. "California's Positive Outliers: Districts Beating the Odds" May 2019 <https://learningpolicyinstitute.org/product/positive-outliers-districts-beating-odds-report>

- 24 data points were withheld entirely (Suncrest & Geneva), along with their average for Parkside (an additional 12 data points).
- It is noteworthy that ASD provided data for Hillcrest & Scera Elementaries which merged in 2019 to form Centennial, yet withheld data for Geneva & Suncrest Elementaries that merged in 2021 to form Parkside.

DEC present the following student test scores audit of the junior/middle schools 48 data points:

- Only 1 data point was correct (shown in black with a check mark, 2nd row, 2021 Proficiency)
- Of the 48 data points, 36 were inflated/overstated by ASD (actual shown in red)
- Of the 48 data points, 11 were deflated/understated by ASD (actual shown in green)

Again, student test scores are a measurement of the success or failure of a school district's commitment to its students and teachers. When a school district doesn't generate accurate and usable student testing data the ability to evaluate and improve student academic learning and curriculum instruction suffers.

The data above results in this chapter report Alpine School District showed a less than **2.5% accuracy rating of student data reported**. In other words, Alpine has a **97.5% inaccuracy rate**. This should be disconcerting to the public, and raises the alarm about how vesting, auditing and distribution of ASD materials should be handled from this point on.

**Of most significant concern is that the test scores in Orem are declining.** This is a significant factor to consider when splitting a school district. Even the ASD School Board President, Mr. Mark Clement agrees. In an email dated April 5, 2022, sent by Mr. Clement, he stated "I think the primary reason for making school decisions should be which option will lead to higher education achievement".

DEC agrees with the above statements by ASD School Board President Mark Clement. The issue of higher student educational achievement should be the paramount issue when considering the split of a school district and the creation of the New District.

The actual data sheets provided by ASD for elementary school test scores in Orem follow. Highlighted in the right column are two numbers which first alerted the DEC auditors to the fact that inaccuracies were present. A complete audit review ensued.

## Conclusion

As discussed previously, the overall decline in test scores is a concern that should be addressed. This can be done by the current school district or by forming the New District. The accuracy of the data provided by ASD is a concern because it raises doubts regarding the accuracy of other data that is reported to the public by the school district. The potential formation of the New District would not automatically ensure the accuracy of data reported on an ongoing basis. However, the reporting and follow-up on the reporting would be more localized.

Student education and achievement are the primary goal and any decision to split should be based on a determination that the split would result in an improvement to educational outcomes. Based on the research cited previously, we believe that a smaller district can assist in improving the educational outcomes for the students.

The student test score data provided by ASD was faulty, and in at least two cases was exorbitantly overstated (proficiency rates of 476.6% and 676.3%).

Page 1 – Elementary School test scores for Orem provided by ASD (two data points highlighted)

**Orem Elementary School Performance from the 2016-17 school year to the 2020-21 school year. There were no tests administered in 2019-20. All Elementary school that feed to a high school located in Orem are listed**

School	Test	Proficiency 2017	Proficiency 2018	Proficiency 2019	Proficiency 2021
Aspen	Language Arts	50.2	55.4	51.0	47.8
	Math	44.8	53.6	45.7	47.8
	Science	45.5	59.3	62.4	47.0
Bonneville	Language Arts	43.3	45.8	45.9	41.7
	Math	42.4	43.7	38.7	31.6
	Science	48.3	48.9	54.6	50.5
Cascade	Language Arts	45.6	46.3	51.9	60.4
	Math	53.9	50.9	49.9	54.4
	Science	54.1	58.1	60.5	63.9
Centennial	Language Arts	na	na	na	51.7
	Math	na	na	na	55.1
	Science	na	na	na	53.8
Cherry Hill	Language Arts	40.1	47.1	47.4	43.6
	Math	35.6	39.9	41.2	45.1
	Science	25.1	41.5	48.1	50.4
Foothill	Language Arts	56.3	70.0	68.8	66.4
	Math	59.1	71.0	66.2	62.2
	Science	63.9	68.4	69.4	64.2
Hillcrest	Language Arts	47.2	47.3	59.0	na
	Math	48.0	42.3	43.0	na
	Science	58.6	53.0	57.5	na
Northridge	Language Arts	43.4	45.7	56.0	52.0
	Math	42.4	48.0	49.5	48.7
	Science	42.8	47.5	56.2	476.6
Orchard	Language Arts	60.8	52.2	57.2	61.2
	Math	56.7	51.9	54.7	62.6
	Science	71.3	62.1	68.1	676.3
Orem	Language Arts	61.7	63.5	63.2	63.2
	Math	62.7	67.7	64.5	65.7
	Science	65.6	65.6	65.3	63.6
Parkside	Language Arts	na	na	na	na
	Math	na	na	na	na
	Science	na	na	na	na
Scera Park	Language Arts	47.2	48.7	49.5	na
	Math	43.7	49.2	51.0	na
	Science	58.3	52.5	63.6	na

Page 2 – Elementary Schools test scores for Orem provided by ASD

<u>School</u>	<u>Test</u>	<u>Proficiency 2017</u>	<u>Proficiency 2018</u>	<u>Proficiency 2019</u>	<u>Proficiency 2021</u>
Sharon	Language Arts	30.1	31.1	33.9	31.8
	Math	43.8	33.0	32.3	26.0
	Science	33.1	34.8	35.2	30.7
Trailside	Language Arts	na	na	na	na
	Math	na	na	na	na
	Science	na	na	na	na
Vineyard	Language Arts	42.0	45.2	43.3	37.6
	Math	39.4	38.9	41.2	35.9
	Science	31.2	40.4	50.0	41.4
Westmore	Language Arts	47.2	43.1	41.5	34.7
	Math	56.6	60.4	47.8	23.9
	Science	57.9	55.8	65.2	31.3
Windsor	Language Arts	38.3	40.5	44.7	41.8
	Math	34.3	35.3	36.1	43.1
	Science	42.4	48.9	43.2	48.2

The SAGE was used to determine proficiency in 2017 and 2018.  
 The RISE was used to determine proficiency in 2019 and 2021  
 Proficiency rates shown are the aggregate scores for subjects for all grades tested.

Page 1 – Errors found by DEC, data from the Utah State Board of Education

**Orem Elementary School Performance from the 2016-17 school year to the 2020-21 school year. There were no tests administered in 2019-20. All Elementary school that feed to a high school located in Orem are listed**

School	Test	Proficiency 2017	Proficiency 2018	Proficiency 2019	Proficiency 2021
		<u>Actual:</u>	<u>Actual:</u>	<u>Actual:</u>	<u>Actual:</u>
Aspen	Language Arts	50.2 48.8↓	55.4 54.62↓	51.0 49.5↓	47.8 47.0↓
	Math	44.8 43.7↓	53.6 52.51↓	45.7 44.4↓	47.8 46.0↓
	Science	45.5 45.4↓	59.3 62.20↑	62.4 62.1↓	47.0 46.9↓
Bonneville	Language Arts	43.3 42.5↓	45.8 45.71↓	45.9 44.4↓	41.7 40.8↓
	Math	42.4 41.8↓	43.7 42.94↓	38.7 38.1↓	31.6 30.9↓
	Science	48.3 48.2↓	48.9 46.63↓	54.6 52.9↓	50.5 50.0↓
Cascade	Language Arts	45.6 45.2↓	46.3 45.78↓	51.9 51.2↓	60.4 59.3↓
	Math	53.9 53.3↓	50.9 50.13↓	49.9 49.8↓	54.4 53.3↓
	Science	54.1 53.7↓	58.1 57.94↓	60.5 59.4↓	63.9 63.6↓
Centennial	Language Arts	na	na	na	51.7 51.6↓
	Math	na	na	na	55.1 54.2↓
	Science	na	na	na	53.8 52.6↓
Cherry Hill	Language Arts	40.1 39.8↓	47.1 45.83↓	47.4 46.8↓	43.6 43.2↓
	Math	35.6 34.4↓	39.9 38.57↓	41.2 40.4↓	45.1 44.3↓
	Science	25.1 24.3↓	41.5 36.50↓	48.1 46.8↓	50.4 49.3↓
Foothill	Language Arts	56.3 56.1↓	70.0 70.81↑	68.8 69.0↑	66.4 66.5↑
	Math	59.1 59.7↑	71.0 71.79↑	66.2 65.8↓	62.2 61.9↓
	Science	63.9 62.8↓	68.4 69.59↑	69.4 68.6↓	64.2 64.0↓
Hillcrest	Language Arts	47.2 47.6↑	47.3 49.41↑	59.0 61.2↑	na (see
	Math	48.0 48.4↑	42.3 48.24↑	43.0 47.2↑	na Centennial
	Science	58.6 59.3↑	53.0 52.87↓	57.5 64.4↑	na above)
Northridge	Language Arts	43.4 43.6↑	45.7 45.64↓	56.0 55.1↓	52.0 52.2↑
	Math	42.4 43.0↑	48.0 48.96↑	49.5 48.4↓	48.7 48.7✓
	Science	42.8 41.8↓	47.5 48.19↑	56.2 55.5↓	476.6 48.7↓
Orchard	Language Arts	60.8 60.6↓	52.2 51.74↓	57.2 57.8↑	61.2 61.3↑
	Math	56.7 56.4↓	51.9 51.74↓	54.7 54.0↓	62.6 62.9↑
	Science	71.3 70.0↓	62.1 60.40↓	68.1 68.4↑	676.3 67.5↓
Orem	Language Arts	61.7 61.6↓	63.5 63.61↑	63.2 62.6↓	63.2 62.0↓
	Math	62.7 63.4↑	67.7 68.05↑	64.5 63.6↓	65.7 64.3↓
	Science	65.6 65.3↓	65.6 64.74↓	65.3 65.5↑	63.6 62.5↓
Parkside	Language Arts	na	na	na	na (see Geneva
	Math	na	na	na	na & Suncrest
	Science	na	na	na	na below)
Scera Park	Language Arts	47.2 47.5↑	48.7 48.46↓	49.5 49.6↑	na (see
	Math	43.7 44.0↑	49.2 48.90↓	51.0 50.6↓	na Centennial
	Science	58.3 58.3✓	52.5 52.14↓	63.6 63.8↑	na above)

Page 2 – Errors found by DEC, data from the Utah State Board of Education

School	Test	Proficiency 2017	Proficiency 2018	Proficiency 2019	Proficiency 2021
Sharon	Language Arts	30.1 <u>Actual:</u> 27.8↓	31.1 <u>Actual:</u> 30.63↓	33.9 <u>Actual:</u> 33.1↓	31.8 <u>Actual:</u> 31.9↑
	Math	43.8 40.6↓	33.0 33.03↑	32.3 31.1↓	26.0 27.1↑
	Science	33.1 31.3↓	34.8 30.63↓	35.2 34.8↓	30.7 30.7✓
Trailside	Language Arts	na	na	na	na
	Math	na	na	na	na
	Science	na	na	na	na
Vineyard	Language Arts	42.0 40.7↓	45.2 45.06↓	43.3 43.5↑	37.6 37.2↓
	Math	39.4 38.2↓	38.9 39.06↑	41.2 40.1↓	35.9 34.6↓
	Science	31.2 31.0↓	40.4 37.70↓	50.0 48.6↓	41.4 41.4✓
Westmore	Language Arts	47.2 44.1↓	43.1 42.56↓	41.5 40.1↓	34.7 34.2↓
	Math	56.6 54.9↓	60.4 58.97↓	47.8 45.7↓	23.9 24.2↑
	Science	57.9 53.2↓	55.8 60.19↑	65.2 62.7↓	31.3 30.1↓
Windsor	Language Arts	38.3 37.5↓	40.5 39.48↓	44.7 42.6↓	41.8 42.4↑
	Math	34.3 33.6↓	35.3 34.48↓	36.1 34.4↓	43.1 43.3↑
	Science	42.4 40.8↓	48.9 46.61↓	43.2 40.1↓	48.2 49.7↑

The SAGE was used to determine proficiency in 2017 and 2018.

The RISE was used to determine proficiency in 2019 and 2021

Proficiency rates shown are the aggregate scores for subjects for all grades tested.

		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2021</u>
Suncrest	Language Arts	22.0	21.56	17.0	26.9
	Math	18.1	20.47	14.9	23.6
	Science	20.6	16.35	17.0	30.4
Geneva	Language Arts	47.5	45.58	45.6	45.8
	Math	42.7	42.06	41.5	28.1
	Science	42.3	50.48	57.0	54.3
Parkside Avg	Language Arts	34.8	33.57	31.3	36.4
	Math	30.4	31.27	28.2	25.9
	Science	31.5	33.42	37.0	42.4

Page 1 – Schools test scores for Orem provided by ASD

**Orem Middle Schools Performance from the 2016-17 school year to the 2020-21 school year.  
There were no tests administered in 2019-20.**

School	Test	Proficiency 2017	Proficiency 2018	Proficiency 2019	Proficiency 2021
Lakeridge	Language Arts	63.8%	52.6%	49.2%	49.3%
	Math	49.4%	44.0%	42.5%	37.1%
	Science	64.9%	57.3%	50.7%	44.6%
Canyon View	Language Arts	52.1%	50.6%	47.4%	43.9%
	Math	56.1%	56.2%	51.5%	41.4%
	Science	52.6%	52.6%	42.7%	42.4%
Orem Junior	Language Arts	39.1%	37.2%	36.7%	36.0%
	Math	33.8%	29.7%	27.1%	25.1%
	Science	39.2%	42.3%	31.6%	36.7%
Oak Canyon	Language Arts	63.8%	52.6%	49.2%	49.3%
	Math	49.4%	44.0%	42.5%	37.1%
	Science	64.9%	57.3%	50.7%	44.6%

Oak Canyon is included because 52% of their students go to Timpanogos High School.  
The SAGE was used to determine proficiency in 2017 and 2018.  
The RISE was used to determine proficiency in 2019 and 2021 for seventh and eighth grade.  
The ASPIRE+ was used to determine proficiency in 2019 and 2021 for ninth grade.  
Proficiency rates shown are the aggregate scores for subjects for grades 7-9 based on USBE reported data.

Page 1 – Errors found by DEC auditors, data from the Utah State Board of Education

**Orem Middle Schools Performance from the 2016-17 school year to the 2020-21 school year. There were no tests administered in 2019-20.**

School	Test	Proficiency 2017	Proficiency 2018	Proficiency 2019	Proficiency 2021
			<u>Actual:</u>	<u>Actual:</u>	<u>Actual:</u>
Lakeridge	Language Arts	63.8%	63.4↓	52.6%	52.25↓
	Math	49.4%	48.6↓	44.0%	44.12↑
	Science	64.9%	63.1↓	57.3%	63.27↑
				49.2%	49.1↓
				49.3%	49.4↑
				42.5%	42.1↓
				37.1%	37.1✓
				44.6%	44.3↓
Canyon View	Language Arts	52.1%	51.1↓	50.6%	50.05↓
	Math	56.1%	56.0↓	56.2%	56.47↑
	Science	52.6%	55.1↑	52.6%	54.84↑
				47.4%	46.7↓
				43.9%	43.7↓
				51.5%	51.0↓
				41.4%	40.7↓
				42.7%	41.7↓
				42.4%	41.8↓
Orem Junior	Language Arts	39.1%	38.2↓	37.2%	36.47↓
	Math	33.8%	33.4↓	29.7%	28.88↓
	Science	39.2%	37.6↓	42.3%	38.80↓
				36.7%	36.5↓
				36.0%	35.8↓
				27.1%	27.0↓
				25.1%	25.0↓
				36.7%	36.5↓
Oak Canyon	Language Arts	63.8%	43.5↓	52.6%	40.58↓
	Math	49.4%	52.6↑	44.0%	51.34↑
	Science	64.9%	45.8↓	57.3%	44.93↓
				49.2%	45.6↓
				49.3%	42.8↓
				42.5%	51.4↑
				37.1%	42.8↑
				44.6%	45.8↑

Oak Canyon is included because 52% of their students go to Timpanogos High School. The SAGE was used to determine proficiency in 2017 and 2018. The RISE was used to determine proficiency in 2019 and 2021 for seventh and eighth grade. The ASPIRE+ was used to determine proficiency in 2019 and 2021 for ninth grade. Proficiency rates shown are the aggregate scores for subjects for grades 7-9 based on USBE reported data.

Test scores listed by year on Utah State Board of Education [Reports \(utah.gov\)](https://utah.gov/reports)

Of the 48 data points given:

- 1 point correct (shown in black)
- 36 inflated/overstated by ASD (actual shown in red)
- 11 deflated/understated by ASD (actual shown in green)

## Chapter 2.2 OREM'S TITLE I SCHOOLS AND STUDENT CULTURAL & ECONOMIC DIVERSITY

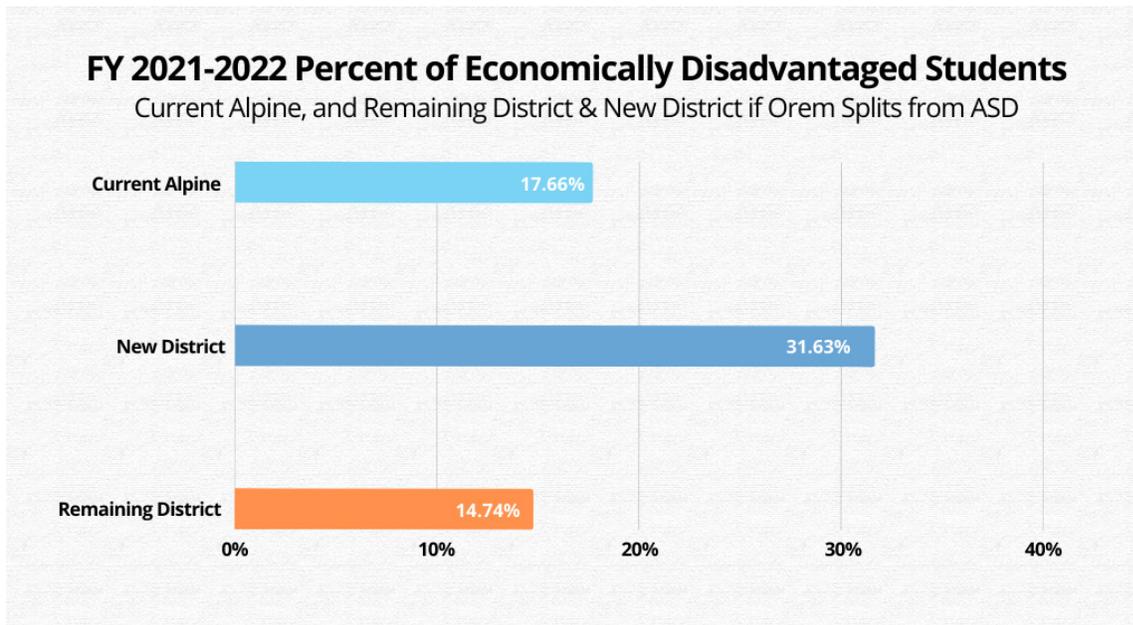
### Overview

The Title I, Part A program provides Federal financial assistance each year to Local Education Agencies (LEAs), such as Alpine School District (ASD), and schools with high numbers or high percentages of children from low-income families to help ensure that all students have equitable opportunities to meet challenging state academic standards.

Funds are used to provide supplemental educational services and resources to meet the needs of economically and educationally disadvantaged students.<sup>117</sup> According to the Utah State Board of Education records, ASD currently has 14,957 economically disadvantaged students enrolled, and Orem schools have 4,628 of these students.<sup>118</sup>

Figure 1 shows the percentage of economically disadvantaged students for the ASD, Remaining District, and Orem Districts.

Figure 1



Data Source: Utah State Board of Education, Fall Demographic Data

<sup>117</sup> <https://www.schools.utah.gov/eseastateinitiatives/improvingprograms>

<sup>118</sup> Fall Enrollment by Grade Level and Demographics, Oct 1, 2021 (SY 2022), Utah State Board of Education, <https://www.schools.utah.gov/data/reports?mid=1424&tid=4>

## Title I Goals<sup>119</sup>

- Assist students in achieving academic success
- Increase student performance in high poverty schools through continuous schoolwide improvement
- Provide high-quality family and parent engagement opportunities to assist parents in helping their students succeed

## How a School's Poverty Rate is Determined

The Utah State Board of Education's Title I Part A of Every Student Succeeds Act (ESSA) Program and Fiscal Handbook<sup>120</sup>, describes how Title I monies are required to be allocated and how to determine which schools will receive Title I, Part A funds.

Title I, Part A requires LEAs to concentrate the funds in schools with the highest percentages of poverty and to provide enough funds to make a difference in the academic performance of the students attending these schools. To determine which schools will receive Title I, Part A funds, each LEA with 1,000 or more enrolled students must put its schools in rank order from highest to lowest concentrations of poverty.<sup>121</sup> **Note: School rankings are based on the percentage (not the number) of low-income children in each school.**

Percent poverty for each school is typically determined by comparing the total number of children attending each school with the number of low-income children for the same school (i.e. those students eligible for free and/or reduced price lunch based on household applications).<sup>122</sup>

Alpine School District (ASD) has nine Title I schools. Seven of the nine are located in Orem. ASD Title I schools are as follows.

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<sup>119</sup> Ibid

<sup>120</sup> Title I Part A of Every Student Succeeds Act (ESSA) Program and Fiscal Handbook, USBE Student Support Services, ESEA Federal Programs and Related State Initiatives, Utah State Board of Education, Updated & Revised September 2021. Page 32

<sup>121</sup> ESSA, amending ESEA, 1113(a)(3).

<sup>122</sup> Title I Part A of Every Student Succeeds Act (ESSA) Program and Fiscal Handbook, USBE Student Support Services, ESEA Federal Programs and Related State Initiatives, Utah State Board of Education, Updated & Revised September 2021. Page 32-33

### 2021-2022 Alpine School District Title I Schools

School Name	Grade Configuration	Address
Bonneville Elementary	K-6	1245 North 800 West, <b>Orem</b>
Cherry Hill Elementary	K-6	250 East 1650 South, <b>Orem</b>
Greenwood Elementary	K-6	50 E 200 S St, <b>American Fork</b>
Mount Mahogany Elementary	K-6	618 N 1300 W, <b>Pleasant Grove</b>
Orem Junior High	7-9	765 North 600 West, <b>Orem</b>
Parkside Elementary	K-6	668 West 150 North, <b>Orem</b>
Sharon Elementary	K-6	525 North 400 East, <b>Orem</b>
Westmore Elementary	K-6	1150 South Main, <b>Orem</b>
Windsor Elementary	K-6	1315 North Main, <b>Orem</b>

### Concerns of ASD's Use of Title I Funding

ASD's Federal Title 1 money revenues do not appear to follow the Title 1 students. ASD places the Title I in its General Fund. On March 23, 2022, DEC met with Orem Mayor Young and Mr. Rob Smith, Business Administrator of Alpine School District. Mr. Smith was asked if Title I monies followed the low-income students at the district's Title I schools to assist the students in achieving academic success, and increase student performance through continuous schoolwide improvement. Mr. Smith explained that the term "Title I School" is administered differently at ASD. This moniker is given to a school within ASD when that school receives funding from Title I funds. The question was asked, "If a school within the ASD receives \$1 in Title I funds, ASD refers to that school as a Title I school"? Mr. Smith responded, "That is correct". For example, as explained by Mr. Smith, Skyridge High School in Lehi has Title I students but the school does not receive Title I funds, so Skyridge is not considered a Title I school.

Mr. Smith confirmed that Title I funds do not follow the student who qualified for the Title I funds.

In a March 9, 2022, PTA meeting at Northridge Elementary, ASD Board Member Sara Hacken parents were told ASD collects the Title I funds and then distributes the monies as the ASD sees fit.

### Federal Title I Funding

According to the Expenditure by Location FY21 spreadsheet provided by the ASD to DEC, Title I funding received during FY21 was \$6,174,478. However, according to the Utah State Board of Education, Title I Part A Allocation for 2021 were \$7,550,280—it is not clear where the \$1,375,805 allocation is included in the ASD's financial statements.

Provo School District has seven (7) Title 1 schools. In conversations with Provo School District, their FY2021 allocation was \$2,570,807 and their FY2023 budget includes expected Title I funds of \$2,700,000. According to the Utah State Board of Education report, for the FY 2022 Provo School District had 4,233 economically disadvantaged students and Orem schools had 4,628 economically disadvantaged students. On a per-pupil basis, Orem schools could expect Title I funds of approximately \$2,950,000.

### **Concerns Student Equal Access to ASD's Specialty Classes, especially among designated Title I Schools**

As mentioned in Chapter 7 - "Evaluation of ASD Specialty Classes & Student Accessibility to these Classes", in this Study, Alpine School District's Specialty Classes appears to not be equally distributed to all elementary schools in the district. East side communities such as Orem, Lindon, Vineyard, Pleasant Grove and American Fork, as well as Title I funded students and schools in Orem, do not have the proportional access to district-funded Specialty Classes as do the higher socio-economic communities in Alpine's west side communities of Saratoga Springs, Eagle Mountain and the north side communities of Lehi, Alpine, Highland, and Cedar Hills.

Specifically, five out of eight Title I elementary schools are underserved in ASD's district-wide Specialty Classes for elementary schools. (See chart in Chapter 7). This translates to only 37% of ASD's Title I schools having the same full access (3 Specialty Classes or more) as compared to ASD's schools that currently have full access to Specialty Classes.

Of the five Title I schools not having full access to the Special Classes, four are in Orem (Bonneville Elementary, Parkside Elementary, Sharon Elementary, Westmore Elementary). The fifth Title I school without full access is Greenwood Elementary in American Fork.

It appears an economic and geographic bias or disparity may exist in Alpine School District that influences decisions as to which schools may have Specialty Classes and which schools may not. Alpine School District (ASD) does not appear to provide equal student access to its Specialty Classes to ASD schools in Orem and surrounding communities to the degree that ASD provides such classes to schools on the west side and north end of the school district in more affluent neighborhoods.

The map in Chapter 7 shows 25 schools along the State Street corridor, from Orem's Cherry Hill Elementary, north to American Fork's Forbes Elementary. Only 12 schools along this corridor have three or more Specialty Classes. Fifty two percent (52%) of the schools, mainly in low-income neighborhoods, have lowered access to Specialty Classes compared to schools in comparable socio-economic communities. Comparing this number to the rest of the Alpine School District, 29 out of 35 schools had full access (3 or more) to the Specialty Classes. Only 6 schools (17%) out

of 25 in the north and west areas of the ASD had lowered access to the district funded Specialty Classes.

It was also found that access to Alpine School District's three ALL (advanced learning labs) schools for gifted/advanced students are located in more affluent neighborhoods (see map below) that are not close to major transportation corridors, making transportation to, and participation in, these schools' ALL programs difficult for lower income students. All three ALL schools also have the late start/end times (9:15am/3:30pm versus 8:00am/2:25pm) which could also make participation in these programs difficult for families with work, multiple school destinations with differing start/end times, and other obligations.

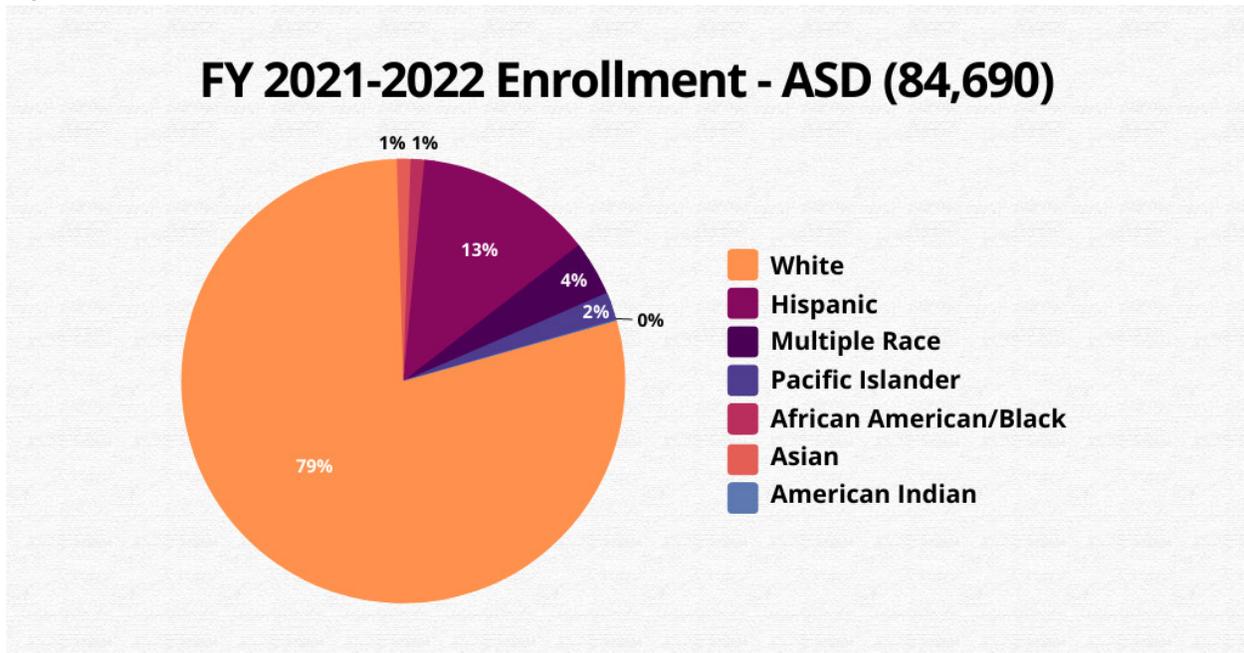
### **Ethnic Diversity in ASD and Orem**

Using statistics provided by the Utah State Board of Education,<sup>123</sup> Figure 2 shows the current ethnic composition of ASD schools: 79 percent white, 13 percent Hispanic, and other ethnicities making up the remaining 8 percent.

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<sup>123</sup> Fall Enrollment by Grade Level and Demographics, Oct 1, 2021 (SY 2022), Utah State Board of Education, <https://www.schools.utah.gov/data/reports?mid=1424&tid=4>.

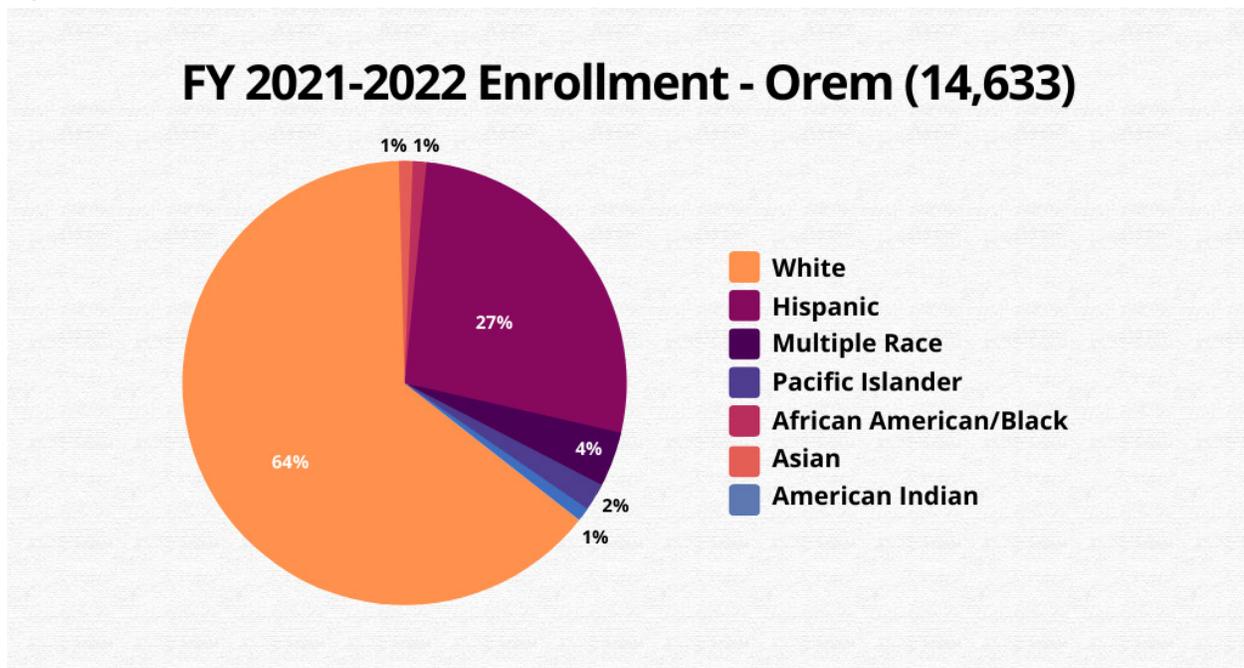
Figure 2



Data Source: Utah State Board of Education, Fall Demographic Data

Figure 3 shows the current ethnic composition of Orem schools: 64 percent white, 27 percent Hispanic, and other ethnicities making up the remaining 9 percent.

Figure 3



Data Source: Utah State Board of Education, Fall Demographic Data

Figure 4 shows the ethnic composition of the Remaining District if New District is created: 83 percent white, 10 percent Hispanic, and other ethnicities making up the remaining seven percent, in its school year enrollments.

Figure 4

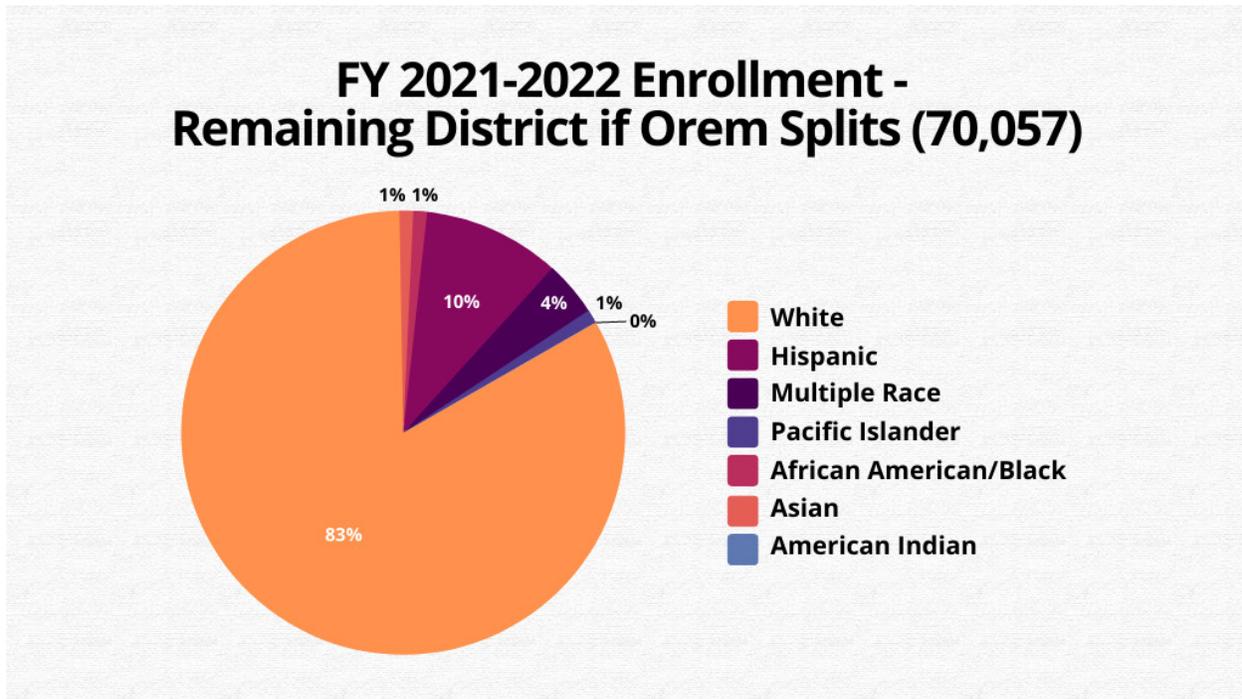


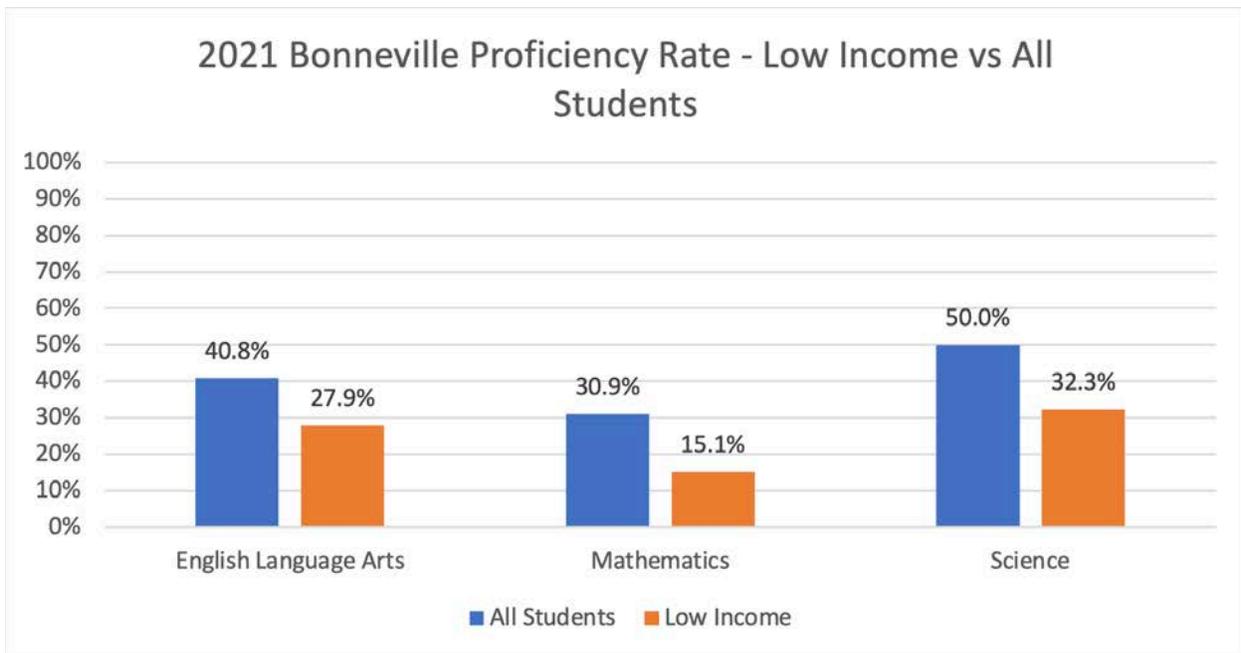
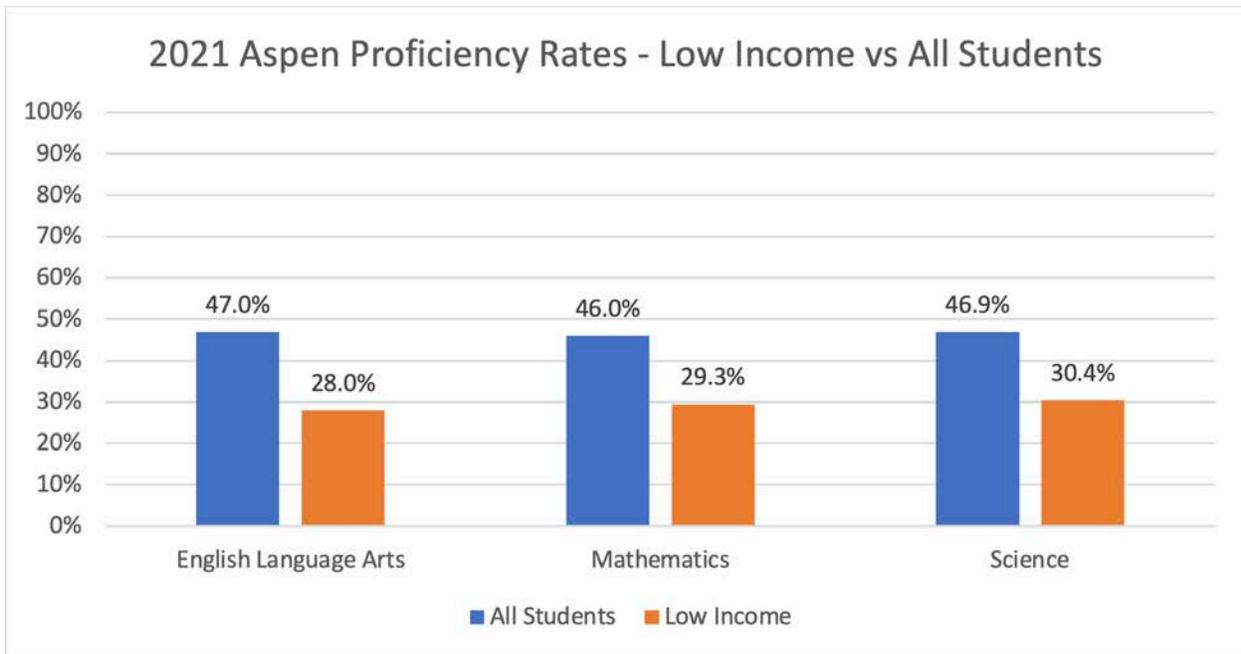
Figure 4, Data Source: Utah State Board of Education, Fall Demographic Data

The Remaining District schools have 21 percent less students with Hispanic and non-white ethnic backgrounds in comparison with Orem schools.

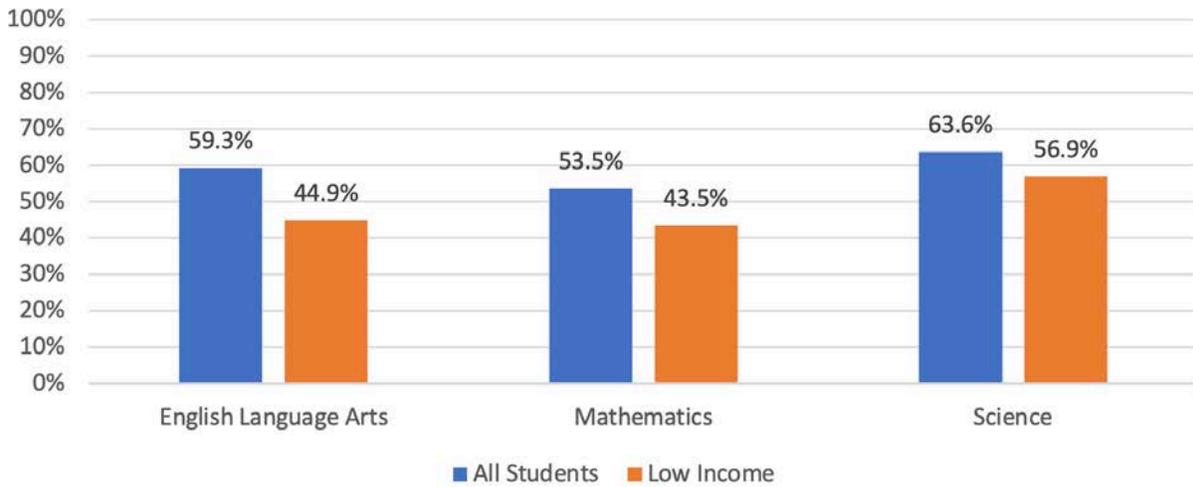
### 2021 State Proficiency Rates for Orem Schools Low Income vs All Students at each school

Data Source: Utah State Board of Education.

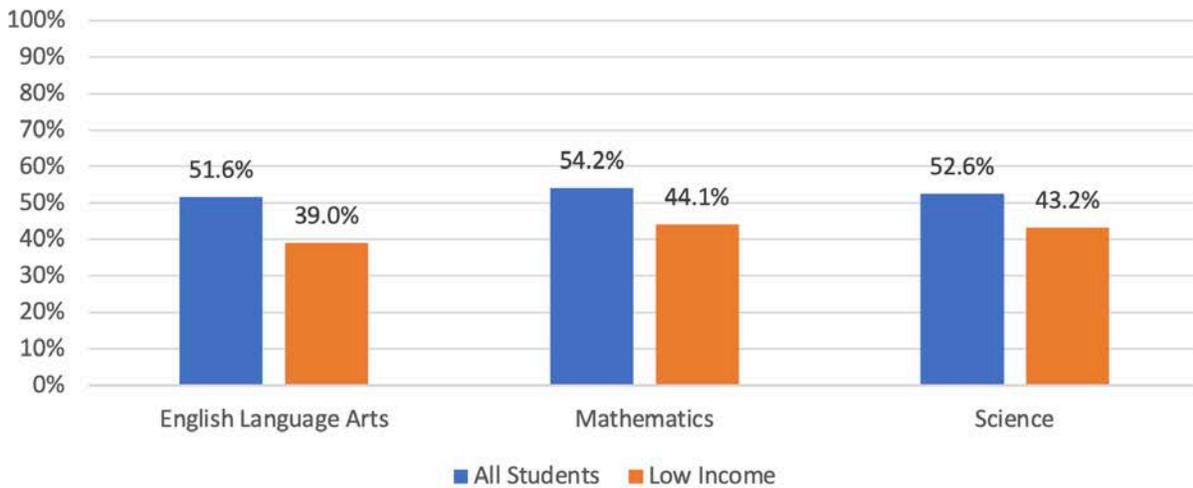
#### ELEMENTARY SCHOOLS



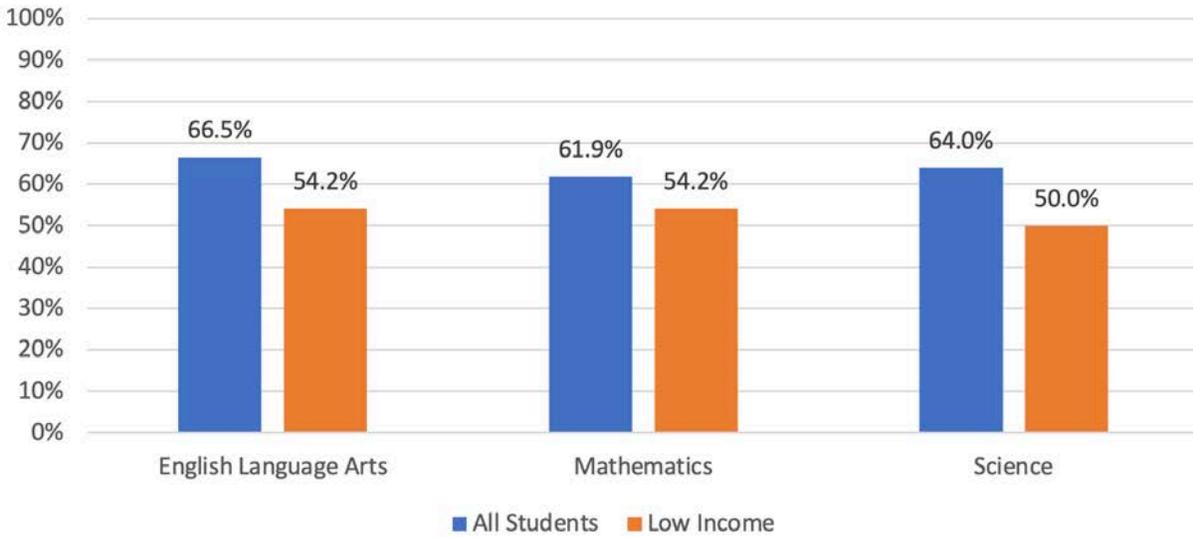
### 2021 Cascade Proficiency Rates - Low Income vs All Students



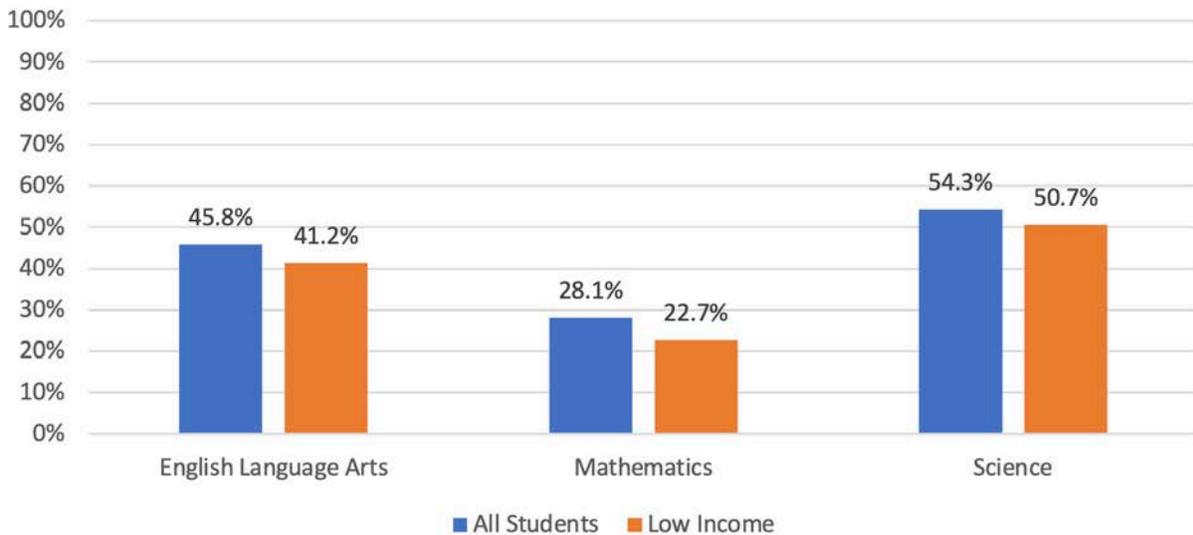
### 2021 Centennial Proficiency Rates - Low Income vs All Students



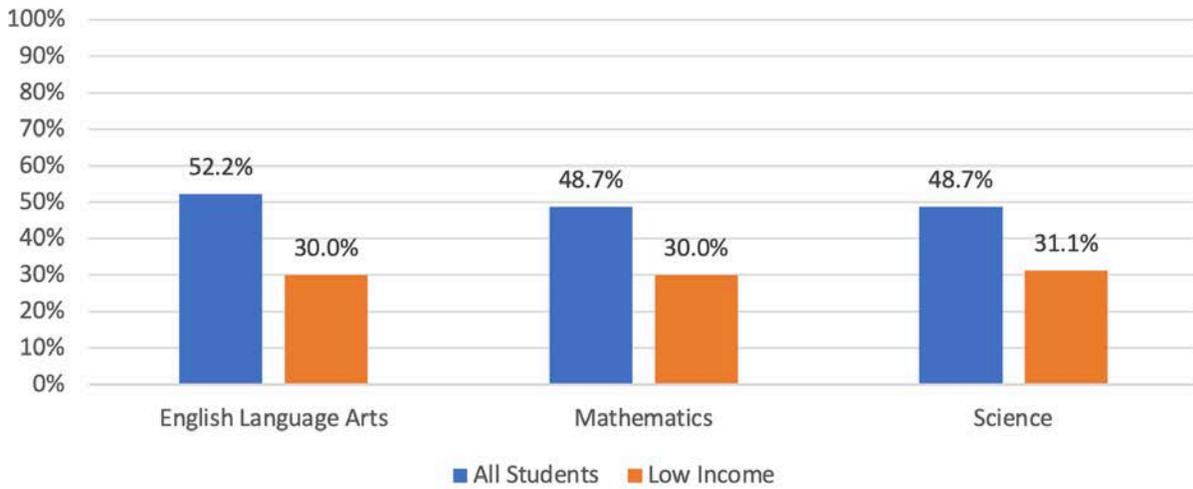
### 2021 Foothill Proficiency Rates - Low Income vs All Students



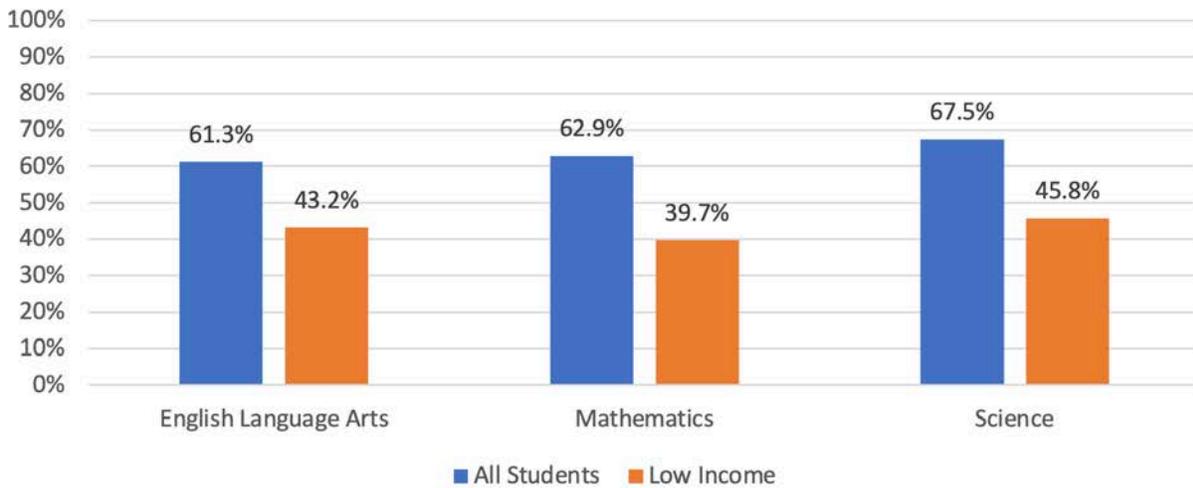
### 2021 Geneva Proficiency Rates - Low Income vs All Students



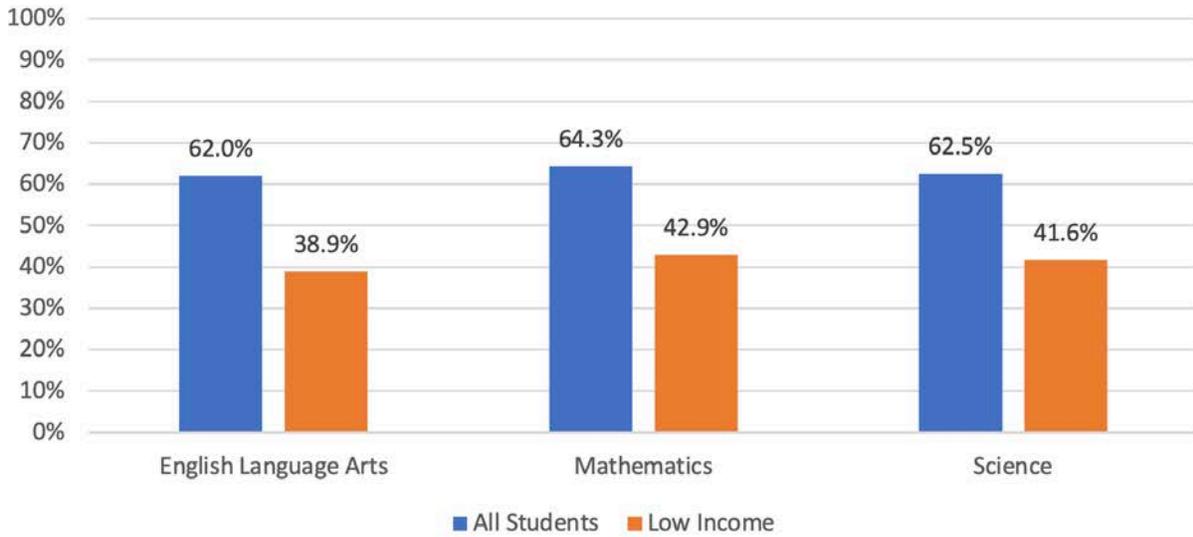
### 2021 Northridge Proficiency Rates - Low Income vs All Students



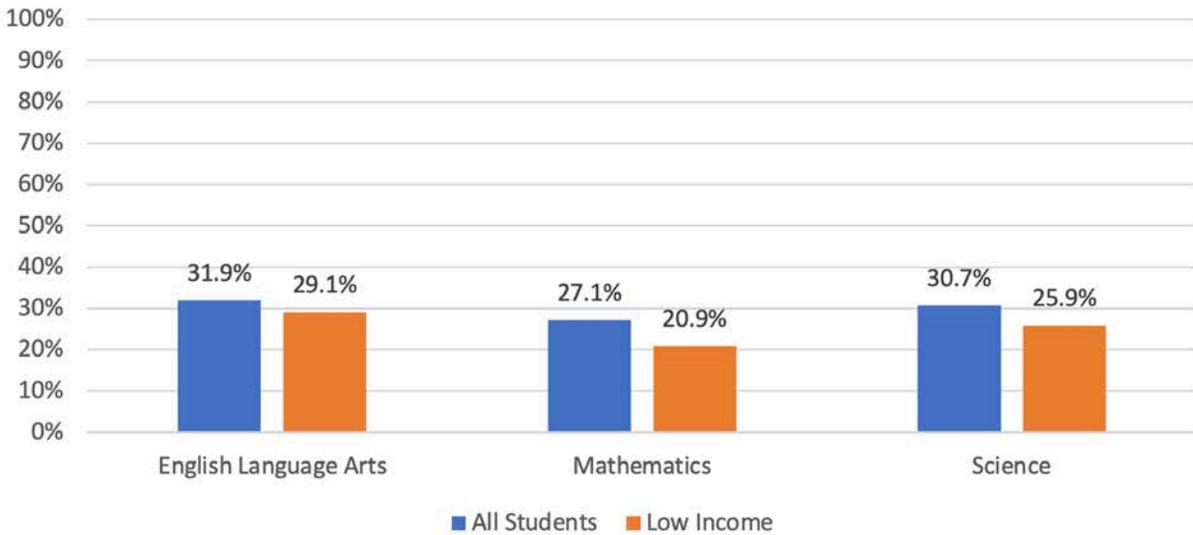
### 2021 Orchard Proficiency Rates - Low Income vs All Students



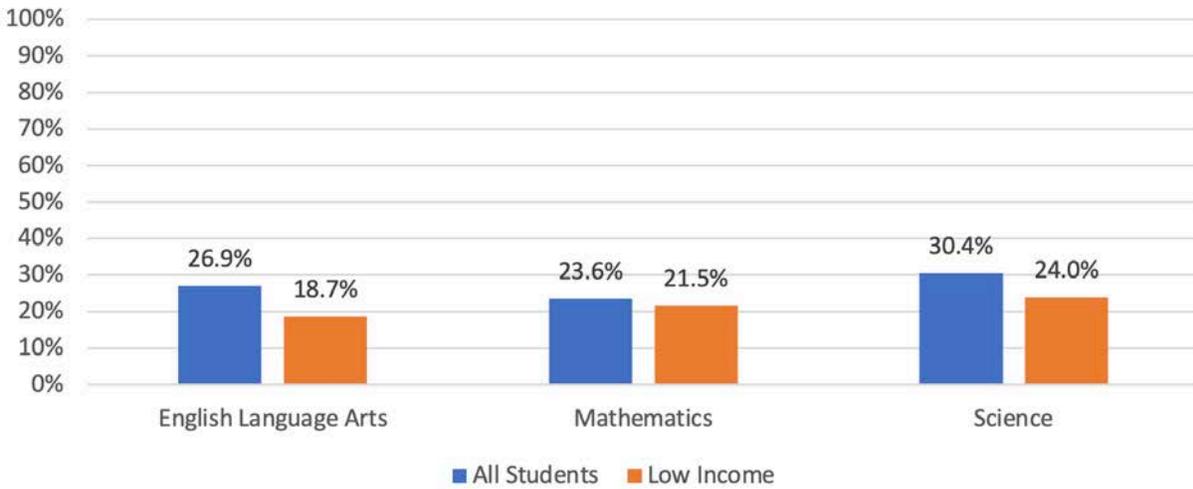
### 2021 Orem Proficiency Rates - Low Income vs All Students



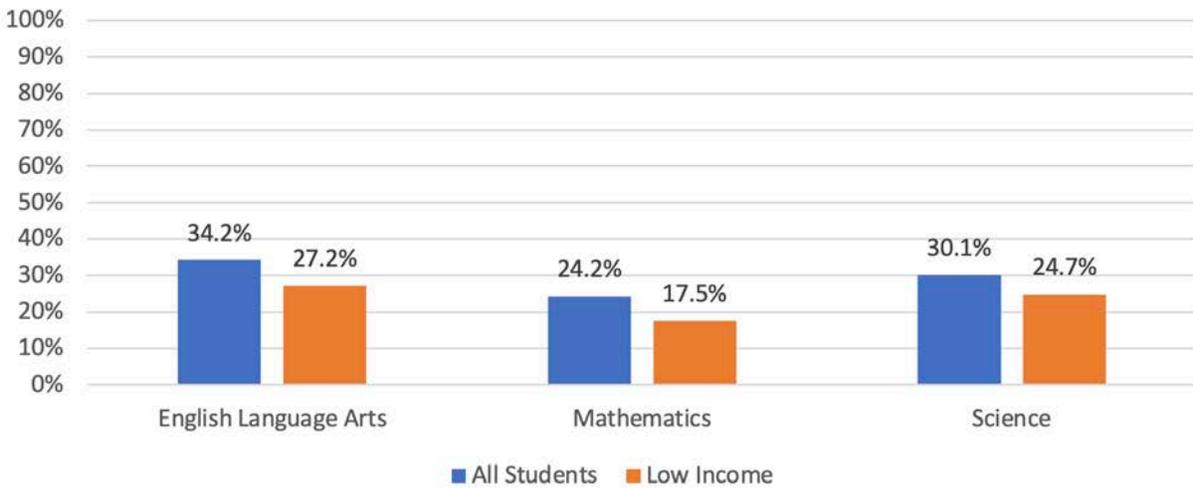
### 2021 Sharon Proficiency Rates - Low Income vs All Students



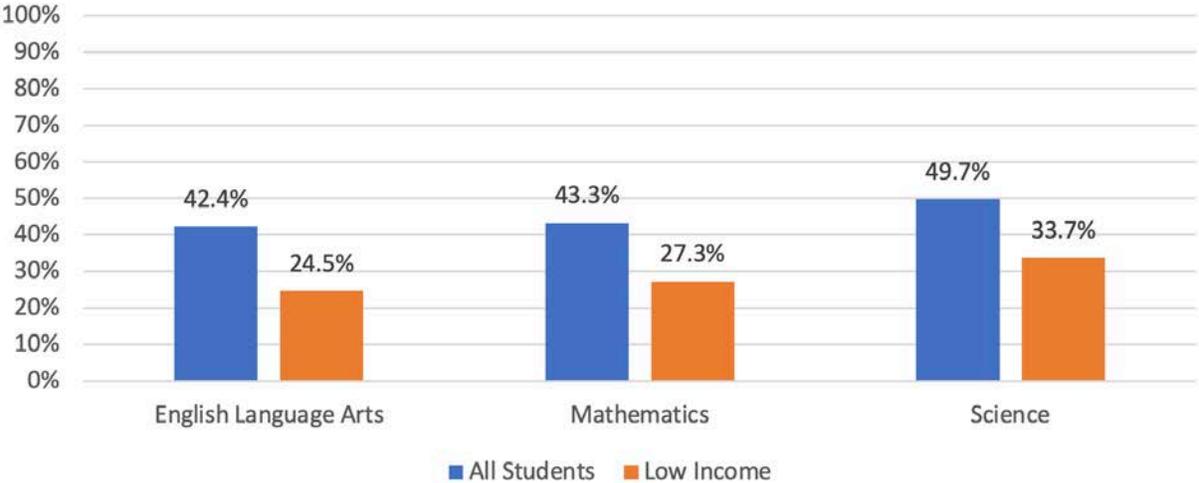
### 2021 Suncrest Proficiency Rates - Low Income vs All Students



### 2021 Westmore Proficiency Rates - Low Income vs All Students

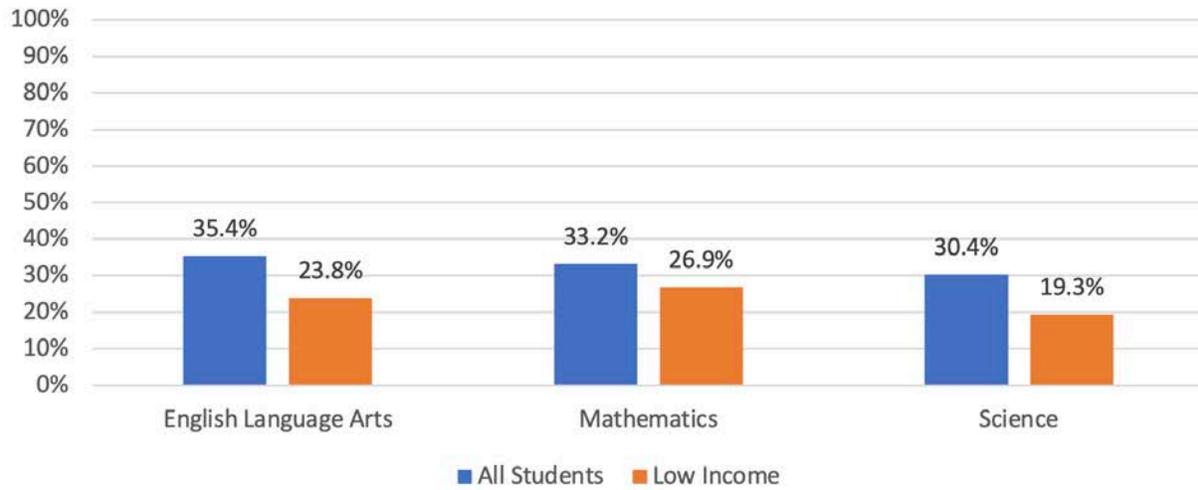


### 2021 Windsor Proficiency Rates - Low Income vs All Students

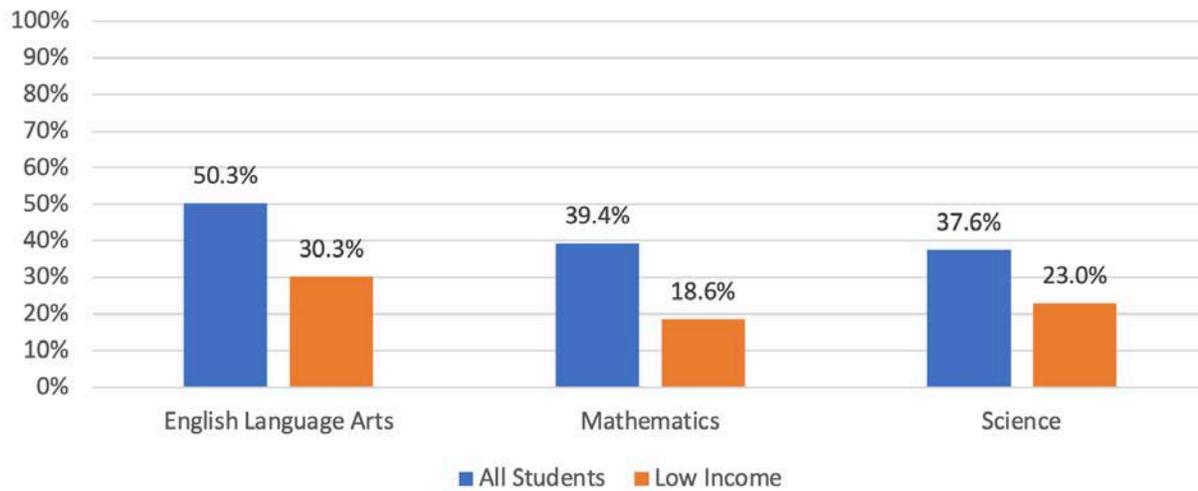


**JUNIOR/MIDDLE SCHOOLS**

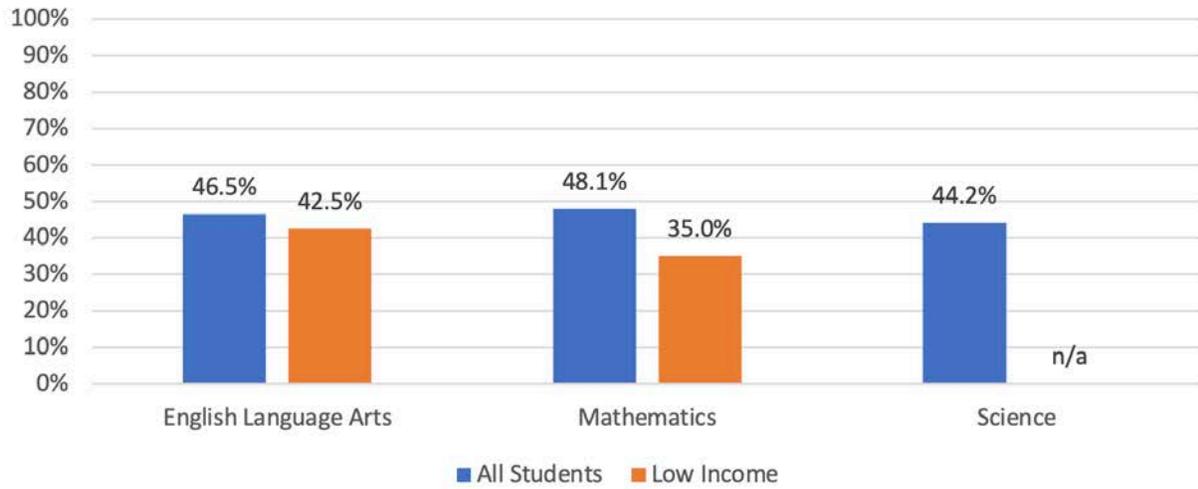
**2021 Canyon View Proficiency Rates - Low Income vs All Students**



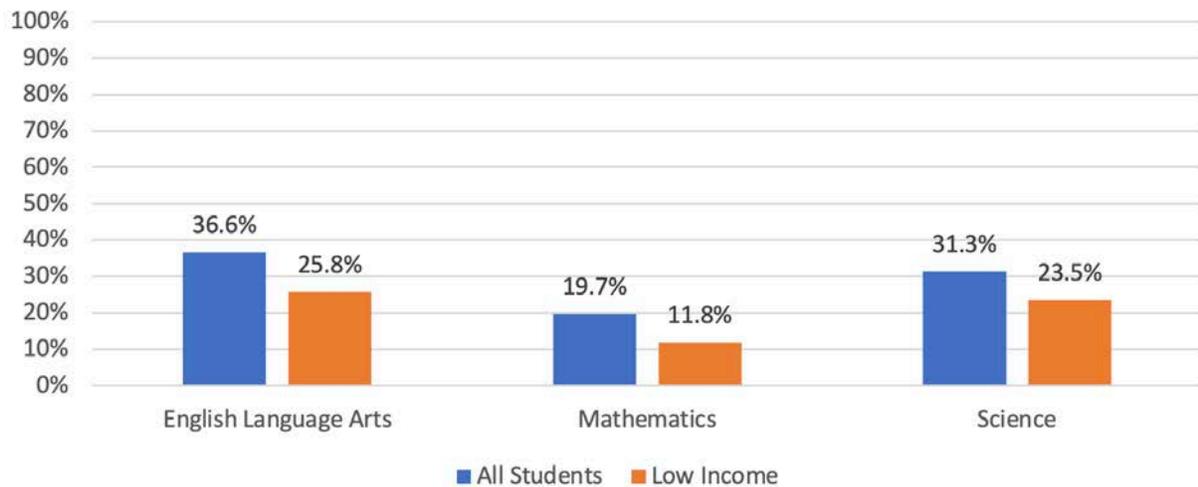
**2021 Lakeridge Jr Proficiency Rates - Low Income vs All Students**



### 2021 Oak Canyon Proficiency Rates - Low Income vs All Students

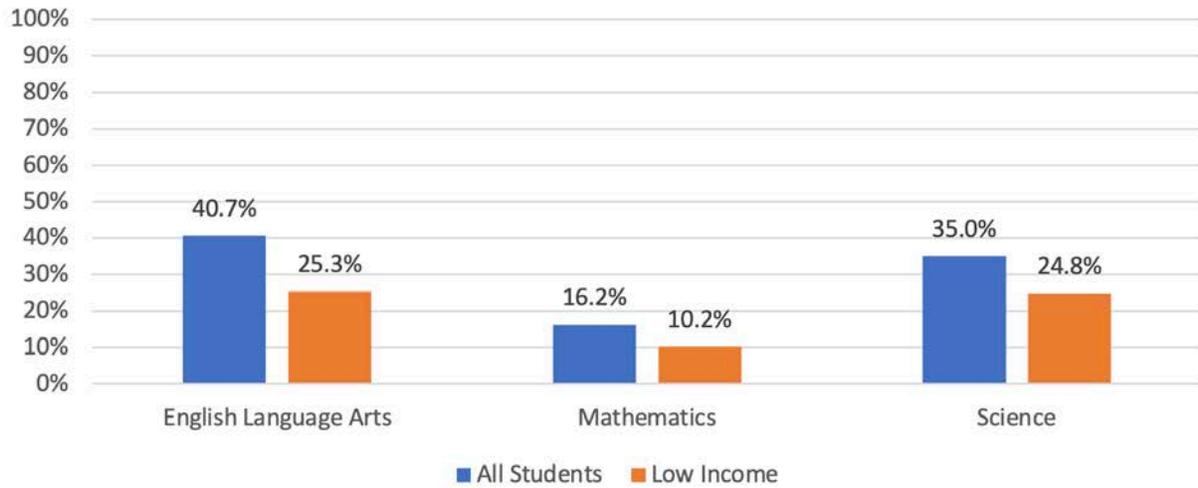


### 2021 Orem Jr High Proficiency Rate - Low Income vs. All Students

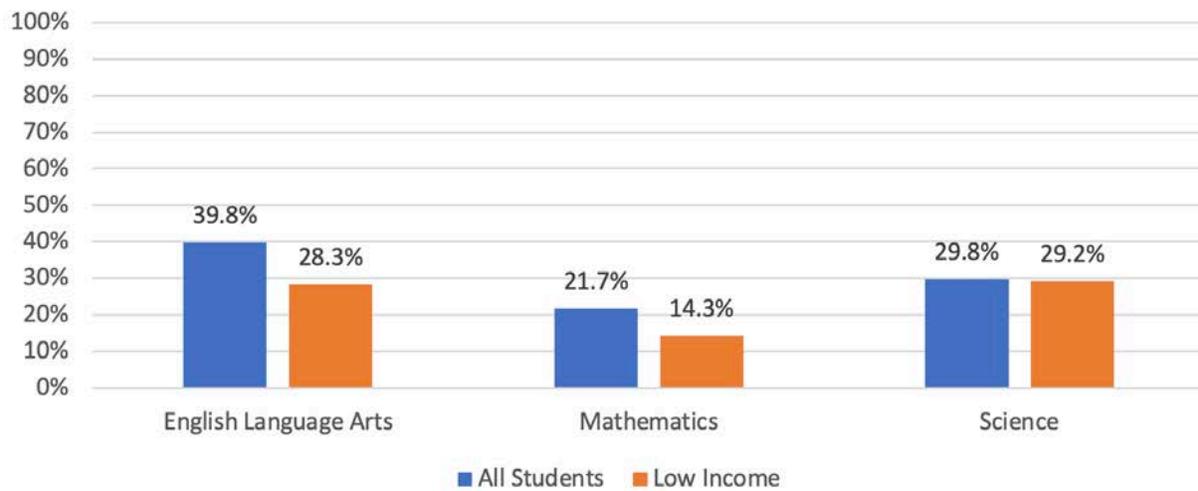


**HIGH SCHOOLS**

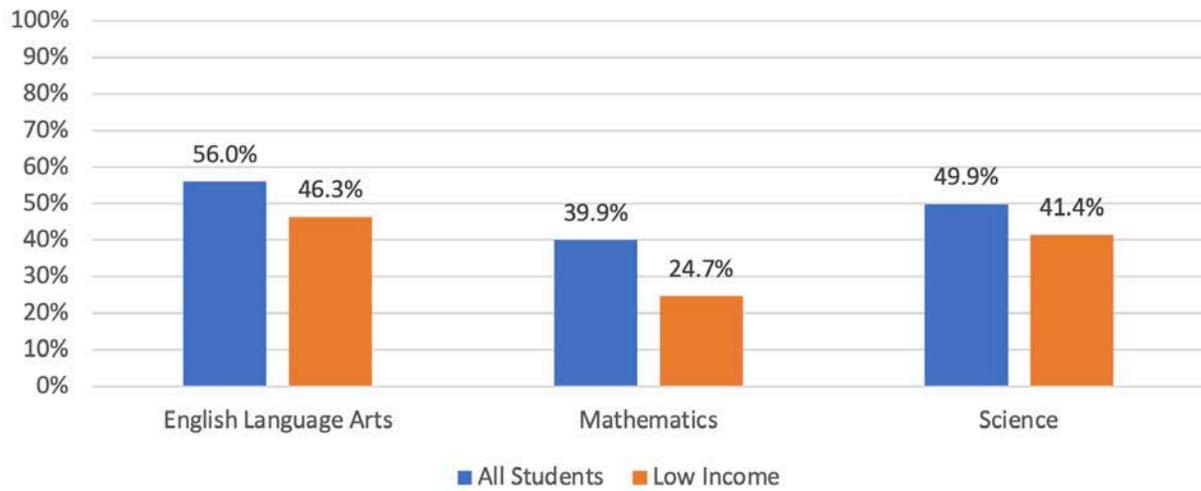
**2021 Mountain View Proficiency Rates - Low Income vs All Students**



**2021 Orem High Proficiency Rates - Low Income vs All Students**



### 2021 Timpanogos Proficiency Rates - Low Income vs All Students



## CHAPTER 3

### EXISTING SCHOOL STRUCTURES AT-RISK WITHIN THE CITY OF OREM FEBRUARY 2022 FEMA STUDY FINDINGS

The 2022 FEMA Study is an inventory study that identified 119 school campuses statewide with under-reinforced masonry (URM) construction (also referred to as unreinforced masonry).<sup>124</sup> **Thirty-four (34) of the schools identified with unsafe** URM construction concerns were in the Alpine School District, primarily located on the east-side of the school district, in Utah County. Twelve (12) of these schools are located within Orem city boundaries. The study was conducted and produced by the Applied Technology Council (ATC), and prepared for the Federal Emergency Management Agency (FEMA), and the Utah Division of Emergency Management (DEM).<sup>125</sup>

Utah, with its high earthquake hazard, has schools built with unreinforced masonry (URM). Schools constructed of URM, or bricks with little or no steel reinforcement are susceptible to significant earthquake damage during even low or moderate earthquake shaking. These durable, and often historic, structures were built prior to the formal incorporation of earthquake design into Utah building codes.

Alpine School District has over 20% (24 out of 119) of the 2022 FEMA Study's identified school buildings in the state of Utah considered unsafe with earthquake hazard, unreinforced masonry (URM). This creates additional concern to the health and safety of ASD's students and teachers, and should be top priority for district leadership and its school board members when decisions are made concerning capital building projects, school structural repairs and seismic safety. Such priority is stressed by the 2022 FEMA Study with this conclusion from the Study

*Schools are vitally important places. They are where children are educated, and children are required by law to attend school. As a result, schools are widely recognized as needing to be among society's safest structures.*

The 2022 FEMA Study makes these conclusions that school districts should seriously consider:

- Establish a target date for all URM schools to be repurposed, retrofitted, or demolished
- Include under-reinforced masonry (URM) school buildings in mitigation initiatives.
- **These buildings are highly vulnerable to damage and collapse during earthquakes.**

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<sup>124</sup> *Utah K-12 Public Schools Unreinforced Masonry (URM) Inventory Methods, Findings, and Recommendations* February 2022. Applied Technology Council (ATC), the Department of Homeland Security (DHS), the Federal Emergency Management Agency (FEMA), and the Utah Division of Emergency Management (DEM).

<sup>125</sup> <https://earthquakes.utah.gov/wp-content/uploads/Utah-K-12-Public-Schools-URM-Inventory-2022.pdf>

School buildings are one of the most utilized spaces in our state. In addition to providing educational facilities to our children, they are also commonly used for social activities and community events. They also serve as emergency shelters. Existing school buildings' structure and their proper maintenance need to be a top priority. This is especially important since children spend a majority of their weekdays attending school. The public generally assumes the buildings themselves are sturdy. But unlike other public buildings in Utah where periodic structural inspections are required by law, our school buildings do not receive seismic timely inspections and structural improvements when needed, unless the decision is made by the school district.

This Study found the average age of ASD schools in Orem was 23 years. Compared to the rest of the district, schools outside of Orem had an average age of 18 years. These Orem schools, by virtue of their age or construction materials can pose a potential safety risk to children.

The following is from the FEMA study's Executive Summary.

*The ground shaking felt throughout much of Utah during the magnitude 5.7 Magna earthquake on March 18, 2020, was a reminder that the grand mountain ranges that frame the state's cities and towns have been formed by millions of years of uplifting geologic activity. The resulting building damage from Magna to Salt Lake gave visual confirmation that unreinforced masonry (URM) buildings are vulnerable structures. The event was a wakeup call to prepare for a major earthquake.*

*The Wasatch Front region is predicted to have a 43 percent chance of producing a magnitude 6.75 or greater earthquake in the next 50 years. In comparison to the magnitude 5.7 Magna earthquake, a magnitude 6.7 earthquake will release about 30 times the energy. In such an earthquake, not only will the shaking be much stronger, it also will be longer, causing more widespread and severe damage, particularly to vulnerable construction, like unreinforced masonry.*

*This study provides the first statewide inventory of K-12 public school buildings in Utah developed for the purpose of documenting and communicating seismic risk. The inventory includes the number and location of campuses with URM buildings or additions in the state, the estimated enrollment at those campuses, and the estimated value of buildings at those campuses. Charter and private schools are not included in the inventory. The findings highlight the urgent need for action to reduce the*

*earthquake risk from these buildings.*<sup>126</sup>

Alpine School District (ASD) has 8 schools (**3 in Orem, listed below**) with identified unreinforced masonry (URM), 10 schools (**4 in Orem, listed below**) with suspected buildings/additions with identified URMs, and an additional 28 ASD schools (**10 in Orem, listed below**) with weak Rapid Visual Screening of 2 or Less of Buildings for Potential Seismic Hazards (RVS) scores.

Estimate costs to replace is \$282 million, - just for the identified URM-challenged schools, however costs could be more as the study suggests that professional engineering studies be conducted at each location which would detail the extent of each school's hazards, including recommendations for proper remediation, retrofitting or replacement. The following are lists of the seismically challenged schools in the City of Orem.

Identified Unreinforced Masonry (URM), (see: Table A-1, Page A-7, shown below)<sup>127</sup>

- Geneva (demolished – Geneva's status is listed as "pending review")
- Sharon
- Windsor

Suspected URM, (see Table C-1, shown below)

- Bonneville
- Lake Ridge Jr High
- Mountain View HS
- Orem Elementary

Schools with a RVS score of 2 or less, (see Table D-1 - Page D-14, 15)

- Canyon View Jr High
- Geneva (stated status as "pending review")
- Lakeridge Jr. High
- Mountain View
- Orchard
- Orem Jr High
- Sharon
- Suncrest aka Parkside
- Timpanogos HS
- Windsor

**Lindon ASD Schools with RVS Scores of 2 or Less: Lindon Elementary; Oak Canyon Jr. High**

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<sup>126</sup> Executive Summary, Utah K-12 Public Schools Unreinforced Masonry (URM) Inventory Methods, Findings, and Recommendations. February 2022. p.x

<sup>127</sup> <https://earthquakes.utah.gov/wp-content/uploads/Utah-K-12-Public-Schools-URM-Inventory-2022.pdf>

RECOMMENDATION: If the creation of the New District is approved by the voters of Orem, the above list should be included in any arbitration hearing or discussion when the value of school facilities and assets are being allocated. The above list would be expected to result in a reduction to the valuation of Orem schools due to the repairs and maintenance that will be necessary to bring the structures into compliance with FEMA standards.

Following are the actual 2022 FEMA assessments and evaluations of schools in Alpine School District with:

- 8 ASD schools (3 in Orem) with identified unreinforced masonry (URM) earthquake (seismic) hazards;
- 10 ASD schools (4 in Orem) with suspected buildings/additions with identified URMs;
- And additional 28 ASD schools (10 in Orem) with weak Rapid Visual Screening of Buildings for Potential Seismic Hazards (RVS) scores.

Note: Rapid Visual Screening of Buildings for Potential Seismic Hazards: A Handbook, (FEMA, 2015) describes a rapid visual screening (RVS) procedure for identifying those buildings that might pose serious risk of loss of life and injury when a damaging earthquake occurs due to collapse.<sup>128</sup> Use of the RVS enables the RVS (FEMA) authority to divide screened buildings into two categories:

- Those that are expected to have acceptable seismic performance, and
- Those that may be seismically hazardous and should be studied further.

A RVS score of 2 is suggested as a "cut-off", based on present seismic design criteria. Using this cut-off level, buildings having an S score of 2 or less should be investigated by a design professional experienced in seismic design.<sup>129</sup>

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<sup>128</sup> Rapid Visual Screening of Buildings for Potential Seismic Hazards: Supporting Documentation, FEMA, Third Edition, Applied Technology Council, Redwood City, California 2015, page 1.1; [https://www.fema.gov/sites/default/files/2020-07/fema\\_earthquakes\\_rapid-visual-screening-of-buildings-for-potential-seismic-hazards-supporting-documentation-third-edition-fema-p-155.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_earthquakes_rapid-visual-screening-of-buildings-for-potential-seismic-hazards-supporting-documentation-third-edition-fema-p-155.pdf)

<sup>129</sup> Ibid

**Table 4-1 Summary of URM Campuses by County and District (continued)**

County	School District	Campuses	Campuses with Identified URM (Appendix A)	Buildings or Additions with Identified URM	Campuses with likely URM (Appendix B)	Total Enrollment 2021	Estimated 2021 Enrollment at Identified URM Campuses	Estimated Building Value of Identified URM Campuses
<i>Utah</i>								
	Alpine	88	8	16	0	80,953	7,678	\$282,309,775

**Table A-1 K-12 Public School Campuses with URM Buildings or Additions (continued)**

County	School District	School Name	Address	Construction Year	Comments
<i>Utah</i>					
	Alpine School District	Alpine School	400 E 300 N, ALPINE, UT 84004	1965	
	Alpine School District	American Fork High	510 N 600 E, AMERICAN FORK, UT 84003	1959	
	Alpine School District	Cedar Valley School	40 E CENTER, CEDAR FORT, UT 84013	1907	Sold
	Alpine School District	Central School	95 N 400 E, PLEASANT GROVE, UT 84062	1950	Replaced
	Alpine School District	Geneva School	400 N 665 W, OREM, UT 84057	1948	Demolition complete, pending review
	Alpine School District	Lehi High	180 N 500 E, LEHI, UT 84043	1959	Replaced 2021
	Alpine School District	Lehi School	765 N CENTER, LEHI, UT 84043	1951	
	Alpine School District	Lindon School	30 N MAIN, LINDON, UT 84042	1967	
	Alpine School District	Pleasant Grove High	700 E 200 S, PLEASANT GROVE, UT 84062	1959	
	Alpine School District	Sharon School	525 N 400 E, OREM, UT 84097	1954	
	Alpine School District	Windsor School	1315 N MAIN, OREM, UT 84057	1956	

County	School District	School Name	Address	Class Abbreviation	Construction Year	Comments
<i>Utah</i>						
	Alpine School District	Barratt School	168 N 900 E, AMERICAN FORK, UT 84003	C	1977	
	Alpine School District	Bonneville School	1245 N 800 W, OREM, UT 84057	C	1978	
	Alpine School District	Greenwood School	50 E 200 S, AMERICAN FORK, UT 84003	E	1956	Replaced 2021
	Alpine School District	Highland School	10865 N 6000 W, HIGHLAND, UT 84003	C	1979	
	Alpine School District	Lakeridge Jr High	951 S 400 W, OREM, UT 84058	C	1975	
	Alpine School District	Mountain View High	665 W CENTER, OREM, UT 84057	C	1979	
	Alpine School District	Orem School	450 W 400 S, OREM, UT 84058	C	1972	
	Alpine School District	Pleasant Grove Jr High	810 N 100 E, PLEASANT GROVE, UT 84062	C	1976	
	Alpine School District	Sego Lily School	550 E 900 N, LEHI, UT 84043	C	1956	
	Alpine School District	Shelley School	602 N 200 W, AMERICAN FORK, UT 84003	C	1966	
	Alpine School District	Valley View School	941 ORCHARD DR, PLEASANT GROVE, UT 84062	C	1966	

<b>Table D-1 K-12 Public School Campuses with an RVS Score of 2 or Less (continued)</b>					
<b>County</b>	<b>School District</b>	<b>School Name</b>	<b>Address</b>	<b>Construction Year</b>	<b>Comments</b>
<i>Utah</i>					
	Alpine School District	Alpine School	400 E 300 N, ALPINE, UT 84004	1965	
	Alpine School District	American Fork High	510 N 600 E, AMERICAN FORK, UT 84003	1959	
	Alpine School District	American Fork Jr High	20 W 1120 N, AMERICAN FORK, UT 84003	1975	
	Alpine School District	Barratt School	168 N 900 E, AMERICAN FORK, UT 84003	1977	
	Alpine School District	Canyon View Jr High	625 E 950 N, OREM, UT 84097	1985	
	Alpine School District	Cedar Valley School	<del>40 E CENTER, CEDAR FORT, UT 84013</del>	1907	Sold
	Alpine School District	Central School	<del>95 N 400 E, PLEASANT GROVE, UT 84062</del>	1950	Replaced
	Alpine School District	Dan W. Peterson	169 N 1100 E, AMERICAN FORK, UT 84003	1981	
	Alpine School District	Geneva School	400 N 665 W, OREM, UT 84057	1948	Demolition complete Pending review
	Alpine School District	Greenwood School	<del>50 E 200 S, AMERICAN FORK, UT 84003</del>	1956	Replaced 2021
	Alpine School District	Highland School	10865 N 6000 W, HIGHLAND, UT 84003	1979	
	Alpine School District	Lakeridge Jr High	951 S 400 W, OREM, UT 84058	1975	
	Alpine School District	Lehi High	<del>180 N 500 E, LEHI, UT 84043</del>	1959	Replaced
	Alpine School District	Lehi Jr High	700 E CEDAR HOLLOW RD, LEHI, UT 84043	1987	
	Alpine School District	Lehi School	765 N CENTER, LEHI, UT 84043	1951	
	Alpine School District	Lindon School	30 N MAIN, LINDON, UT 84042	1967	
	Alpine School District	Lone Peak High	10189 N 4800 W, HIGHLAND, UT 84003	1997	
	Alpine School District	Manila School	1726 N 600 W, PLEASANT GROVE, UT 84062	1982	
	Alpine School District	Mountain Ridge Jr High	5525 W 10400 N, HIGHLAND, UT 84003	1993	
	Alpine School District	Mountain View High	665 W CENTER, OREM, UT 84057	1979	
	Alpine School District	Oak Canyon Jr High	111 S 725 E, LINDON, UT 84042	1993	

**Table D-1 K-12 Public School Campuses with an RVS Score of 2 or Less (continued)**

County	School District	School Name	Address	Construction Year	Comments
	Alpine School District	Orchard School	1035 N 800 E, OREM, UT 84097	1983	
	Alpine School District	Orem Jr High	765 N 600 W, OREM, UT 84057	1963	
	Alpine School District	Pleasant Grove High	700 E 200 S, PLEASANT GROVE, UT 84062	1959	
	Alpine School District	Pleasant Grove Jr High	810 N 100 E, PLEASANT GROVE, UT 84062	1976	
	Alpine School District	Sego Lily School	550 E 900 N, LEHI, UT 84043	1956	
	Alpine School District	Sharon School	525 N 400 E, OREM, UT 84097	1954	
	Alpine School District	Shelley School	602 N 200 W, AMERICAN FORK, UT 84003	1966	
	Alpine School District	Suncrest School	668 W 150 N, OREM, UT 84057	1986	
	Alpine School District	Timpanogos High	1450 N 200 E, OREM, UT 84057	1996	
	Alpine School District	Valley View School	941 ORCHARD DR, PLEASANT GROVE, UT 84062	1966	
	Alpine School District	Windsor School	1315 N MAIN, OREM, UT 84057	1956	

**Conclusion**

The FEMA 2022 study has identified at least 12 schools in Orem that need immediate seismic evaluation and remedy. These are urgent in nature, as they are in close proximity to the Provo Section of the Wasatch Fault line. Experts give a 57% probability (over 1 in 2 chance) of an earthquake with a magnitude 6.0 or greater to occur within the next 50 years.<sup>130</sup> The 2022 Inventory Study referenced the prior Assessment conducted in 2006, the Seismic Vulnerability Assessment provided by Reaveley Engineers & Associates to ASD. The Assessment stated:

"Recently there has been an increased awareness of the possibility of a severe earthquake occurring in Utah ... Concerned individuals agree that the circumstances warrant investigation as to how structures not designed to current code standards will respond during an earthquake ... the Wasatch Fault is considered to be active ... [and] seismologists estimate that activity on the fault could produce an earthquake with magnitude of 7.3 (Richter Scale) or greater. An earthquake of this

<sup>130</sup> <https://quake.utah.edu/publications/reports/earthquake-database-for-utah-geological-survey-map-277-utah-earthquakes-1850-2016-and-quadernary-faults-utah-geological-survey-open-file-report-667>, The Utah Earthquake Program (consists of the UGS, UUSS, and UDEM), see also [quake.utah.edu](https://quake.utah.edu)

magnitude could produce relatively high ground shaking at the various sites." They continue, "Schools are occupied by one of society's most precious resources, its children. Therefore, the need for properly protecting the occupants is very great. The occupancy density also is one of the highest of any building type and, after an earthquake, the children are very likely to be frightened, which can make emergency egress difficult at best and virtually impossible in a badly damaged structure ... After an earthquake, community damage will result in an influx of people in need of shelter and, if the school building is not functional, is becomes another disaster-related liability rather than an asset."<sup>131</sup>

It is telling that the main reason for bond elections, such as the ASD \$595 million bond proposed for this November 2022 ballot, is to pay for new schools to meet student enrollment growth particularly on the west side – with far less monies staying within the cities funding the bond – especially those cities with existing schools in critical need for seismic reinforcement. A news article dated December 17, 2021, citing ASD board members discussing the proposed upcoming bond, shows infighting for the funds has already begun.<sup>132</sup> Questions have arisen, such as, will ASD put Orem's 12 seismic problem schools on the bond, along with the 22 other ASD schools also identified as problematic in the 2022 FEMA report, or will ASD flag the money for only new construction mainly on the west side? If past experience is an indicator, Orem schools will be neglected while Orem property tax revenues are sent to build new schools in high growth areas.

Our findings and the plethora of research suggest that it will be through local representation and decisions that repairs, retrofits and/or replacement of the schools in critical need in Orem will be addressed and resolved. Keeping up with the need of new schools for ASD's west side, and repairing, retrofitting or replacing aging and seismic unsafe schools on its east side has proven to be a formidable task and financially unachievable for ASD. Unless and until there is a change at a state level, or until Orem taxpayers have local representation and decision making, students and teachers it seems feasible that Orem may wait another 16 years (or longer) to resolve the issue with unsafe schools.

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<sup>131</sup> 2006 Seismic Vulnerability Assessment, Reaveley Engineers & Associates, pages 1-3

<sup>132</sup> Alpine School District board begins 2022 bond talks, Lehi Free Press, December 17, 2021.

## CHAPTER 3.1 2006 & 2022 FEMA SEISMIC FINDINGS OF ASD SCHOOLS

### FEMA Seismic Findings of ASD Schools

Two studies are available identifying schools in ASD with seismic safety concerns. The first Study was conducted in 2006 by Reavely Engineering & Associates for ASD. The second study (statewide) was published in February 2022 and was performed by Applied Technology Council.

#### 2006 Summary Findings

2006 total square feet rated as "Poor"			2006 total square feet rated as "Very Poor"		
379,522 sf	20 elementary schools		364,921 sf	13 elementary schools	
83,820 sf	3 junior high schools		31,800 sf	1 junior high schools	
472,544 sf	14 high schools		70,196 sf	3 high schools	
12,100 sf	2 district buildings		5,800 sf	1 district buildings	
<b>Total:</b>	<b>947,986 sf</b>	<b>39 buildings</b>	<b>Total:</b>	<b>472,717 sf</b>	<b>18 buildings</b>

**Estimated cost to repair/remediate: \$54,300,000**

#### 2022 Summary Findings

Study did not list buildings by detail. Study recommends professional providers perform engineering, cost estimates, etc. for each identified building. Study identifies schools by three categories, as explained below. The following schools have been identified with Known Under-Reinforced Lehi Elementary, Lindon Elementary, Pleasant Grove High, Sharon Elementary, Windsor Elementary.

The following schools have been identified with Suspected Under-Reinforced Masonry (URM): Barratt Elementary, Bonneville Elementary, Highland Elementary, Lakeridge Jr. High, Mountain View High, Orem Elementary, Pleasant Grove Jr. High, Segó Lily Elementary, Shelley Elementary, Valley View Elementary.

The following schools have been identified as having an RVS (Rapid Visual Screening) Score of 2 or Less: Alpine Elementary, American Fork High, American Fork Jr. High, Barratt Elementary, Canyon View Jr. High, Dan W. Peterson, Geneva Elementary, Highland Elementary, Lakeridge Jr. High, Lehi Jr. High, Lehi Elementary, Lindon Elementary, Lone Peak High, Manila Elementary, Mountain Ridge Jr. High, Mountain View High, Oak Canyon Jr. High, Orchard Elementary, Orem Jr. High, Pleasant Grove High, Pleasant Grove Jr. High, Segó Lily Elementary, Sharon Elementary, Shelley Elementary, Suncrest (aka Parkside)

(Continue with 2022 Summary Findings)

Elementary, Timpanogos High, Valley View Elementary, Windsor Elementary.

**No cost estimates were stated, the Study was simply an inventory of schools with seismic issues.**

**Table of seismic problems identified in 2006 Study and their 2022 status**

Please note:

1. Schools identified in the 2006 Study that remain with seismic problems (un-remediated) on 2022 Study are highlighted in gold.
2. Title I (low income) Schools shown with an asterisk \*
3. Schools added to 2022 FEMA inventory list added below

2006 Study					2022 Study
School/Location	Rating	Cost to remediate in 2006	Status	Actual Cost	Seismic Problems Identified in 2022 Inventory
Alpine Elementary Alpine	Poor	\$1,811,000	Remodel	\$1,405,795	Known Under-Reinforced Masonry (URM), RVS Score of 2 or Less
Barratt Elementary American Fork	Poor	\$1,413,000	No fixes to date	\$0.00	Suspected URMs, RVS Scores of 2 or Less
Cascade Elementary Orem	Poor	\$1,546,000	Rebuilt 2020	\$20,286,301	
Cedar Valley Elementary Cedar Fort	Very Poor	\$135,000	Sold	Sold (debit to ASD)	Sold
Central Elementary Pleasant Grove	Poor	\$1,497,000	Rebuilt	\$29,141,878	
Cherry Hill Elementary* Orem	Very Poor	\$1,470,000	Portions rebuilt	\$10,320,558	
Geneva Elementary * Orem	Very Poor	\$1,319,000	School demolished 2021 – eliminated		Pending review
Greenwood Elementary* American Fork	Very Poor	\$2,789,000	Rebuilt 2021	\$20,075,703	
Grovecrest Elementary Pleasant Grove	Very Poor	\$1,104,000	Rebuilt	\$14,927,809	
Hillcrest Elementary * Orem	Very Poor/Poor	\$1,136,000	School demolished 2018 – eliminated	Land sold (debit to ASD)	School was not rebuilt. Land was sold.
Lehi Elementary Lehi	Very Poor/Poor	\$2,501,000	No fixes to date		Known URM
Lindon Elementary Lindon	Poor	\$1,204,000	No fixes to date		Known URM, RVS Score of 2 or Less
Scera Park * Orem	Very Poor	\$1,470,000	School demolished. Rebuilt 2019 & named Centennial.	\$20,078,451	
Sego Lily Elementary Lehi	Very Poor/Poor	\$2,790,000	Addition	\$4,257,567	Suspected URM, RVS Score of 2 or Less
Sharon Elementary * Orem	Very Poor/Poor	\$1,136,000	No fixes to date		Known URM, RVS Score of 2 or Less
Shelley Elementary American Fork	Poor	\$1,381,000	Addition	\$5,403,509	Suspected URM, RVS Score of 2 or Less
Valley View Elementary Pleasant Grove	Poor	\$667,000	No fixes to date		Suspected URM, RVS Score of 2 or Less
Westmore Elementary* Orem	Very Poor	\$1,383,000	Portions rebuilt	\$9,565,272	
Windsor Elementary * Orem	Very Poor	\$934,000	No fixes to date		Known URM, RVS Score of 2 or Less
Orem Junior High * Orem	Very Poor/Poor	\$5,869,000	Addition/ Renovation	\$6,8934,798	RVS Score of 2 or Less

2006 Study					2022 Study
School/Location	Rating	Cost to remediate in 2006	Status	Actual Cost	Seismic Problems Identified in 2022 Inventory
American Fork High American Fork	Poor	\$4,167,000	Remodel	\$24,042,764	Known URM, RVS Score of 2 or Less
East Shore/Summit High American Fork	Poor	\$333,000	Unknown	Unknown	
Lehi High Lehi	Poor	\$4,319,000	Rebuilt 2021	\$68,337,550	
Pleasant Grove High Pleasant Grove	Poor	\$3,889,000	2 separate additions	\$31,168,901	Known URM, RVS Score of 2 or Less
Orem High Orem	Very Poor/Poor	\$7,376,000	Reconstruction	\$43,424,900	
Clear Creek Camp Helper	Poor	\$384,000	Unknown	Unknown	Not addressed in 2022 Study
ATEC American Fork	Poor	\$197,000	(Not specified)	\$2,833,571	Not addressed in 2022 Study
Lindon Warehouse Lindon	Very Poor	\$109,000	Unknown	Unknown	Not addressed in 2022 Study

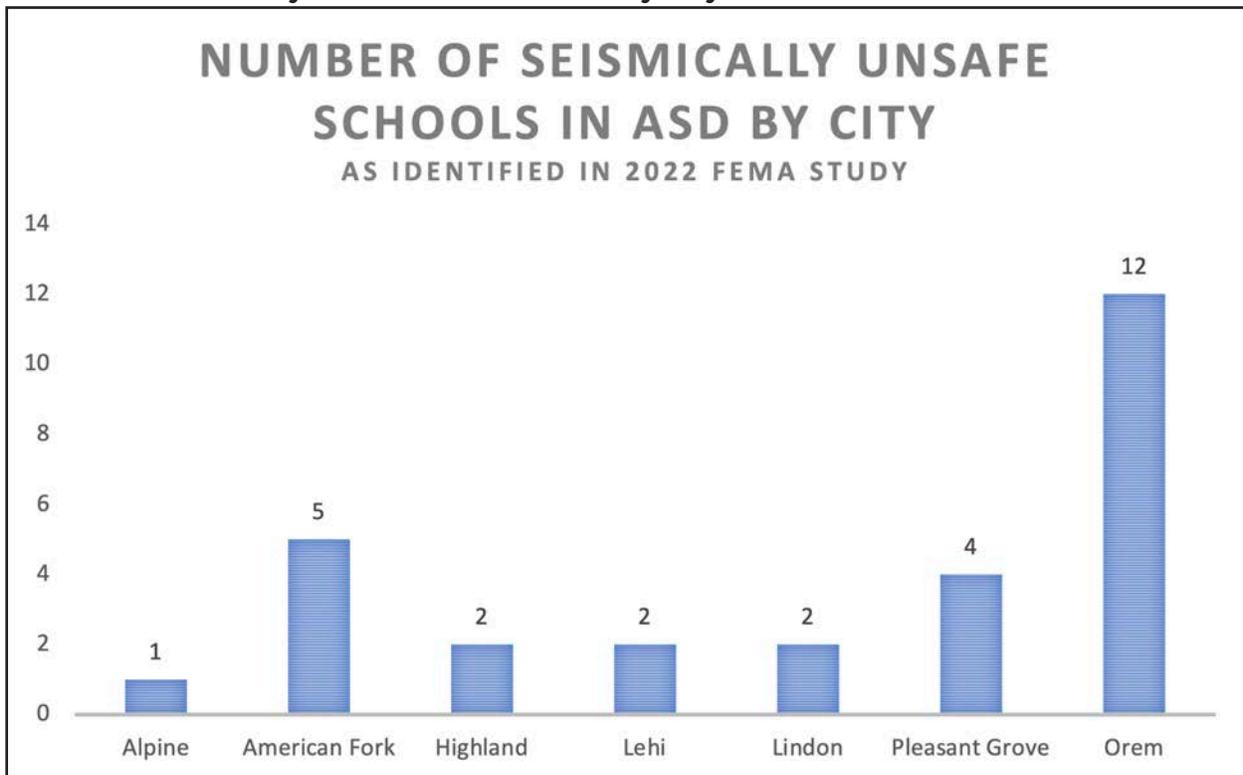
**Continued from 2022 Study: Additional Buildings with Seismic Problems**

2022 Study (continued)	
School/Location	Seismic Problems Identified in 2022 Inventory
American Fork Jr. High American Fork	RVS Score of 2 or Less
Bonneville Elementary Orem	Suspected URM
Canyon View Jr. High Orem	RVS Score of 2 or Less
Dan W. Peterson American Fork	RVS Score of 2 or Less
Highland Elementary Highland	Suspected URM, RVS Score of 2 or Less
Lakeridge Jr. High Orem	Suspected URM, RVS Score of 2 or Less
Lehi Jr. High Lehi	RVS Score of 2 or Less
Lone Peak High Highland	RVS Score of 2 or Less
Manila School Pleasant Grove	RVS Score of 2 or Less
Mountain Ridge Jr. High Highland	RVS Score of 2 or Less
Mountain View High Orem	Suspected URM, RVS Score of 2 or Less
Oak Canyon Jr. High Lindon	RVS Score of 2 or Less
Orchard Elementary Orem	RVS Score of 2 or Less
Orem Elementary Orem	Suspected URM

Pleasant Grove Jr. High Pleasant Grove	Suspected URM, RVS Score of 2 or Less
Suncrest (aka Parkside Elementary) * Orem	RVS Score of 2 or Less
Timpanogos High Orem	RVS Score of 2 or Less

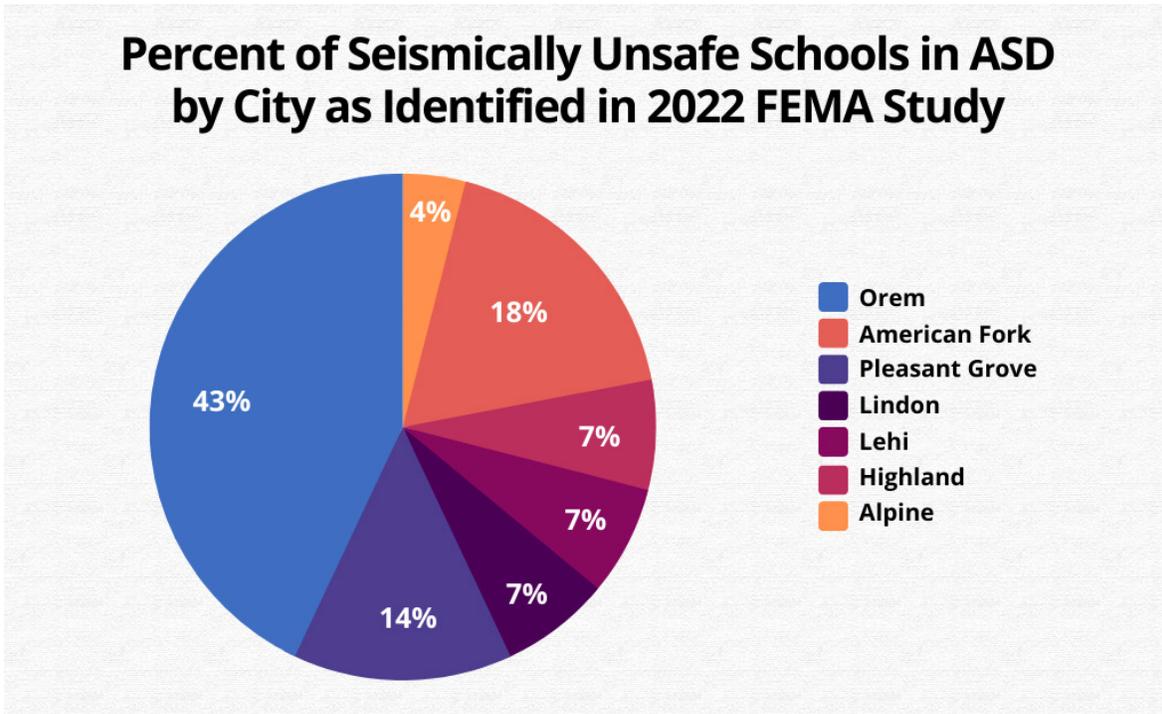
The following graphs show the number and percentage of seismically unsafe schools in ASD by city as identified in the 2022 FEMA study (continued next page). Cities without any identified seismic problems in ASD: Cedar Fort, Cedar Hills, Draper, Eagle Mountain, Saratoga Springs, Vineyard.

**Number of Seismically Unsafe Schools in ASD by City**



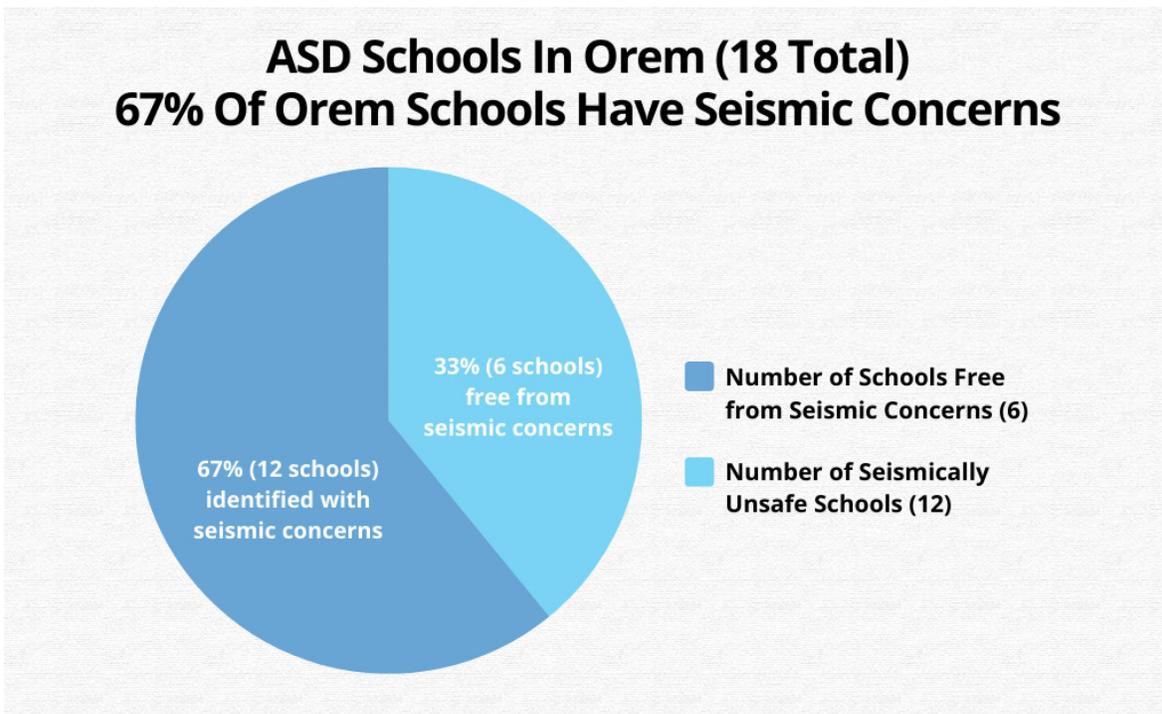
Data Source: 2006 Reaveley & Associates Study, 2022 FEMA Study/Inventory by Applied Technology Council

Percent of Seismically Unsafe Schools in ASD by City 2022



Data Source: 2006 Reaveley & Associates Study, 2022 FEMA Study/Inventory by Applied Technology Council

Seismic Concerns of Orem Schools



Data Source: 2006 Reaveley & Associates Study, 2022 FEMA Study/Inventory by Applied Technology Council

## CHAPTER 4 ASD TEACHER AND ADMINISTRATOR SALARIES

**Retain & recruit teachers through salary & benefits increases in order to bring class sizes down.**

DEC received inquiries from the public and parents regarding the importance of increasing teacher salaries, and what effect this would have on classroom instruction and student achievement. This Comprehensive Feasibility Study sought answers to their questions.

DEC found positive correlational evidence that linked increased teacher pay and benefits to increased student academic performance and quality classroom instruction.<sup>133</sup> The Study strongly recommends raising teacher pay and benefits, especially for early career professionals.

The Study compared the average teacher salary per district in 2021, as well as the average administrator salaries and district superintendent salaries. (See graphs in Chapter "Teacher Salaries".) ASD's teachers, administrators and superintendent salaries were compared to the average salaries in Jordan, Nebo, Canyons, Provo, and Park City.

ASD had the largest disparity of districts surveyed with ASD's teachers' average salaries at \$54,965, and those of ASD's administrators at \$101,135. This was a \$46,170 difference. Compared to other school districts the difference was higher than Jordan and Canyons. Provo City School District's teachers' average salaries were \$52,389, and its administrators' average salaries at \$91,157 for a \$38,768 difference. Park City was one of the lowest teacher and administrator average salaries in the State of Utah with only a \$8,980 difference between its teachers' average salaries at \$64,146 (highest in the State of Utah) and its administrative average salaries at \$73,126, one of the lowest in the State of Utah. Of the six school districts, ASD average teacher salary (\$54,965) trailed Jordan (\$58,698), Canyons (\$62,376), and Park City (\$64,146). Provo (\$52,389) trailed behind ASD with Nebo (\$40,233) having the lowest average of the six districts.

Nationwide elementary, middle, and secondary school principals earned a median salary of \$98,420 per year in 2021.<sup>134</sup> The median annual wage for high school teachers was \$61,820 in May 2021.<sup>135</sup> In 2021, median pay for elementary school teachers was \$61,350 per year; and

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<sup>133</sup> Ibid

<sup>134</sup> Bureau of Labor Statistics, Occupational Outlook Handbook, Middle and High School Principals: <https://www.bls.gov/ooh/management/elementary-middle-and-high-school-principals.htm>

<sup>135</sup> <https://duckduckgo.com/?q=bureau+of+labor+statistics+teacher+salary&t=chromentp&atb=v314-1&ia=web>

middle school teachers were \$61,320.<sup>136</sup> The average nationwide mean K-12 teacher salary in 2021 was \$62,497.

**ASD's teachers' salaries are approximately \$7,532 below the nation's average mean salary. ASD's administrators' salaries are approximately \$2,715 above the nation's average mean salary.** The largest disparity between administrative and teacher salaries of Utah school districts surveyed by this Study was the Alpine School District.

**As of 2021, twenty-eight (28) ASD district office administrators' combined salaries cost more than \$5.3 million.** A spreadsheet in this chapter shows how much each of these 28 district office administrators earn. It reveals how these 28 administrative salaries have escalated in just the last six years. Unfortunately, ASD teachers' salaries did not increase at the same pace. ASD overhead costs have grown much faster than inflation.

Stanford University Hoover Institution's 2020 research study, "The Unavoidable: Tomorrow's Teacher Compensation," found teachers on average earn 22 percent less than people with comparable educational attainments.<sup>137</sup> Increasing K-12 teachers' salaries and benefits acknowledges their critical and essential service to children's education. Increasing compensation provides the best leverage available to improve student achievement. Research shows a direct correlation between teachers' salaries and student achievement, especially among low-income and English language learners.

- Higher pay for teachers has a direct correlation to students achieving higher performance on test scores. Raising teacher wages by 10% reduces high school dropout rates by 3% to 4%.<sup>138</sup>
- Teacher salary increases have long-term benefits for students. A 10% increase in per-pupil spending for each of the 12 years of education results in students completing more education, having 7% higher wages, and having a reduced rate of adult poverty. These benefits are even greater for families who are currently living in poverty.<sup>139</sup>
- Increasing teacher pay results in: Boosting teacher morale; fewer teachers working second jobs; reduced turnover, which increases student performance.<sup>140</sup>
- When teachers' salary increases, the quantity & quality of teacher applicants increases.

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<sup>136</sup> Bureau of Labor Statistics, <https://www.bls.gov/ooh/education-training-and-library/middle-school-teachers.htm>

<sup>137</sup> <http://hanushek.stanford.edu/sites/default/files/publications/Hanushek%202020%20HESI%20teacher%20compensation.pdf>

<sup>138</sup> <https://direct.mit.edu/rest/article-abstract/82/3/393/57185/Examining-the-Link-between-Teacher-Wages-and?redirectedFrom=fulltext>

<sup>139</sup> <https://direct.mit.edu/rest/article-abstract/82/3/393/57185/Examining-the-Link-between-Teacher-Wages-and?redirectedFrom=fulltext>

<sup>140</sup> <https://marcolearning.com/impact-of-teacher-turnover-on-student-learning/>

- Teachers deserve a living wage that allows them to support a family, provide affordable healthcare and retirement benefits, and allows them to pay off student debt.<sup>141</sup>
- Teachers are currently paid 20% less than the average college graduate with similar education levels. One in five teachers holds down a second job to make ends meet<sup>142</sup>.
- Teachers will have less future dependence on government programs.<sup>143</sup>

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<sup>141</sup> <https://www.theguardian.com/us-news/2018/sep/05/teachers-on-what-they-solve-crisis-americas-classrooms>

<sup>142</sup> Ibid

<sup>143</sup> <https://www.americanprogress.org/article/fact-sheet-yes-increase-salaries-teachers/>

## CHAPTER 4.1 EVALUATION OF ASD DISTRICT ADMINISTRATIVE COSTS INCLUDING SALARIES, BENEFITS AND 2014-2021 PERCENTAGE SALARY INCREASES

### **Why is it important that the salaries of Utah public employees be transparent to the public?**

Salary transparency is an approach to income and compensation that is the exact opposite of the longstanding norm among most employers nationwide, in which the employee salaries of the company or organization are kept secret. The State of Utah requires the State Auditor's Office to prepare a statewide compilation of the salaries and other personnel costs of school district employees, including school district and school administrators, and make it available to all interested parties. Source: Utah statute (67-3-12 and 63A-18) and Utah Administrative rule (R123-7).

The Utah salary transparency requirement was influenced by reports of massive levels of corruption of public funds nationwide. One well-reported corruption case was discovered in Bell, California, a city of about 35,000 residents. The city's Chief Administrator Officer, made \$1.5 million in total compensation annually. The Chief Administrator Officer and his staff hid their actions from the public by operating without written policies or procedures. In order to obtain the monies for the salaries of the Chief Administrator Officer (CAO), and others in his network, the CAO extracted revenues from the uninformed and vulnerable city residents by (a) raising property taxes; (b) issuing bonds for imaginary capital improvement projects; and (c) creating huge debt for city residents.<sup>144</sup>

Transparent Utah<sup>145</sup> was first authorized by the Utah Legislature in 2008 with the goal of the creation of a website to ensure state and local government financial information is readily available to the public. Solving possible corruption problems and creating an anti-corruption environment required a well-informed, organized, and engaged society. The website, Transparent.Utah.gov, went live in early 2009 with state-level data. Since that time, the majority of Utah's approximately 1000 public entities, including state and local governments, school districts, and special service districts, have posted over 250 million records to the website.<sup>146</sup>

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<sup>144</sup> <https://engagedsociology.com/2019/11/21/leadership-case-study-understand-the-roots-of-corruption-in-bell-california/>

<sup>145</sup> Transparent Utah is a government transparency website at [Transparent.Utah.gov](https://transparent.utah.gov) that permits Utah taxpayers to view, understand, and track the use of taxpayer dollars. It is dedicated to the accountability of government finances. <https://transparent.utah.gov/>

<sup>146</sup> Ibid

While Transparent.Utah.gov is an informative tool for the public, it still has limitations. For example, in researching the salaries of two individuals who both work for ASD, it pulled data listed by name of two other individuals with these identical names within ASD and combined them into what appears to be an overly-inflated salary for each, that actually represents four individuals, not two. The salary search for another individual gave no reference, and it is unclear why it was not listed.

Transparent Utah permits taxpayers to view, track, and analyze the use of taxpayer money, including employee compensation and payments to vendors. Educational institutions, non-profit and community organizations, and news media can curate and analyze the data.

Listed in this chapter is data of the salaries, employee benefits and other forms of remuneration for Alpine School District school district senior leadership administrators, and school administrators, including salaries, benefits, percentage of increase in salaries, and bonuses/licensure bumps.

First however, the Study's authors (DEC) will endeavor to answer the questions it has received from Orem residents, via the city website portal, about the need for the New District office, administrative costs, purchasing costs, factors and reasons that costs vary so much year to year, and other requests for financial and salary transparency, school district to school district.

***Question: Why are school district office positions important?***

The individual elementary and secondary schools in a school district need non-teaching professionals who can handle administration of needed tasks, direct communication (i.e. with parents, sales representatives, media, outside contractors, etc.) and organize district schedules and activities that may affect the individual schools. Every elementary and secondary school requires some sort of structure and personnel between the school principal, the teaching staff and the parents.

Schools use their principal and office staff to manage administrative duties, patron and parent communication, ordering supplies and addressing the needs of teachers. The school custodian, psychologist, counselors, health workers, school food services personnel are essential to successful school operations. It is important to know where the monies are coming from that pay for all these essential personnel and service. Parents, patrons and Orem taxpayers have a right to know how their property tax dollars for Orem students' education is spent; how the money is allocated; and if the taxpayers are getting their monies worth in comparison to statewide financial practices. Common traits and skills needed to succeed in these tasks, whether principal and office staff in a school, or within a district office include, but are not limited to: computer proficiency, customer service, multi-tasking, organization, patience, effective communication skills

both verbal and written.

**Salaries.** It was found salary and staffing levels play a major role in administrative costs. Salary is the largest component of all school district operating costs, including administration.

**Benefits.** Benefits are another large component of per-pupil administrative costs and, as with salaries, higher benefit costs lead to higher administrative costs. A school district decision about the level of insurance coverage to provide and whether to offer early retirement packages affect benefit costs.

***Question: What is the importance of school district office and school administrators?***

Administration (principal/vice principal/TSA) and administrative assistant positions (office staff) in a school district office, and at each individual district school, help ensure each school operates smoothly and effectively in providing positive student learning and the teachers' instructional environments. In this chapter we discuss district office positions and their corresponding salaries, benefits and percentage increase over the last 8 years.

**Administrative costs**

DEC was instructed to investigate Alpine School District's (ASD) per-pupil administrative costs, and in turn, determine the operation costs of the New District. DEC sought information if ASD had particularly high or low administrative costs in the last eight years.

**Administrative costs** are those costs associated with directing and managing a school district's responsibilities, including, but not limited to, salaries, benefits and percentage of salary increases associated with the governing board, the superintendent, and principals' and business offices, as well as curriculum directors, advisory & other related services and departments.

**On a state-wide basis, these administrative costs averaged approximately \$ 995 per pupil in fiscal year 2021.<sup>147</sup>**

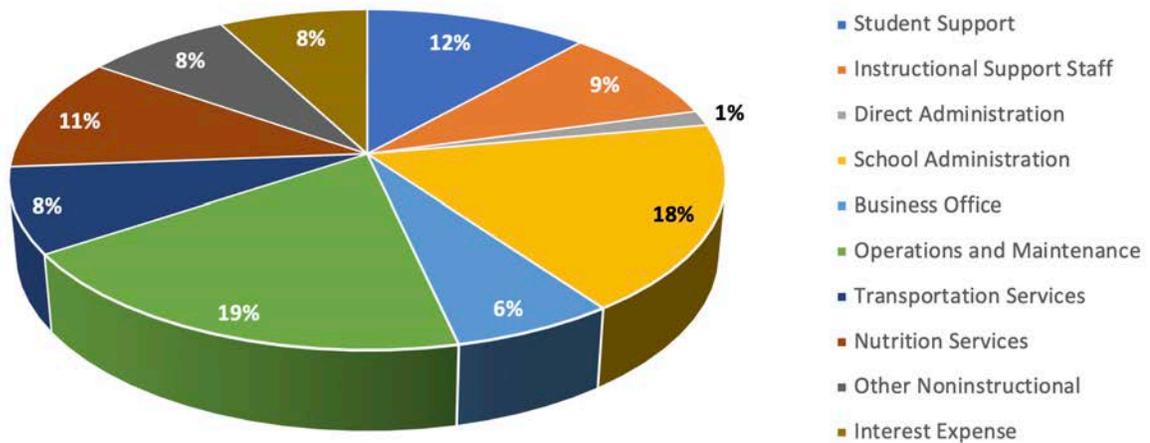
- **Alpine School District administrative costs averaged \$821 per pupil in fiscal year 2021.**
- Provo City School District administrative costs averaged \$1,219 per pupil in fiscal year 2021.
- Ogden City School District administrative costs averaged \$1,288 per pupil in fiscal year 2021.
- Nebo School District administrative costs averaged \$806 per pupil in fiscal year 2021.
- Murray School District administrative costs averaged \$1,204 per pupil in fiscal year

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<sup>147</sup> Utah Taxpayers Association F2022 School Spending Report.

- 2021.
- Jordan School District administrative costs averaged \$834 per pupil in fiscal year 2021.
- Canyons School District administrative costs averaged \$1,244 per pupil in fiscal year 2021.

2021 ASD Administration Expenditures



### Purchased Services

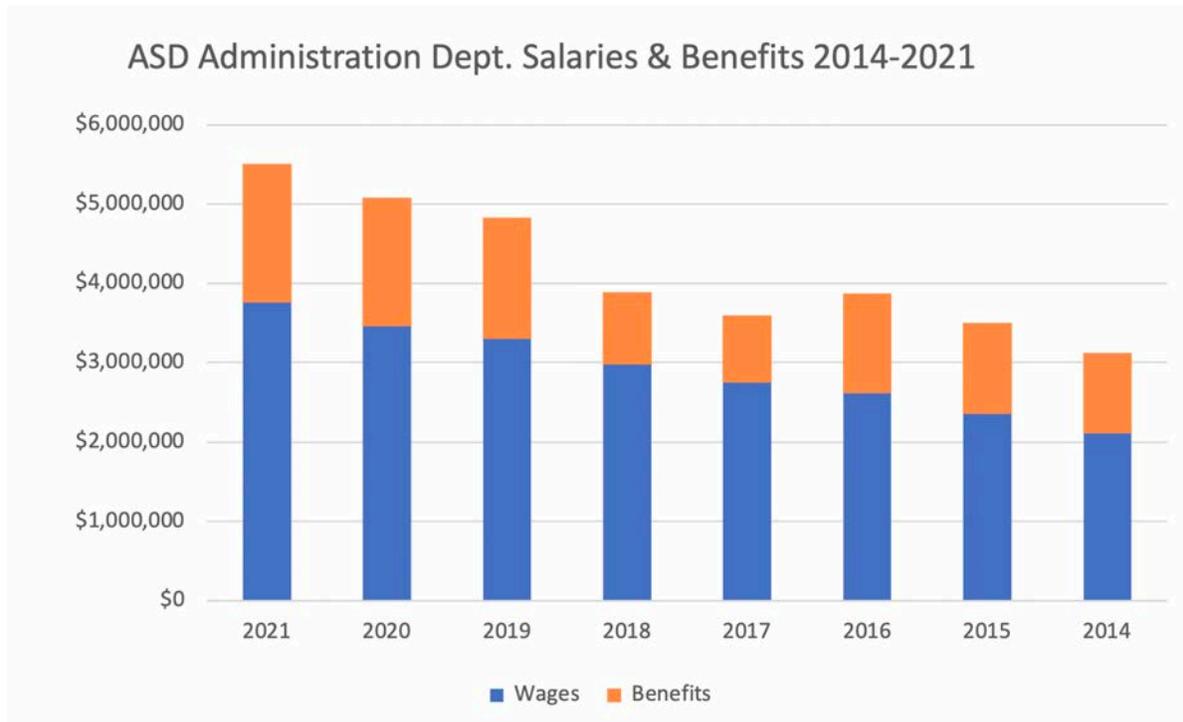
Purchased services vary, depending on a district's needs, but they can significantly impact overall administrative costs. Purchased services include computer, accounting, legal, communication, travel, advertising/public relations, and other services.<sup>148</sup>

- Alpine School District purchased services costs averaged \$621 per pupil in fiscal year 2021.
- Provo City School District purchased services costs averaged \$1,560 per pupil in fiscal year 2021.
- Ogden City School District purchased services costs averaged \$1,771 per pupil in fiscal year 2021.
- Nebo School District purchased administrative costs averaged \$927 per pupil in fiscal year 2021.

<sup>148</sup> Utah Taxpayer Association F2022 School Spending Report includes support services and media services only. Alpine appears relatively low, but because Alpine's revenue per student is low they have less funds available for to purchase these services.

- Murray School District purchased services costs averaged \$910 per pupil in fiscal year 2021.
- Jordan School District purchased services costs averaged \$899 per pupil in fiscal year 2021.
- Canyons School District purchased services costs averaged \$1,201 per pupil in fiscal year 2021.

The following are Alpine School District school district administrators and administrative assistants with names retracted (the "Leadership Team" listed on alpineschools.org/administration), including salaries, benefits, and percentage salary increases (2014-2021):



Data Source: *Transparent.Utah.gov, DEC*

**ASD School District Office – Salaries & Benefits 2014-2021 Summary**

Administrative Salary Summaries by Year				
	Wages	Benefits	Total	Ratio Benefits/Salary
2021	3,755,352.15	1,745,820.64	5,501,172.79	46.49%
2020	3,457,262.44	1,617,798.39	5,075,060.83	46.79%
2019	3,298,158.50	1,521,262.70	4,819,421.20	46.12%
2018	2,970,083.26	910,764.87	3,880,848.13	30.66%
2017	2,756,173.52	833,448.78	3,589,622.30	30.24%
2016	2,614,903.62	1,250,491.91	3,865,395.53	47.82%
2015	2,356,206.61	1,137,426.70	3,493,633.31	48.27%
2014	2,115,320.16	1,003,240.75	3,118,560.91	47.43%

Salaries and Benefits Listed by the ASD District Office Individual (four pages follow)

Entity	Title	Year	Wages	Benefits	Total	% Increase/Yr Salary	Notes
Alpine School District	Superintendent	2021	247,826.00	101,527.94	349,353.94	7.22%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	319.74	1,319.74		
Alpine School District	Superintendent	2020	232,070.00	95,156.83	327,226.83	5.61%	
Alpine School District	Superintendent	2019	219,750.00	90,263.33	310,013.33	1.18%	
Alpine School District	Superintendent	2018	217,180.00	63,690.62	280,870.62	3.86%	
Alpine School District	Superintendent	2017	209,100.00	60,772.48	269,872.48	2.00%	
Alpine School District	Superintendent	2016	205,000.00	83,988.63	288,988.63	56.40%	
Alpine School District	Administrator	2015	131,076.79	58,349.91	189,426.70	3.83%	
Alpine School District	Administrator	2014	126,242.93	53,719.01	179,961.94		
Alpine School District	Administrator	2021	178,579.00	80,726.53	259,305.53	8.33%	
Alpine School District	Superintendent	2021	10,000.00	-	10,000.00		
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.09	1,918.09		
Alpine School District	Administrator	2020	174,995.00	77,079.83	252,074.83	16.64%	
Alpine School District	Administrator	2019	150,035.00	68,874.44	218,909.44	11.50%	
Alpine School District	Administrator	2018	134,562.48	-	134,562.48	7.53%	
Alpine School District	Employee Benefits	2018	-	43,075.85	43,075.85		
Alpine School District	Administrator	2017	125,135.97	40,049.83	165,185.80	3.42%	
Alpine School District	Administrator	2016	120,996.96	57,139.64	178,136.60	3.32%	
Alpine School District	Administrator	2015	117,113.54	54,412.18	171,525.72	24.53%	
Alpine School District	Principal	2014	92,595.32	45,529.54	138,124.86		
Alpine School District	Administrative Activity Supervision	2014	1,308.00	-	1,308.00		
Alpine School District	Certified Teacher	2014	500.00	-	500.00		
Alpine School District	Business Administrator	2021	232,104.00	96,819.62	328,923.62	2.52%	
Alpine School District	Business Administrator	2020	226,405.00	93,694.09	320,099.09	5.67%	
Alpine School District	Business Administrator	2019	214,250.00	88,739.29	302,989.29	3.25%	
Alpine School District	Business Administrator	2018	207,500.00	61,299.59	268,799.59	1.72%	
Alpine School District	Business Administrator	2017	203,999.96	59,783.79	263,783.75	2.00%	
Alpine School District	Business Administrator	2016	200,003.00	80,319.84	280,322.84	3.10%	
Alpine School District	Business Administrator	2015	193,998.00	77,779.34	271,777.34	2.11%	
Alpine School District	Business Administrator	2014	189,998.00	72,971.83	262,969.83		
Alpine School District	Administrative Assistant	2021	157,385.00	57,717.19	215,102.19	2.84%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	919.36	1,919.36		
Alpine School District	Administrative Assistant	2020	154,011.00	57,216.21	211,227.21	6.93%	
Alpine School District	Administrative Assistant	2019	144,035.00	54,031.69	198,066.69	9.85%	
Alpine School District	Administrative Assistant	2018	131,124.82	42,125.13	173,249.95	6.15%	
Alpine School District	Administrative Assistant	2017	123,526.03	39,632.85	163,158.88	2.05%	
Alpine School District	Administrative Assistant	2016	121,042.00	45,374.81	166,416.81	17.70%	
Alpine School District	Public Relation Salary	2015	102,841.23	38,449.69	141,290.92	5.56%	
Alpine School District	Public Relation Salary	2014	97,425.61	34,665.82	132,091.43		
Alpine School District	Administrator	2021	145,948.09	55,076.13	201,024.22	53.81%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	920.18	1,920.18		
Alpine School District	Supervisor-Director	2020	95,536.00	49,159.81	144,695.81	17.03%	
Alpine School District	Administrator	2020	24,473.68	-	24,473.68		
Alpine School District	Certified Teacher Salary	2020	6,000.00	-	6,000.00		
Alpine School District	Supervisor-Director	2019	107,669.00	39,380.22	147,049.22	10.41%	
Alpine School District	Principal Salary	2019	-	3,471.45	3,471.45		
Alpine School District	Admin Activity Supervision	2018	97,516.40	31,909.36	129,425.76	2.68%	
Alpine School District	Principal Salary	2017	94,970.85	30,770.71	125,741.56	2.03%	
Alpine School District	Principal Salary	2016	93,077.00	36,514.45	129,591.45	9.08%	
Alpine School District	Principal Salary	2015	85,333.01	32,942.63	118,275.64	6.04%	
Alpine School District	Principal	2014	79,816.69	30,119.83	109,936.52		
Alpine School District	Administrative Activity Supervision	2014	653.00	-	653.00		
Alpine School District	Administrator	2021	184,991.00	79,178.06	264,169.06	2.56%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.54	1,918.54		
Alpine School District	Administrator	2020	181,343.00	78,393.14	259,736.14	6.76%	
Alpine School District	Administrator	2019	169,868.00	73,735.56	243,603.56	4.07%	
Alpine School District	Administrator	2018	163,229.58	50,591.77	213,821.35	11.02%	
Alpine School District	Administrator	2017	147,026.71	45,861.00	192,887.71	6.10%	
Alpine School District	Administrator	2016	138,576.00	62,141.24	200,717.24	8.72%	
Alpine School District	Administrative Assistant	2015	127,455.94	57,377.40	184,833.34	3.43%	
Alpine School District	Administrative Assistant	2014	123,229.09	53,151.24	176,380.33		
Alpine School District	Principal Salary	2021	137,709.00	66,368.77	204,077.77	3.41%	
Alpine School District	Certified Teacher Salary	2021	1,500.00	1,076.23	2,576.23		
Alpine School District	Principal Salary	2020	134,616.00	65,560.23	200,176.23	7.55%	
Alpine School District	Principal Salary	2019	125,169.00	61,278.27	186,447.27	2.77%	
Alpine School District	Admin Activity Supervision	2018	121,791.00	-	121,791.00	13.86%	
Alpine School District	Principal Salary	2018	-	39,355.70	39,355.70		
Alpine School District	Principal Salary	2017	106,966.84	34,261.29	141,228.13	2.32%	
Alpine School District	Principal Salary	2016	104,543.00	52,063.09	156,606.09	16.35%	
Alpine School District	Principal Salary	2015	89,851.07	45,853.96	135,705.03	3.89%	
Alpine School District	Principal	2014	84,725.02	42,936.11	127,661.13		
Alpine School District	Administrative Activity Supervision	2014	1,308.00	-	1,308.00		
Alpine School District	Certified Teacher	2014	500.00	-	500.00		
Alpine School District	Supervisor-Director	2021	122,988.23	61,687.94	184,676.17	6.46%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	917.22	1,917.22		
Alpine School District	Supervisor-Director	2020	116,460.00	59,831.01	176,291.01	7.29%	
Alpine School District	Supervisor-Director	2019	108,542.00	36,675.89	145,217.89		
Alpine School District	Public Relation Salary	2021	161,660.00	73,178.75	234,838.75	2.79%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	919.31	1,919.31		

Entity	Title	Year	Wages	Benefits	Total	% Increase/Yr Salary	Notes
Alpine School District	Public Relation Salary	2020	158,243.00	72,396.48	230,639.48	6.90%	
Alpine School District	Public Relation Salary	2019	148,035.00	68,464.85	216,499.85	14.29%	
Alpine School District	Public Relation Salary	2018	129,530.82	41,646.40	171,177.22	3.51%	
Alpine School District	Public Relation Salary	2017	125,135.97	40,016.69	165,152.66	2.05%	
Alpine School District	Public Relation Salary	2016	122,620.00	57,729.03	180,349.03	4.70%	
Alpine School District	Administrator	2015	117,113.54	54,455.09	171,568.63	1.44%	
Alpine School District	Administrator	2014	115,454.11	51,112.75	166,566.86		
Alpine School District	Administrator	2021	155,248.00	71,497.06	226,745.06	2.87%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.67	1,918.67		
Alpine School District	Administrator	2020	151,895.00	70,731.32	222,626.32	6.94%	
Alpine School District	Administrator	2019	142,035.00	66,752.21	208,787.21	11.05%	
Alpine School District	Administrator	2018	127,904.94	41,200.57	169,105.51	3.54%	
Alpine School District	Administrator	2017	123,526.03	39,572.63	163,098.66	2.05%	
Alpine School District	Administrator	2016	121,042.00	57,128.73	178,170.73	28.09%	
Alpine School District	Supervisor-Director	2015	94,500.11	47,258.93	141,759.04	7.36%	
Alpine School District	Principal	2014	87,370.85	43,425.01	130,795.86		
Alpine School District	Administrative Activity Supervision	2014	653.00	-	653.00		
Alpine School District	Administrator	2021	159,522.00	20,324.87	179,846.87	2.82%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	683.13	1,683.13		
Alpine School District	Administrator	2020	156,127.00	20,636.20	176,763.20	6.91%	
Alpine School District	Administrator	2019	146,035.00	19,865.87	165,900.87	10.04%	
Alpine School District	Administrator	2018	132,716.28	11,016.54	143,732.82	7.44%	
Alpine School District	Administrator	2017	123,526.03	10,377.43	133,903.46	30.29%	
Alpine School District	Principal Salary	2016	94,807.00	21,065.28	115,872.28	3.37%	
Alpine School District	Principal Salary	2015	91,714.63	19,759.46	111,474.09	8.49%	
Alpine School District	Principal	2014	83,886.56	19,085.60	102,972.16		
Alpine School District	Administrative Activity Supervision	2014	653.00	-	653.00		
Alpine School District	Administrator	2021	170,208.00	75,323.19	245,531.19	1.41%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	919.19	1,919.19		
Alpine School District	Administrator	2020	168,823.00	75,093.70	243,916.70	5.49%	
Alpine School District	Administrator	2019	160,035.00	71,253.05	231,288.05	6.34%	
Alpine School District	Administrator	2018	150,494.88	47,346.07	197,840.95	9.79%	
Alpine School District	Administrator	2017	137,077.20	43,096.64	180,173.84	2.05%	
Alpine School District	Administrator	2016	134,326.00	60,876.50	195,202.50	5.39%	
Alpine School District	Administrator	2015	127,455.94	57,386.11	184,842.05	3.43%	
Alpine School District	Administrator	2014	123,229.09	53,179.50	176,408.59		
Alpine School District	Administrator	2021	157,385.00	72,146.91	229,531.91	5.23%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.91	1,918.91		
Alpine School District	Administrator	2020	150,513.48	70,422.26	220,935.74	7.50%	
Alpine School District	Administrator	2019	140,016.52	66,181.33	206,197.85	10.92%	
Alpine School District	Administrator	2018	126,234.02	40,905.66	167,139.68	13.72%	
Alpine School District	Supervisor-Director	2017	111,005.68	35,729.00	146,734.68	14.45%	
Alpine School District	Supervisor-Director	2016	96,990.00	46,662.37	143,652.37	3.84%	
Alpine School District	Supervisor-Director	2015	93,402.22	46,954.78	140,357.00	2.26%	
Alpine School District	Supervisor-Director	2014	91,336.17	44,518.70	135,854.87		
Alpine School District	Administrator	2021	148,837.00	69,798.97	218,635.97	2.95%	* the salary for 2014 appears to be an understatement
Alpine School District	Certified Teacher Salary	2021	1,000.00	917.82	1,917.82		
Alpine School District	Administrator	2020	145,547.00	68,963.99	214,510.99	6.99%	
Alpine School District	Administrator	2019	136,035.00	65,056.24	201,091.24	7.73%	
Alpine School District	Administrator	2018	126,279.06	41,042.63	167,321.69	43.66%	
Alpine School District	Admin Activity Supervision	2017	87,900.44	28,450.78	116,351.22	0.52%	
Alpine School District	Admin Activity Supervision	2016	87,446.00	46,649.56	134,095.56	2.87%	
Alpine School District	Principal Salary	2015	85,004.01	44,440.34	129,444.35	10.03%	
Alpine School District	Supervisor-Director	2014	57,290.18	40,304.58	97,594.76		
Alpine School District	Principal	2014	19,802.82	-	19,802.82		
Alpine School District	Administrative Activity Supervision	2014	164.60	-	164.60		
Alpine School District	Administrator	2021	150,974.00	70,312.73	221,286.73	2.92%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	916.56	1,916.56		
Alpine School District	Administrator	2020	147,663.00	69,560.20	217,223.20	6.98%	
Alpine School District	Administrator	2019	138,035.00	65,267.09	203,302.09	6.04%	
Alpine School District	Supervisor-Director	2018	130,168.66	41,694.10	171,862.76	3.28%	
Alpine School District	Supervisor-Director	2017	126,035.01	39,938.99	165,974.00	1.98%	
Alpine School District	Admin Activity Supervision	2017	1,155.50	541.11	1,696.61		
Alpine School District	Principal Salary	2016	124,719.00	58,229.46	182,948.46	3.80%	
Alpine School District	Principal Salary	2015	120,154.97	55,205.05	175,360.02	2.18%	
Alpine School District	Principal	2014	111,058.21	52,155.58	163,213.79		
Alpine School District	Administrative Activity Supervision	2014	6,535.00	-	6,535.00		
Alpine School District	Administrator	2021	148,837.00	69,823.27	218,660.27	2.95%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.60	1,918.60		
Alpine School District	Administrator	2020	145,547.00	69,289.03	214,836.03	23.12%	
Alpine School District	Principal Salary	2019	118,215.00	59,206.76	177,421.76	8.65%	
Alpine School District	Principal Salary	2018	108,798.80	-	108,798.80	2.78%	
Alpine School District	Admin Activity Supervision	2018	-	35,326.19	35,326.19		
Alpine School District	Admin Activity Supervision	2017	105,851.70	34,031.09	139,882.79	2.03%	
Alpine School District	Admin Activity Supervision	2016	103,749.00	51,788.33	155,537.33	8.16%	
Alpine School District	Admin Activity Supervision	2015	95,920.02	47,835.87	143,755.89		
Alpine School District	Administrator	2021	148,837.00	69,831.91	218,668.91	1.58%	* there are two individuals named (name withheld) on ASD's employee directory. DEC has highlighted those they will disregard as not
Alpine School District	Certified Teacher Salary	2021	1,000.00	918.43	1,918.43		
Alpine School District	Extracurricular Addenda	2021	600.00	50.40	650.40		

Entity	Title	Year	Wages	Benefits	Total	% Increase/Yr Salary	Notes
Alpine School District	Administrator	2020	145,547.00	69,083.25	214,630.25	9.16%	pertaining to "Administration".
Alpine School District	Admin Activity Supervision	2020	1,750.00	561.59	2,311.59		
Alpine School District	Extracurricular Addenda	2020	804.50	67.58	872.08		
Alpine School District	Admin Activity Supervision	2019	135,669.00	64,735.33	200,404.33	4.24%	
Alpine School District	Teacher Aide-Hourly	2019	633.64	53.23	686.87		
Alpine School District	Admin Activity Supervision	2018	130,147.66	41,478.98	171,626.64	19.46%	
Alpine School District	Supervisor-Director	2018	-	600.00	600.00		
Alpine School District	Teacher Aide-Hourly	2018	288.00	23.05	311.05		
Alpine School District	Supervisor-Director	2017	108,946.68	34,923.57	143,870.25	2.06%	
Alpine School District	Supervisor-Director	2016	106,750.00	52,570.95	159,320.95	3.37%	
Alpine School District	Teacher Aide-Hourly	2016	1,750.00	140.01	1,890.01		
Alpine School District	Supervisor-Director	2015	103,270.48	49,983.84	153,254.32	6.91%	
Alpine School District	Supervisor-Director	2014	96,592.56	45,980.40	142,572.96		
Alpine School District	Administrator	2021	155,248.00	71,418.47	226,666.47	4.31%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	916.65	1,916.65		
Alpine School District	Administrator	2020	149,796.49	70,250.42	220,046.91	8.52%	
Alpine School District	Administrator	2019	138,035.00	65,244.33	203,279.33	7.69%	
Alpine School District	Department Director	2018	128,175.66	41,168.90	169,344.56	2.22%	
Alpine School District	Department Director	2017	125,388.51	39,925.71	165,314.22	3.44%	
Alpine School District	Department Director	2016	121,222.09	57,182.19	178,404.28	5.64%	
Alpine School District	Department Director	2015	114,745.31	53,507.53	168,252.84	3.39%	
Alpine School District	Department Director	2014	107,483.29	50,117.63	157,600.92		
Alpine School District	Principal	2014	3,500.00	-	3,500.00		
Alpine School District	Supervisor-Director	2021	135,620.00	66,070.15	201,690.15	1.52%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	919.89	1,919.89		
Alpine School District	Supervisor-Director	2020	134,580.00	65,854.37	200,434.37	5.41%	
Alpine School District	Supervisor-Director	2019	127,669.00	62,211.94	189,880.94	2.24%	
Alpine School District	Admin Activity Supervision	2018	124,876.00	-	124,876.00		
Alpine School District	Principal Salary	2018	-	40,361.84	40,361.84		
Alpine School District	Principal Salary	2017	121,064.01	38,909.02	159,973.03	2.00%	
Alpine School District	Admin Activity Supervision	2016	118,696.00	56,402.57	175,098.57	8.04%	
Alpine School District	Principal Salary	2015	109,866.44	52,129.26	161,995.70	2.22%	
Alpine School District	Principal	2014	100,948.29	49,387.92	150,336.21		
Alpine School District	Administrative Activity Supervision	2014	6,535.00	-	6,535.00		
Alpine School District	Department Director	2021	109,976.00	57,710.24	167,686.24	3.65%	* It is unclear which (name withheld) is which (Sr. or Jr.) as both works for Alpine School District, and salaries/titles are not distinguished by transparent.utah.gov nor govsalaries.com. For purposes of this study, DEC will use the "director" designation to pull salary information from (ASD Administration dept), and will disregard the "maintenance coordinator" salary. The salary provided for 2015 appears to include both persons. <b>Please note:</b> for simplicity, the amount of salary & benefits shall be split 50/50 between the director and maintenance coordinator, in the absence of correct salary data
Alpine School District	Maintenance Coordinator	2021	8,397.35	17,670.92	26,068.27		
Alpine School District	Certified Teacher Salary	2021	1,000.00	318.46	1,318.46		
Alpine School District	Department Director	2020	107,072.00	56,411.68	163,483.68	7.43%	
Alpine School District	Maintenance Coordinator	2020	87,810.00	44,096.10	131,906.10		
Alpine School District	Department Director	2019	99,669.00	52,723.49	152,392.49	7.03%	
Alpine School District	Maintenance Coordinator	2019	83,380.00	41,823.75	125,203.75		
Alpine School District	Department Director	2018	93,122.94	29,783.48	122,906.42	6.78%	
Alpine School District	Maintenance Coordinator	2018	80,450.40	25,669.48	106,119.88		
Alpine School District	Department Director	2017	87,206.43	27,595.64	114,802.07	6.09%	
Alpine School District	Maintenance Coordinator	2017	79,406.20	25,030.14	104,436.34		
Alpine School District	Department Director	2016	82,201.00	44,386.19	126,587.19	10.93%	
Alpine School District	Maintenance Coordinator	2016	77,840.00	38,146.87	115,986.87		
Alpine School District	Maintenance Coordinator	2015	127,191.52	74,114.95	201,306.47		
Alpine School District	Department Director	2015	9,735.41	-	9,735.41	n/a	
Alpine School District	Hourly Custodial	2015	768.15	230.16	998.31		
Alpine School District	Maintenance Coordinator	2014	73,643.54	34,164.74	107,808.28		
Alpine School District	Head Custodian	2014	45,514.24	31,043.90	76,558.14		
Alpine School District	Secretarial Salaries	2021	70,505.06	45,316.70	115,821.76	3.51%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	1,517.60	2,517.60		
Alpine School District	Secretarial Salaries	2020	69,082.50	45,665.70	114,748.20	6.93%	
Alpine School District	Hourly Office Assistants	2019	64,606.20	43,014.40	107,620.60	7.17%	
Alpine School District	Hourly Office Assistants	2018	60,284.33	-	60,284.33		
Alpine School District	Secretarial Salaries	2018	-	20,471.08	20,471.08		
Alpine School District	Hourly Office Assistants	2017	49,478.98	16,535.91	66,014.89	3.45%	
Alpine School District	Secretarial Salaries	2016	47,830.78	35,249.34	83,080.12	26.89%	
Alpine School District	Secretarial Salaries	2015	37,694.48	30,093.81	67,788.29	2.17%	
Alpine School District	Secretarial	2014	36,892.28	28,468.35	65,360.63		
Alpine School District	Secretarial Salaries	2021	61,639.05	36,723.48	98,362.53	3.62%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	317.52	1,317.52		
Alpine School District	Secretarial Salaries	2020	60,450.37	36,087.39	96,537.76	18.74%	
Alpine School District	Secretarial Salaries	2019	50,910.00	32,163.56	83,073.56	6.15%	
Alpine School District	Secretarial Salaries	2018	47,960.40	15,877.97	63,838.37	0.98%	
Alpine School District	Secretarial Salaries	2017	47,496.80	15,069.71	62,566.51	12.93%	
Alpine School District	Secretarial Salaries	2016	42,060.00	26,957.60	69,017.60	20.00%	
Alpine School District	Secretarial Salaries	2015	35,051.38	22,022.63	57,074.01	11.93%	
Alpine School District	Secretarial	2014	28,249.30	22,024.55	50,273.85		
Alpine School District	Hourly Office Assistant	2014	3,001.38	-	3,001.38		
Alpine School District	Hourly Technician	2014	66.06	-	66.06		
Alpine School District	Secretarial Salaries	2021	52,830.00	39,296.83	92,126.83	4.10%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	311.36	1,311.36		
Alpine School District	Secretarial Salaries	2020	51,710.00	38,512.92	90,222.92	7.02%	
Alpine School District	Secretarial Salaries	2019	48,320.00	36,198.48	84,518.48	24.37%	
Alpine School District	Secretarial Salaries	2018	38,853.00	12,151.90	51,004.90	9.99%	
Alpine School District	Secretarial Salaries	2017	35,322.59	10,829.72	46,152.31	3.94%	

Entity	Title	Year	Wages	Benefits	Total	% Increase/Yr Salary	Notes
Alpine School District	Secretarial Salaries	2016	33,984.48	29,747.64	63,732.12	12.68%	
Alpine School District	Secretarial Salaries	2015	30,159.74	27,711.61	57,871.35	15.62%	
Alpine School District	Secretarial	2014	26,084.95	25,255.10	51,340.05		
Alpine School District	Secretarial Salaries	2021	58,253.75	39,887.85	98,141.60	4.20%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	359.13	1,359.13		
Alpine School District	Teacher Aide-Hourly	2021	131.28	-	131.28		
Alpine School District	Secretarial Salaries	2020	56,990.00	41,141.70	98,131.70	12.14%	
Alpine School District	Secretarial Salaries	2019	50,270.00	37,491.03	87,761.03	6.08%	
Alpine School District	Teacher Aide-Hourly	2019	550.00	171.15	721.15		
Alpine School District	Secretarial Salaries	2018	47,907.90	15,486.56	63,394.46	4.43%	
Alpine School District	Secretarial Salaries	2017	45,874.15	14,277.61	60,151.76	45.73%	
Alpine School District	Secretarial Salaries	2016	30,997.83	25,861.17	56,859.00	9.92%	
Alpine School District	Teacher Aide-Hourly	2016	481.60	-	481.60		
Alpine School District	Secretarial Salaries	2015	27,970.24	27,352.87	55,323.11	3.71%	
Alpine School District	Teacher Aide-Hourly	2015	667.20	-	667.20		
Alpine School District	Secretarial	2014	26,953.16	25,782.24	52,735.40		
Alpine School District	Classroom Teacher Aid Hourly	2014	660.56	-	660.56		
Alpine School District	Secretarial Salaries	2021	60,200.00	42,650.94	102,850.94	4.06%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	317.23	1,317.23		
Alpine School District	Secretarial Salaries	2020	58,815.00	41,790.10	100,605.10	12.53%	
Alpine School District	Secretarial Salaries	2019	52,265.00	38,432.68	90,697.68	6.28%	
Alpine School District	Secretarial Salaries	2018	49,177.20	16,236.15	65,413.35	7.21%	
Alpine School District	Secretarial Salaries	2017	45,870.40	14,549.22	60,419.62	7.00%	
Alpine School District	Secretarial Salaries	2016	42,871.20	32,504.19	75,375.39	3.67%	
Alpine School District	Secretarial Salaries	2015	41,351.89	31,214.06	72,565.95	2.39%	
Alpine School District	Secretarial	2014	40,385.60	29,419.45	69,805.05		
Alpine School District	Classified Technician	2021	60,201.25	42,825.22	103,026.47	3.91%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	320.16	1,320.16		
Alpine School District	Classified Technician	2020	58,897.50	42,011.09	100,908.59	12.28%	
Alpine School District	Classified Technician	2019	52,455.00	35,610.36	88,065.36	5.69%	
Alpine School District	Classified Technician	2018	49,630.20	16,583.85	66,214.05	4.07%	
Alpine School District	Classified Technician	2017	47,689.10	15,274.02	62,963.12	11.51%	
Alpine School District	Classified Technician	2016	42,768.07	32,671.07	75,439.14	14.02%	
Alpine School District	Classified Technician	2015	37,510.36	30,223.06	67,733.42	12.30%	
Alpine School District	Classified Technician	2014	33,402.71	27,557.18	60,959.89		
Alpine School District	Secretarial Salaries	2021	58,250.00	35,749.37	93,999.37	4.46%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	409.82	1,409.82		
Alpine School District	Teacher Aide-Hourly	2021	284.44	-	284.44		
Alpine School District	Secretarial Salaries	2020	56,990.00	36,028.68	93,018.68	12.21%	
Alpine School District	Secretarial Salaries	2019	50,790.00	37,946.43	88,736.43	6.17%	
Alpine School District	Secretarial Salaries	2018	47,840.40	15,840.35	63,680.75	4.29%	
Alpine School District	Secretarial Salaries	2017	45,870.40	14,546.36	60,416.76	7.22%	
Alpine School District	Secretarial Salaries	2016	42,781.20	32,523.44	75,304.64	2.93%	
Alpine School District	Secretarial Salaries	2015	41,561.89	31,344.33	72,906.22	11.81%	
Alpine School District	Secretarial	2014	37,173.24	25,795.47	62,968.71		
Alpine School District	Classified Technician	2021	42,045.00	28,493.49	70,538.49	-2.78%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	283.46	1,283.46		
Alpine School District	Classified Technician	2020	36,761.32	26,416.33	63,177.65	31.30%	
Alpine School District	Hourly Office Assistants	2020	7,512.76	-	7,512.76		
Alpine School District	Hourly Office Assistants	2019	36,231.01	10,296.84	46,527.85	40.98%	
Alpine School District	Hourly Office Assistants	2018	25,699.30	6,438.38	32,137.68	22.21%	
Alpine School District	Hourly Office Assistants	2017	21,028.89	1,682.32	22,711.21	63.55%	
Alpine School District	Hourly Office Assistants	2016	12,857.46	1,028.60	13,886.06	24.96%	
Alpine School District	Hourly Office Assistants	2015	10,288.90	823.24	11,112.14	47.37%	
Alpine School District	One Time Bonus	2015	89.68	7.08	96.76		
Alpine School District	Classroom Teacher Aid Hourly	2014	6,566.22	563.44	7,129.66		
Alpine School District	Lunch Room Supervision	2014	411.33	-	411.33		
Alpine School District	One Time Bonus	2014	65.20	-	65.20		
Alpine School District	Classified Technician	2021	42,732.96	28,002.41	70,735.37	2.14%	
Alpine School District	Certified Teacher Salary	2021	1,000.00	273.99	1,273.99		
Alpine School District	Hourly Office Assistants	2021	(702.96)	-	(702.96)		
Alpine School District	Classified Technician	2020	36,836.32	25,462.58	62,298.90	83.49%	
Alpine School District	Hourly Office Assistants	2020	5,293.52	-	5,293.52		
Alpine School District	Hourly Office Assistants	2019	22,959.77	6,525.14	29,484.91	7.41%	
Alpine School District	Hourly Office Assistants	2018	21,376.53	6,059.25	27,435.78	-7.05%	
Alpine School District	Hourly Office Assistants	2017	22,996.66	6,443.66	29,440.32	12.37%	
Alpine School District	Hourly Office Assistants	2016	20,464.95	5,471.78	25,936.73	8.03%	
Alpine School District	One Time Bonus	2016	-	264.22	264.22		
Alpine School District	Hourly Office Assistants	2015	18,797.45	5,223.92	24,021.37	-0.81%	
Alpine School District	One Time Bonus	2015	146.83	41.08	187.91		
Alpine School District	Hourly Office Assistant	2014	18,967.86	4,970.02	23,937.88		
Alpine School District	One Time Bonus	2014	131.68	-	131.68		

In 2021, ASD's administrators' salaries were approximately \$2,715 above the nation's average mean salary. ASD announced in June 2022 that it approved an 8% salary increase (as the Alpine Administrators Association) for ASD administrators<sup>149</sup> for fiscal year 2023. The Alpine Administrators Association expired in 2004, so it is not clear what entity, if any, engaged in the negotiations with ASD for the 8% increase.

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<sup>149</sup> ASD Comprehensive Annual Budget 2022-2023, page 11

## CHAPTER 5

### OREM K-12 CLASS SIZE AND PROJECTED STUDENT ENROLLMENT WITH OREM K-12 SCHOOLS ANALYSIS

#### Dramatic Increase in K-12 Class Size and Student to Teacher Ratio.

**Difference between class size and student-teacher ratio.** It's important to understand the difference between these two types of data and what they indicate about a school.

**Class size numbers** refers to the average class size at the school, in a particular grade. Some classes in the grade or school may be larger or smaller than the average number reported. Schools that have mandated lower class sizes in grades kindergarten through 3<sup>rd</sup> grade may have larger class sizes for the upper grades.

**Student-teacher ratios**, which in Utah are based upon full-time equivalent (FTE) teachers, are created on the total number of school instructional staff divided by the total enrollment of students at a school. This number may include teacher specialist in Specialty Classes (teachers in see Chapter 5 "Specialty Classes") the arts, reading specialists, physical education and special education teachers, and others who may teach smaller groups of students. As a result, student-teacher ratios may show smaller numbers than the actual average class size.

Parents' inquiries to the DEC teams regarding the Feasibility Study included, *Do smaller class sizes make a difference to my child's learning?* ANSWER: Class size makes a major difference in students social and emotional well-being, as well as in academic performance matters and teacher instruction.<sup>150</sup> DEC investigated the current and future class sizes in ASD Orem schools.

**Our Comprehensive Feasibility Study found that average class size within ASD has increased dramatically in the last few years and will continue to do so.** A DEC team survey of ASD elementary schools, and parents' responses through Orem's SeamlessDocs portal reported that classes for the 2022-2023 school year may dramatically increase approximately 23% compared to the prior year. Teachers at Northridge Elementary were told by school administrators on March 4, 2022, that grades 3-6 were going to be reduced by one class each, resulting in the following class size for the 2022-2023 school year: 3<sup>rd</sup> grade – 37; 4<sup>th</sup> grade-37; 5<sup>th</sup> grade-33; 6<sup>th</sup> grade-33. When parents brought up this issue in a March 9, 2022, Northridge Elementary PTA meeting, the ASD's administration denied the statements.

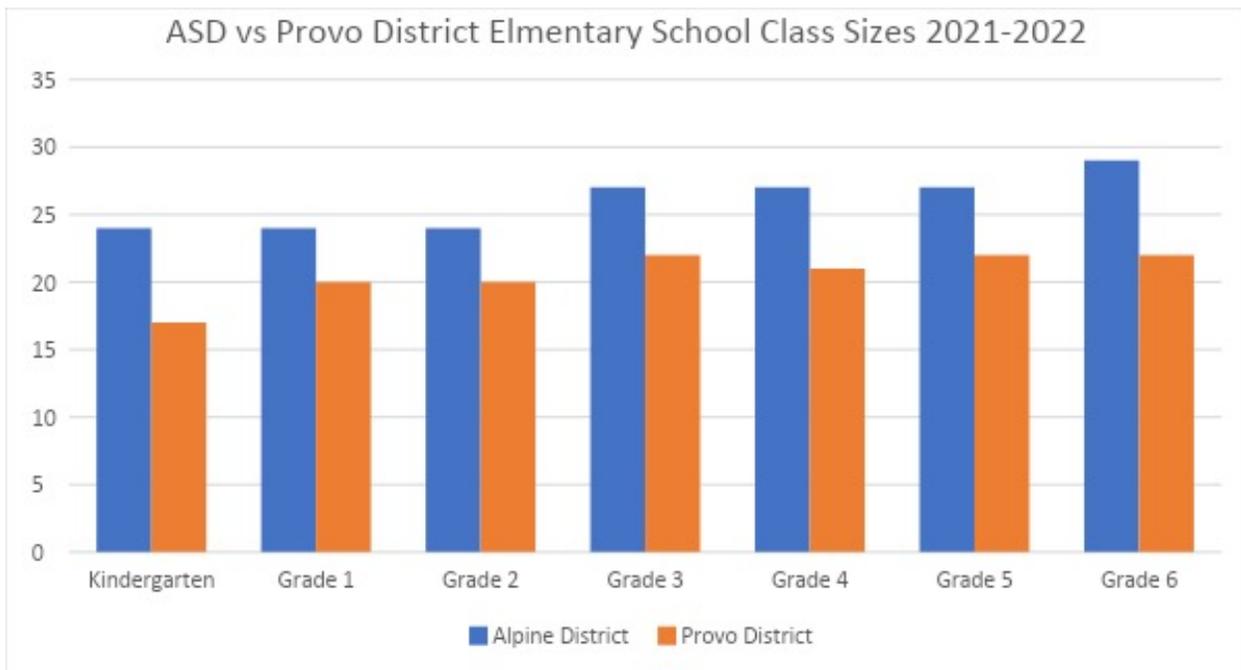
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<sup>150</sup> Chen, Grace, "Smaller Class Sizes: Pros and Cons", May 20, 2022 Public School Review, New York NY, <https://www.publicschoolreview.com/blog/smaller-class-sizes-pros-and-cons>

A meeting with four senior district administrators on April 14, 2022, confirmed the following numbers for Northridge Elementary for the 2022-2023 school year this fall: 3<sup>rd</sup> grade – 35; 4<sup>th</sup> grade - 37; 5<sup>th</sup> grade - 34; 6<sup>th</sup> grade - 34. These numbers may shift during the summer, as students move to other schools with smaller class sizes.

Lone Peak High School reported it had 70 & 77 students in two of its language arts classes during the 2021-2022 school year.<sup>151</sup> In a meeting discussing future bond monies, ASD Board Member Amber Bonner said that Lone Peak has the largest number of students per classroom and the least amount of space per student.<sup>152</sup>

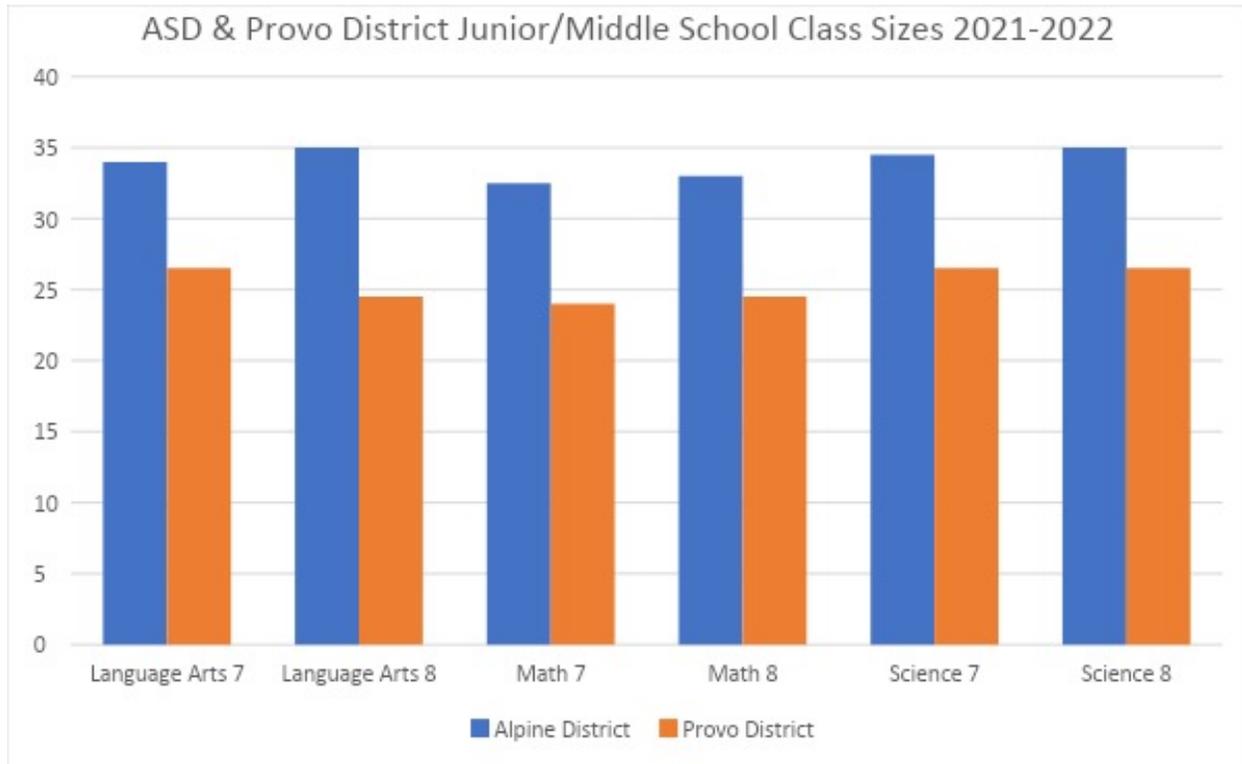
Provo City School District is a neighboring school district with similar economic demographics and student population as the proposed New District. By comparison ASD district-wide median class size for the 2021-2022 school year was: elementary 25.9; junior/middle 33.9; high school 30.3. Provo City School District had significantly lower median class sizes than ASD in elementary and junior/middle: elementary 20.6; junior/middle 25.5; high school 32.5. See graphs below comparing ASD to Provo School District class sizes for elementary, junior/middle, and high schools.



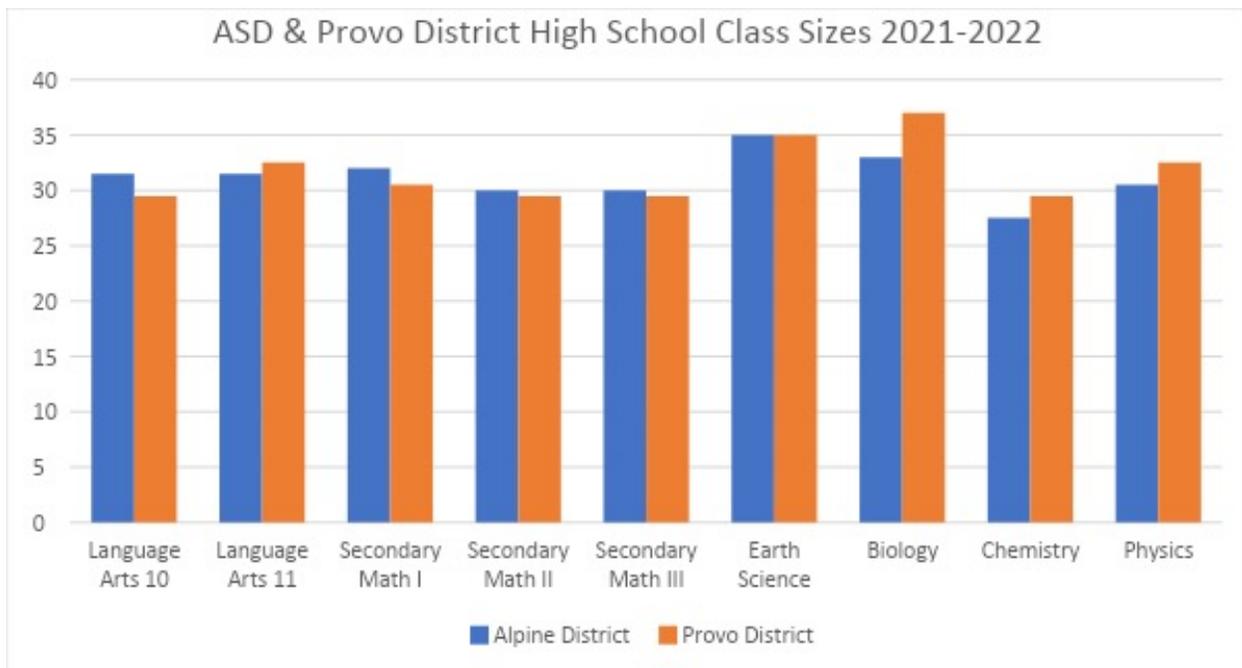
Data Source: Utah State Board of Education (Median Class Size 2022), DEC

<sup>151</sup> Reports (utah.gov), Median Class Size 2020-2021 link

<sup>152</sup> Alpine School District board Begins 2022 bond talks – Lehi Free Press



Data Source: Utah State Board of Education (Median Class Size 2022), DEC



Data Source: Utah State Board of Education (Median Class Size 2022), DEC

The Study found that the schools on the west side of ASD have increased class sizes and student-to-teacher ratios because of the increase in student enrollment and the shortage of schools necessary to accommodate the enrollment growth. The east side schools of ASD, including those schools in Orem, have experienced increased class sizes because financial funding and resources required to pay for additional teachers have been transferred to the west side to accommodate west side growth.

### ASD Increased Class Sizes for the 2022-2023 School Year

DEC sought data from ASD of current and future class sizes of schools in Orem. ASD did not respond with projected class sizes for the 2022-2023 school year. It was reported to DEC, after contacting several ASD schools in Orem in March 2022, what the projected class sizes were for the 2022-2023 school year. These were the results for some Orem elementary schools:

School	Current Class Size (3rd through 6th grade)	Class Sizes for the 2022-2023 school year
Bonneville (title 1, early start)	3rd grade: 25; 4th grade: 25; 5th grade: 28; 6th grade: 25	3rd grade: 25; 4th grade: 25; 5th grade: 25; 6th grade: 25
Aspen (late start)	3rd grade: 28; 4th grade: 27, 5th grade: 27, 6th grade: 28	3rd grade: 25, 4th grade: 26, 5th grade: 25, 6th grade: 25
Northridge (late start)	3rd grade: 24, 4th grade: 25, 5th grade: 26, 6th grade: 28	3rd grade: 37, 4th grade: 37, 5th grade: 33, 6th grade: 33
Windsor (title 1, early start)	3rd grade: 24, 4th grade: 21, 5th grade: 22, 6th grade: 26	grades 3-6: 19-22
Rocky Mountain (early start)	3rd grade: 25, 4th grade: 25, 5th grade: 26, 6th grade: 28	Grades 3, 4, 5 & 6: projected to be mid to high 30s in each grade
Foothill (late start)	3rd grade: 25, 4th grade: 26; 5th grade: 28, 6th grade: 29	Grades 3, 4, 5 & 6: projected to be mid to high 30s in each grade
Orchard (early start)	N/A	Grades 3, 4, 5 & 6: projected to be mid to high 30s in each grade

Smaller class sizes provide the opportunity for personal attention and additional instructional help when necessary. However, the assertion that smaller class sizes boost academic achievement has been examined in numerous studies with mixed results. A Harvard Review article examines how class size affects academic performance, where smaller class sizes can have the greatest impact, and how some critics question the benefits and cost-effectiveness of class size reduction.<sup>153</sup>

<sup>153</sup> Mosteller, Frederick, "From the Archives: The Case for Smaller Classes and for evaluating what works in the schoolroom", Harvard Review, Harvard University, August 28, 2019

Page 185 of latest FY23 Budget for Alpine School District shows class sizes for 4-6<sup>th</sup> grades above 30 for the 2022-2023 school year, an increase of 4 per class over the previous year.

**Fiscal Year 2023 Alpine School District Budget<sup>154</sup>**

**Students per Teacher**

Last ten school years - school years 2013 - 2022

Grade	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Kindergarten	25	25	25	23	23	23	23	23	23	23
1	24	24	24	23	23	23	23	23	23	23
2	24	24	24	23	23	23	23	23	23	23
3	26.2	26.2	26.2	25	25	25	25	25	25	25
4	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	30.2
5	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	27.14	31.14
6	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	27.14	31.14
7	29	29	29	29	29	29	29	29	28.43	28.43
8	29	29	29	29	29	29	29	29	28.43	28.43
9	29	29	29	29	29	29	29	29	28.43	28.43
10	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.14	27.14
11	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.14	27.14
12	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.5	27.14	27.14

Note: The amounts above represent budgeted ratios. Funding is provided to schools to allow for the above listed ratios. However, the secondary schools have the option of using funds budgeted to hire certified teachers for other purposes that benefit students. For example, at the junior high levels staffing productivity models boost class sizes. Actual class sizes may be higher in various productivity models.

**Orem ASD schools' student enrollment sixteen years ago – 2006**

The 2006 New Pioneer School District Feasibility Study that investigated splitting Alpine School District to form the New District (Pioneer) for Lehi, Saratoga Springs and Eagle Mountain reported the 2006 enrollment for the cities of Orem, Lindon, Pleasant Grove and Vineyard.<sup>155</sup>

<sup>154</sup> Comprehensive Annual Budget Report July 1, 2022 – June 30, 2023. Alpine School District

<sup>155</sup> 2006 New Pioneer School District Feasibility Study, Utah County Commissioners, beginning on page 1

## ENROLLMENT (By City)

Orem	<b>15119</b>	Resident students and	<b>808</b>	non city resident students
Lindon	<b>1568</b>	Resident students and	<b>977</b>	non city resident students
Pleasant Grove	<b>5994</b>	Resident students and	<b>630</b>	non city resident students
Vineyard	<b>32</b>	Resident students and	<b>642</b>	non city resident students
<b>4 City TOTALS</b>	<b>22713</b>	Resident students and	<b>3057</b>	non city resident students

It is important to note Orem's total student enrollment in 2006 was 15,119. For the 2021-2022 school year the student enrollment of ASD schools in Orem is 14,882. The major difference between 2006 and 2022 is charter schools have doubled over that time. It appears Orem has had an approximate zero decline in numbers of students over the last 16 years. Orem's decline is only relative to the increase in the west-side, fast-growing cities.

### Advantages of Reducing Class Size

Several studies have shown that reducing class size increases overall student achievement, especially for younger, disadvantaged children. The following are some of the benefits of fewer students in a classroom.

- Students receive more individualized attention and interact more with the teacher.
- Teachers have more flexibility to use different instructional approaches.
- Fewer students are less distracting to each other than a large group of children.
- Teachers have more time to teach because there are fewer discipline problems.
- Students are more likely to participate in class and become more involved.
- Teachers have more time to cover additional material and use more supplementary texts and enrichment activities.<sup>156</sup>

As a practical matter, it is not possible for most public schools to hire enough teachers so that all classes in grades kindergarten through 12th grade have no more than 18 students. Given the finite resources to hire new teachers, judgments have to be made about where the additional teachers should be placed.

### **Question: What is the "ideal" class size for students?**

13 to 17 students. A landmark research study called the STAR project (explained below) helped answer the question about class size. The randomized study conducted by researcher Helen Pate Bain and her colleagues in Tennessee provided the strongest evidence to date that children learn

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<sup>156</sup> "Why we should reduce class size", Mark Waller, TEDx event using the TED conference format <https://www.youtube.com/watch?v=hQyc-Vc2rnc>

more when they are in a smaller class.<sup>157</sup>

As a practical matter, it is not possible for most public schools to hire enough teachers so that all classes in grades Kindergarten through 12<sup>th</sup> grade have no more than 18 students. Given the finite resources to hire new teachers, judgments have to be made about where the additional teachers should be placed.

### **The STAR Project**

The STAR (Students-Teacher Achievement Ratio) project is a well-known study of a class size reduction program in Tennessee.<sup>158</sup> The study was conducted with a controlled group of 10,000 students. Classes of 22 through 26 were reduced to 13 through 17 students. In addition, the schools in the study had an adequate number of quality teachers and adequate classroom space.

The project found that smaller classes resulted in substantial increases in the academic performance of children in primary grades, particularly for poor and minority children.<sup>159</sup> The researchers randomly assigned nearly 12,000 students and their teachers in kindergarten through third grade in 79 schools to classes with 13-17 students or 22-25 students.

The results were clear: students in the smaller classes performed significantly better on math and reading tests, with a gain of four percentile points or more. The benefits of smaller classes were even larger in schools with low-income students.

More recent research indicates that the benefits of being taught in smaller classes persist long after students have moved on to the next grade. They become more likely to complete high school and go to college and less likely to end up becoming parents in their teens, to name some of the most compelling examples.<sup>160</sup>

### **Importance of Maintaining Lower Class Size.<sup>161</sup>**

The graph below illustrates the positive impact small class size has on low income (Title 1) students (red line) and non-Title 1 students (blue line). What was dramatic, low income students with a history of attending small student number enrollment, teacher instruction classes actually

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<sup>157</sup> Tennessee's Student Teacher Achievement Ratio (STAR) project <https://dss.princeton.edu/catalog/resource1589>

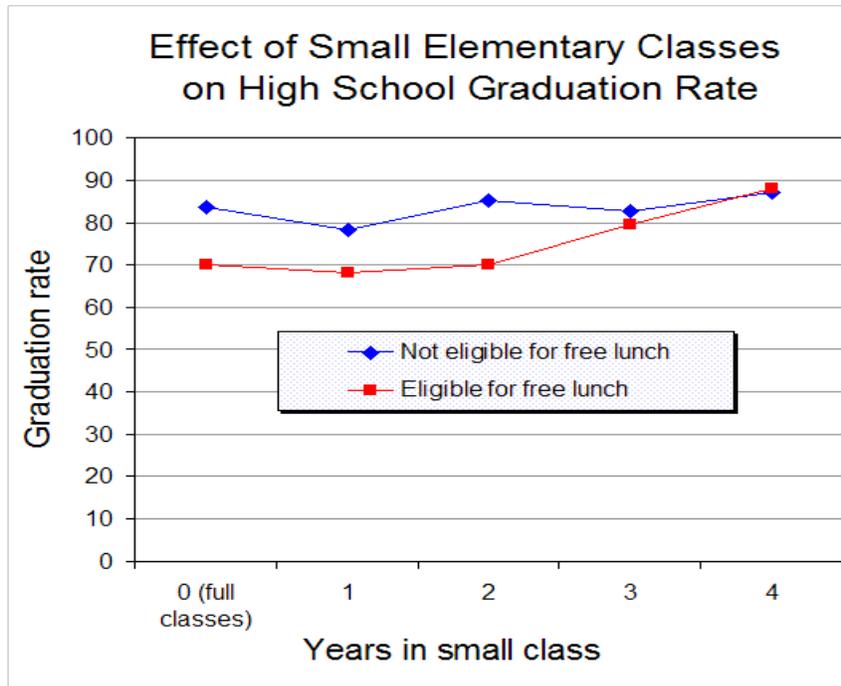
<sup>158</sup> Ibid

<sup>159</sup> Harvard University Database <https://dataverse.harvard.edu/dataset.xhtml?persistentId=hdl:1902.1/10766>

<sup>160</sup> "School Classes: Does Size Matter?", The Conversation. Study International, November 5, 2019 <https://www.studyinternational.com/news/school-classes-size-matter/>

<sup>161</sup> <https://www.publicschoolreview.com/blog/smaller-class-sizes-pros-and-cons>

had a higher high school graduation rate than their non low-income peers also attended small elementary school classes.



Based on the STAR project and other studies confirming its results<sup>162</sup>, class size reduction is most effective when:

- 1) Classes are between 13 and 17 students (some say 15 to 19);
- 2) Schools with low-income and low-achieving students are targeted;
- 3) There is an adequate supply of qualified teachers; and
- 4) There is adequate classroom space.

The benefits of smaller classrooms depend on a teacher-student ratio of around 1 to 15 through 18. Reducing class size from, for example, 28 to 25 students show no significant advantage.

**Question: Is hiring an aide for a teacher in an oversize classroom effective?**

Some parents have asked whether hiring an aide for a teacher in a larger classroom can be as effective for increasing student performance as reducing the number of students. **Studies have shown that having an aide in the classroom has no positive impact on student achievement or behavior.**<sup>163</sup>

<sup>162</sup> Ibid

<sup>163</sup> Gerber, Susan B., Finn, Jeremy, Achilles, Charles M., Boyd-Zaharias, Jayne. "Teacher Aides and Students' Academic Achievement", American Educational Research Association, Vol. 23 (2),123-143. June 1, 2001

This investigation asked whether the presence of a teacher aide in the classroom has any noticeable impact on pupils' learning. Three primary questions were addressed: (1) In Grades K through 3, does the presence of a full-time teacher aide in the classroom affect students' academic achievement? (2) If teacher aides have a positive effect on students' performance, does the effect depend on the number of years the student attends classes with a teacher aide? (3) Do some functions of aides (i.e., clerical tasks, instructional tasks, noninstructional tasks) have a greater impact on student achievement than others? **The results showed that teacher aides have little, if any, positive effect on students' academic achievement.** The only positive effect was an improvement in reading scores for students who attended a class with a teacher aide for 2 or 3 years. These results were the only exceptions to a plethora of negative findings. The study also showed that the types of duties aides performed had no bearing on student achievement.<sup>164</sup>

### **Additional student and teacher advantages from the smaller class sizes**

Lower-achieving students appear to benefit most from the smaller class sizes.<sup>165</sup> One of the benefits emphasized by supporters of smaller class sizes is the flexibility that it affords the teacher to employ different teaching methods. A single teaching method may not be the most effective for all students in the class. A different learning experience can reach students who are not as responsive to the basic method. Also, a variety of teaching methods may make classes less predictable and boring.

A 2015-2016 study by the Georgia Department of Education researched local class size and the effect on different teaching methods. They concluded local school districts must consider the needs of the students and other program requirements that may impact class size. Among the considerations for all students are:

- (1) The delivery of instruction in an effective manner so that the needs of the learner can be met in the classroom;
- (2) The safety of the students in larger classrooms;
- (3) The possibility for increased discipline issues if classrooms are too large; and
- (4) Adequate equipment or materials for the entire class.

Moreover, there are many subgroups or special populations with learning challenges that require additional considerations and smaller class sizes.<sup>166</sup>

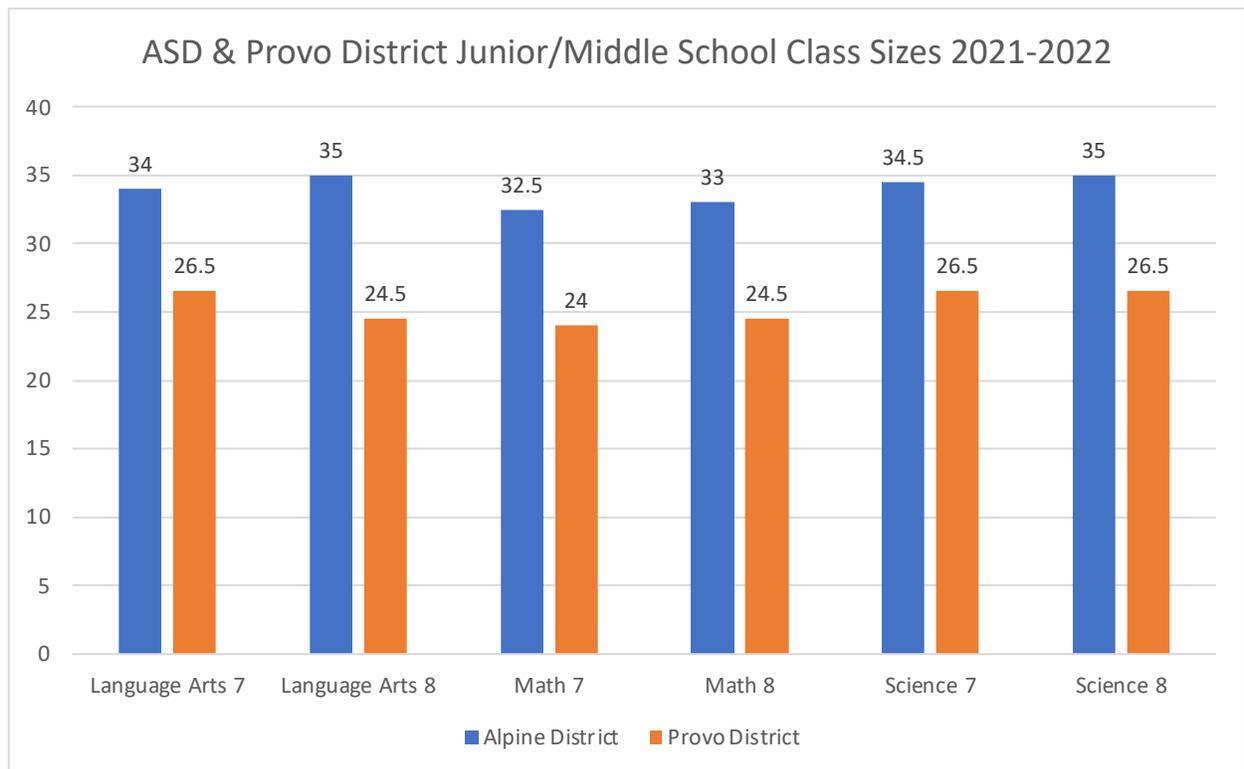
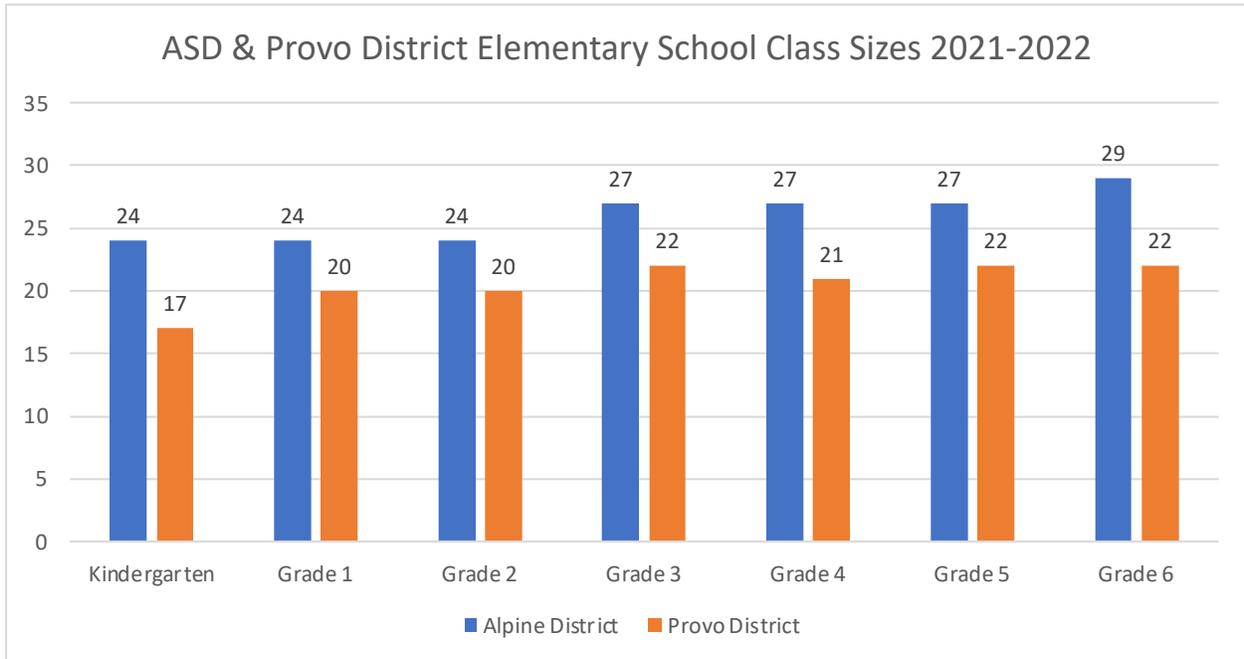
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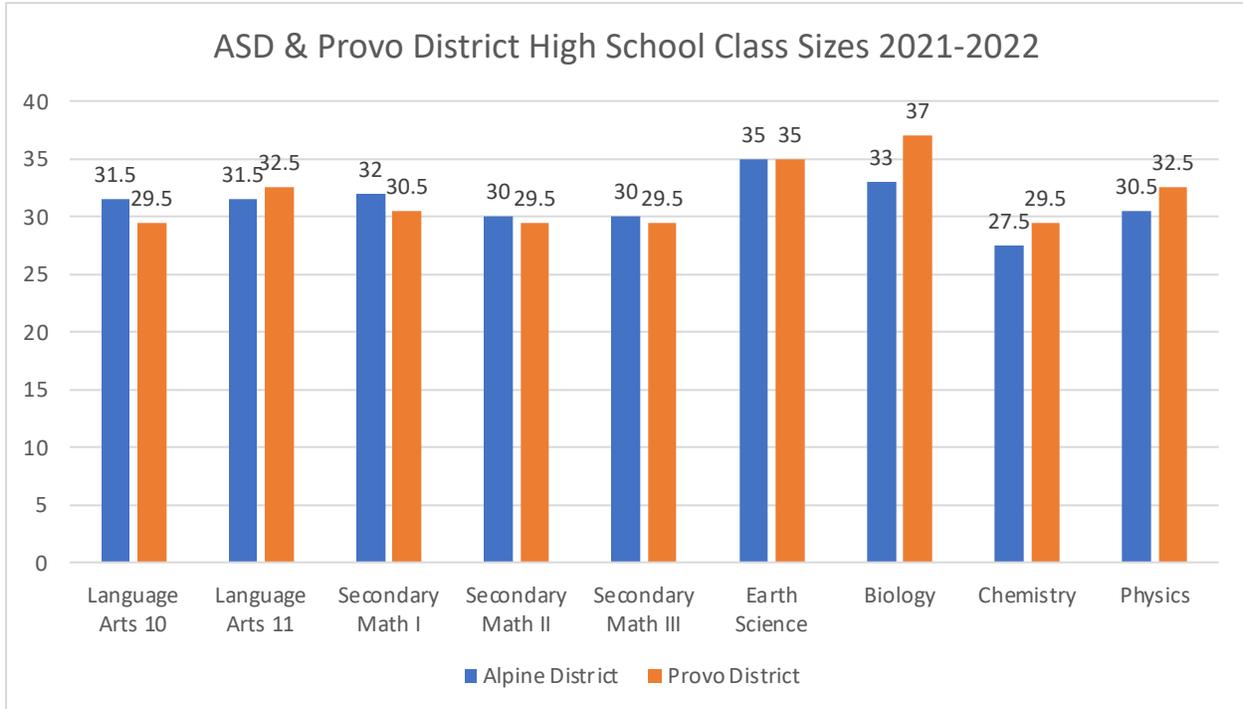
<sup>164</sup> Ibid

<sup>165</sup> <https://www.brookings.edu/research/class-size-what-research-says-and-what-it-means-for-state-policy/>

<sup>166</sup> 2015-2016 State Board of Education Local Class Size Flexibility Considerations, Georgia Department of Education, January 7, 2015

**ASD and Provo City School District Comparison of Class Sizes**





## CHAPTER 6 EVALUATION OF ASD SPECIALTY CLASSES & STUDENT ACCESSIBILITY TO THESE CLASSES

**Our findings are that ASD is not providing equal student access to its Specialty Classes in Orem.**

It is important to note one of the conditions to split Alpine School District espoused by ASD was "the issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved".<sup>167</sup> The Study found evidence this may be happening in ASD.

Alpine School District offers Specialty Classes in its elementary schools. Thoughtfully designed for the district's youngest learners, the K-6 elementary school Specialty Class curriculum provides a foundation on which their future education will be built, as well as interest-specific study, joyful participation in the Arts, and periods of release and discovery that happen in the midst of core studies. These classes provide opportunities for learning the importance of balance and interest in daily task-driven educational pursuits, as well as life beyond. These Specialty Classes happen during regular school hours, are funded by the school, and do not include before or afterschool clubs or programs.

ASD's Specialty Classes appears to not be equally distributed to all elementary schools in the district. East side communities such as Orem, Lindon, Vineyard, Pleasant Grove and American Fork, as well as Title 1 funded students and schools in Orem, do not have the proportional access to district-funded Specialty Classes as in the higher socio-economic communities in Alpine's west side communities of Saratoga Springs, Eagle Mountain and the north side communities of Lehi, Alpine, Highland, and Cedar Hills.

### **Questions of Student Equal Access to ASD's Specialty Classes**

It appears an economic and geographic bias or disparity may exist in Alpine School District that influences decisions as to which schools may have Specialty Classes and which schools may not. Alpine School District (ASD) does not appear to provide equal student access to its Specialty Classes to schools in Orem and surrounding communities to the degree that ASD provides such classes to schools on the west side and north end of the school district in more affluent neighborhoods.

In 2021, ASD's Business Manager, Rob Smith, explained to ASD school board members what

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<sup>167</sup> <https://lehifreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>

factors would justify a split of the Alpine School District into smaller school district(s). These were:

1. Declining student test scores and "students performing at lower levels due to the district's size".<sup>168</sup>
2. "District's financial strength is declining"<sup>169</sup> for funding necessary to meet student learning and teacher instruction needs, as well as provide school facilities necessary for student safety and growth.
3. ASD "public engagement is declining"<sup>170</sup> and with lowered support.
4. "The issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved" as stated by ASD school board member Julie King.<sup>171</sup>

It appears the fourth condition, "The issue of equity, and if students in different zip codes are getting different experiences" has occurred. DEC's review of data and documents provided by ASD showed students within four of the seven Title 1 funded ASD schools in Orem have been denied full and equal access to Specialty Classes as compared to students' accessibility to the district's Specialty Classes in the west and north end of ASD. These schools were Bonneville, Parkside, Westmore, and Sharon Elementaries.

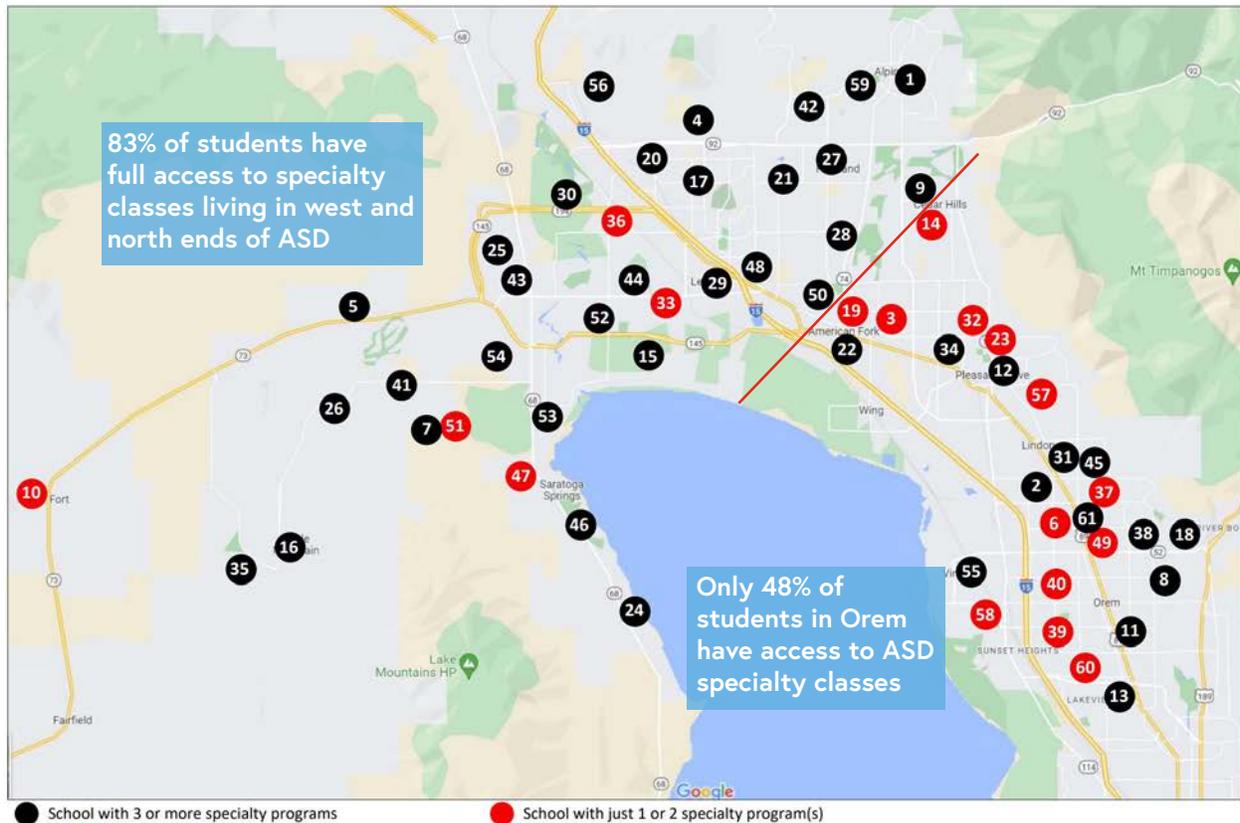
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<sup>168</sup> March 24, 2021, Lehi Free Press <https://lehifreepress.com/2021/03/24/what-factors-could-trigger-alpine-school-district-split/>

<sup>169</sup> February 9, 2021, Lehi Free Press <https://lehifreepress.com/2021/02/09/potential-alpine-school-district-split-in-early-discussions/>

<sup>170</sup> Ibid

<sup>171</sup> September 21, 2021, Lehi Free Press <https://lehifreepress.com/2021/09/21/alpine-school-district-board-says-split-inevitable/>



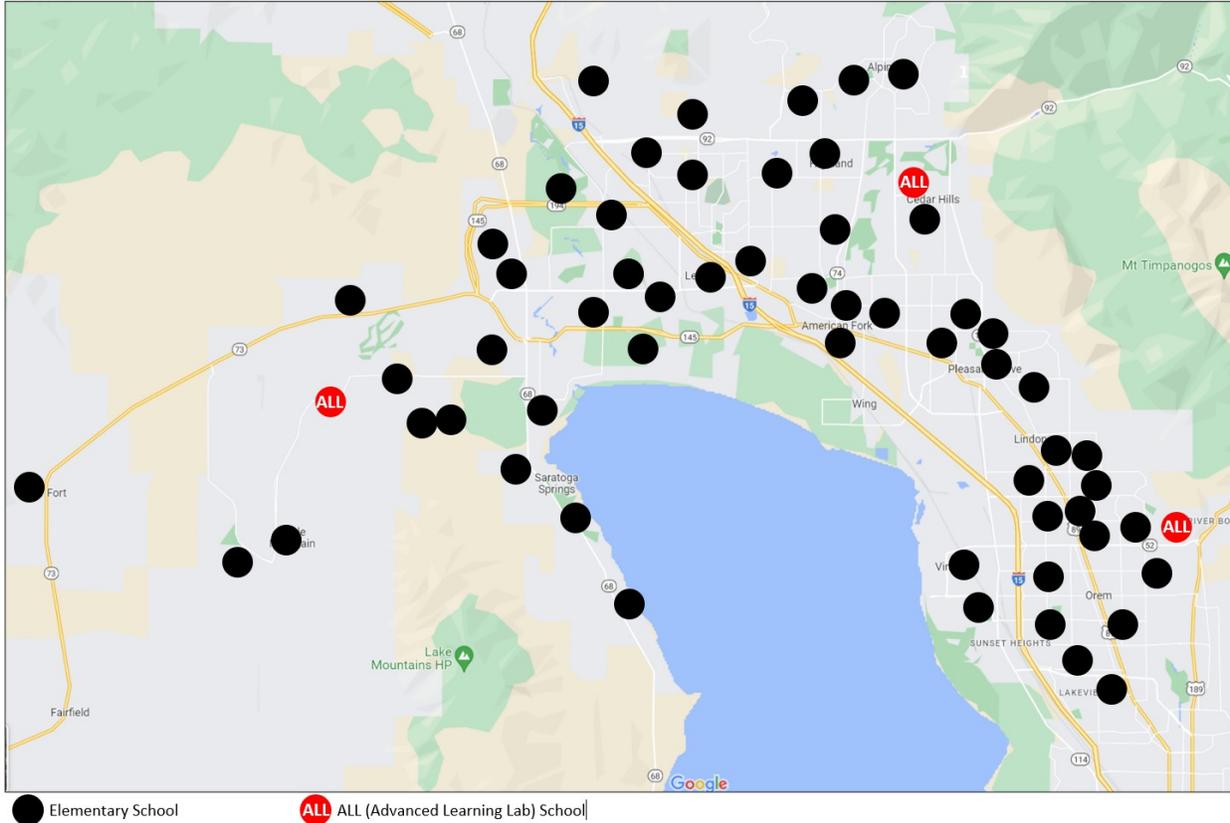
It appears the majority of schools located in low-income neighborhoods received less opportunities to have Specialty Classes than schools in more affluent neighborhoods. A condition that would trigger a district split said ASD school board member, Julie King, is when "students in different zip codes are getting different experiences"<sup>172</sup> and denied equal access to learning and instruction.

The map above shows 25 schools along Orem's State Street corridor, from Orem's Cherry Hill Elementary, north to American Fork's Forbes Elementary. Only 12 schools along this corridor in Orem have three or more Specialty Classes. Fifty two percent (52%) of the schools, many in low-income neighborhoods, have lowered access to Specialty Classes compared to schools in comparable socio-economic communities. Comparing this number to the rest of the Alpine School District, 29 out of 35 schools had full access (3 or more) to the Specialty Classes. Only 6 schools (17%) out of 25 in the north and west areas of the ASD had lowered access to the district funded Specialty Classes.

It was also found that access to ASD's three ALL (advanced learning labs) schools for gifted/ advanced students are located in more affluent neighborhoods (see map below) that are not close to major transportation corridors, making transportation to, and participation in, these schools'

<sup>172</sup> February 9, 2021, Lehi Free Press <https://lehifreepress.com/2021/02/09/potential-alpine-school-district-split-in-early-discussions/>

ALL programs difficult for lower income students. All three ALL schools also have the late start/end times (9:15/3:30 versus 8:00/2:25) which could also make participation in these programs difficult for families with work, multiple school destinations with differing start/end times, and other obligations.



### Importance of ASD Specialty Classes

Educational outcomes are one of the key areas influenced by family incomes. Children from low-income families often start school already behind their peers who come from more affluent families, as shown in measures of school readiness. The incidence, depth, duration and timing of poverty all influence a child's educational attainment, along with community characteristics and social networks. Research has demonstrated how high student interest learning, enhanced curriculum and motivated instruction such as ASD's Specialty Classes can bring to children from low-income families, of which many are English Language Learners, can reduce the effects of poverty by using such effective and sustainable interventions. (HB Ferguson, et.al, "The Impact of Poverty on Educational Outcomes for Children", *Paediatrics & Child Health*, 2007 Oct; 12(8): 701–706.)

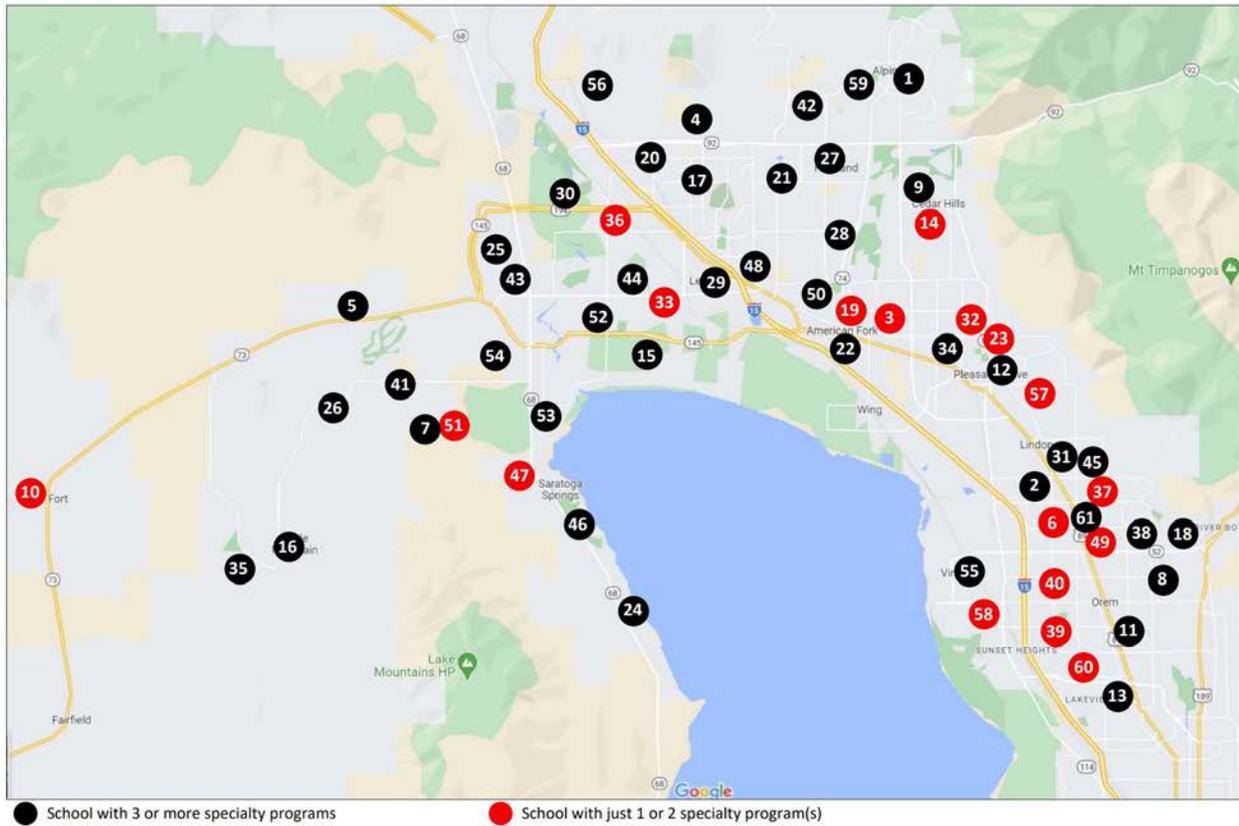
### Description of the Alpine School District Specialty Classes

Alpine School District Specialty Classes are thoughtfully designed for the district's elementary school students. The elementary school Specialty class-enriched curriculum provides a high

interest-specific study and joyful participation in a diversity of subjects. The Specialty Classes provide periods of release and discovery from the midst of academic core studies. These Specialty Classes happen during regular school hours, are funded by the school, and do not include before or afterschool clubs or programs. Students are challenged to think analytically and creatively as these specially-designed and creativity-driven programs allows the curriculum to deepen, while connections are made across the academic disciplines, and opportunities for self-expression and joyful experimentation are permitted. Many Specialty Classes encourage the participation and integration of special needs students with regular classes, such as Music and other Arts. Students attend specialties in the following subjects throughout the week.

The Alpine School District Specialty Classes include (from each school's website): Art; Chinese, French, Spanish, and Portuguese immersion; Music; Physical Education; Science; Dance; Drama; Humanities; Fine Arts; Health; Advanced Learning Labs (ALL); Science Technology Engineering & Math (STEM); Christa McAuliffe Space Center; Social/Emotional Wellness; Science Technology Engineering Arts Math (STEAM); Cultural Connections; Performing & Eclectic Arts. Computers and Media Specialist/Librarian are also considered a "specialty", however for redundancy they are not listed here, as they are standard in each school and are a state-mandated core part of educational curriculum. Visit each school's website (accessible at [www.alpinedistrict.org](http://www.alpinedistrict.org)) for more information.

The following map shows Alpine School District's elementary school locations with the number of Specialty Classes offered to students for the 2021-2022 School Year. A list of elementary schools and the Specialty Classes taught are included below.<sup>173</sup> Schools receiving two or less Specialty Classes are highlighted yellow. Title I schools are indicated with an asterisk.



1. Alpine – Art, Chinese immersion (4 teachers), Music, PE, Science
2. Aspen –Art, Music, PE
3. Barratt – PE, Music
4. Belmont – Art, Dance, Drama, French immersion (6 teachers), Music, PE
5. Black Ridge – Art, Chinese immersion (12 teachers), Dance, Drama, Music, STEAM
- \*6. Bonneville – Humanities, PE
7. Brookhaven – Art, Music, PE
8. Cascade – Chinese immersion (6 teachers), Fine arts, PE/Health
9. Cedar Ridge – Art, ALL (advanced learning lab), Music, PE
10. Cedar Valley – Fine Arts
11. Centennial – Art, ASL, Hearing/Visual Impaired, PE, STEM
12. Central – Christa McAuliffe Space Center (4 teachers & 5 aides), Music, PE
- \*13. Cherry Hill – Art, English & Spanish immersion (13 teachers), PE

<sup>173</sup> Specialty Classes by School in Alpine School District. Information gathered from ASD school websites 2021-2022 School Year

14. Deerfield – Art, PE
15. Dry Creek – Art, Music, PE, Wellness
16. Eagle Valley – Art, Drama, PE, STEM
17. Eaglecrest – Art, PE, Science
18. Foothill – ALL (advanced learning lab), Drama, PE
19. Forbes – Art (2 teachers), PE
20. Fox Hollow – Music, PE, STEAM
21. Freedom – Art, Music, PE
- \*22. Greenwood – Art, PE
23. Grovecrest – Music (2 teachers), PE
24. Harbor Point – Art, Music, PE, Social/Emotional Wellness
25. Harvest – Art, English & Spanish immersion (12 teachers), Music
26. Hidden Hollow – ALL (advanced learning lab), Art, Music, PE
27. Highland – Art, Visual/Hearing impaired, PE (2)
28. Legacy – English & Spanish immersion (8 teachers), Music, PE
29. Lehi – Art, Music, PE
30. Liberty Hills – Music, PE, Wellness
31. Lindon – Art, Music, PE
32. Manila – Music, PE
33. Meadow – Art, PE
- \*34. Mt. Mahogany – Music, PE, STEAM
35. Mountain Trails – Art, Drama, PE, STEM
36. Northpoint – Art, PE
37. Northridge – PE
38. Orchard – Art, English & Spanish immersion (12 teachers), Music, PE
39. Orem – Music, PE
- \*40. Parkside – Music, STEAM
41. Pony Express – Art, Music, PE
42. Ridgeline – Art, Music, PE
43. Riverview – Art, Music, PE
44. River Rock – Art, Engineering, Music, PE (2)
45. Rocky Mountain – Art, Drama, Music, PE, Portuguese immersion (10 teachers)
46. Sage Hills – Art, Cultural connections, Performing & Eclectic Arts
47. Saratoga Shores – Art, PE
48. Sego Lily – Art, Music, PE
- \*49. Sharon – Music, PE
50. Shelly – Art, Music, PE
51. Silver Lake – Music, PE
52. Snow Springs – Music, PE, STEM
53. Springside – Art, Music, PE

- 54. Thunder Ridge – Art, K-specialty, Music, PE
- 55. Trailside – Art, Music, PE
- 56. Traverse Mountain – Art, Music, PE
- 57. Valley View – Music, STEAM
- 58. Vineyard – Art, PE
- 59. Westfield – ALL (advanced learning lab), Music, PE
- \*60. Westmore – Music, PE
- \*61. Windsor – English & Spanish immersion (7 teachers), Music, PE

### Conclusion

There are questions if Alpine School District is providing equal education opportunities (education equity) for all of its students in every school. The highlighted schools above (and marked in red on map) have just 1 or 2 specialty classes, while students at other schools in the district enjoy more specialty classes and opportunity.

The map shows most schools located in the west side and north side of Alpine School District having three or more specialty classes for students. While most schools located in the east side, namely American Fork, Pleasant Grove, Vineyard, Lindon and Orem have the least number of ASD specialty classes. This is concerning.

It is also noted that ASD Specialty Classes do not appear to be based on elementary school enrollment numbers. Alpine (621), Aspen (380), Barratt (528), Bonneville (512), Cedar Valley (103), Central (477), Deerfield (554), Foothill (561), Forbes (411), Liberty Hills (611), Lehi (505), Manila (615), Mt. Mahogany (620), Northridge (539), Parkside (569), Rocky Mountain (620), Sharon (332), Valley View (407), Westfield (600), Westmore (446), and Windsor (524) all have enrollment under 625 and their specialties are varied, ranging from Northridge with one to Alpine and Rocky Mountain with five.

"The issue of equity, and if students in different zip codes are getting different experiences that aren't able to be solved," as stated by ASD school board member Julie King, is certainly a factor that would justify the splitting of a school district, and the facts present prove this to be case in Alpine School District.

## CHAPTER 7

### A REVIEW OF THE LITERATURE AND RESEARCH RELATED TO ENROLLMENT SIZE IN SCHOOL DISTRICTS

**Research confirms large school districts (over 20,000 students) DO NOT achieve better operational performance at a lower cost under the assumption that bigger is better.**

This Comprehensive Feasibility Study identified the general trends and concerns in the literature and research on school district size that are relevant to the best interests for student learning and educational decision-making. School district size is found to be directly related to student academic outcomes and the quality of service and instruction.

The research supporting small schools and small school districts is both broad and deep. Students, especially from low-income families, perform better in small schools and small school districts.

*The Following is an Analysis of the Research and Literature Review*

- Recent research has shown large school districts foster "sluggish bureaucracies" with negative student academic achievement, especially upon secondary students.<sup>174</sup> Much of the research indicates the most positive outcomes for students occur in small schools in small districts. It is in these districts that schools are most likely to be administered by adults who are closely connected and responsive to students and the school's entire constituency. When school districts are large, school administration is most likely to be bureaucratized, centralized, and distanced from the immediate concerns of students and neighborhood communities.<sup>175</sup>
- Smaller school districts are defined as being under 20,000 students. A new city school district for Orem would have approximately 15,000 students.
- A landmark study recently published on December 9, 2019, analyzed data from the 99 largest school districts in America. The results showed there was no validity that larger school districts were better than small districts and "the data indicates that significant inefficiencies exist in large districts."<sup>176</sup>
- This research supports a 2003 study by the California State Office of Education that found "controlling for characteristics of the student population and other environmental factors, including class and school size, large school districts size

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<sup>174</sup> The Social Science Journal, vol.44, 2007 - Issue 4

<sup>175</sup> "Anything But Research-based: State Initiatives to Consolidate Schools and Districts", Rural Policy Matters, March 2006, The Rural School and Community Trust, Washington DC

<sup>176</sup> The Social Science Journal, op. cit.

- hinders educational achievement, having its biggest impact on middle school students".<sup>177</sup>
- Utahns favored the creation of smaller school districts. The Deseret News and KSL-TV, under the direction of Dan Jones, conducted a 2006 poll of 900 registered Utah voters asking if they favored or oppose allowing cities to break up existing school districts. Fifty-nine (59%) said they were in favor.<sup>178</sup> A smaller school district is a more manageable sized district, with greater and more focused community representation that can only translate into good things for students.<sup>179</sup>
  - An often over-looked characteristic of small schools is that they tend to be located in small districts. The correlation between school size and district size is .381—significant at the .001 level.<sup>180</sup> **As district size grows, so does the enrollment of schools in these districts.**

### 'Sweet Spot' for a School District Size – 5,000 to 20,000

The National Center for Educational Statistics (NCES) reports that less than two percent (2%) of school districts in the United States reported 25,000 or more students. At the other end of the size range (bell curve), more than one-third of the nation's school districts had fewer than 600 students, but these districts accounted for only 3 percent of public school enrollment.<sup>181</sup> It is the middle of the size range that presents the optimum size. **After an extensive review of the research and literature our Study found that the 'sweet spot' for effective and high student achievement school districts, regardless of socio-economic factors is between 5,000 to 20,000 students.** It was also found that large school districts (over 20,000 students) do not achieve better operational performance at a lower cost due to the assumed 'economies of scale' theory that bigger is better.

### **Economies of Scale (larger is better) as an argument to not split a school district is incorrect**

When a larger school district is facing a split to form at least two smaller school districts, district leadership often look for 'economies of scale' as an argument to not split. Argument advanced is that the New District will duplicate the same operations and school services as the original, larger school district. A thorough review of the literature and research shows evidence to the contrary. The argument that a larger school district is better for student achievement and more

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<sup>177</sup> Ibid

<sup>178</sup> <https://www.deseret.com/2006/7/26/19965511/most-favor-creation-of-small-school-districts>

<sup>179</sup> <https://www.deseret.com/2007/11/5/20051569/are-small-districts-better>

<sup>180</sup> Using data from the Common Core of Data (CCD) 2003-2004; The Common Core of Data (CCD) is the US Department of Education's primary database on public elementary and secondary education in the United States. CCD is a comprehensive, annual, national database of all public elementary and secondary schools and school districts. [www.nces.ed.gov](http://www.nces.ed.gov) > ccd

<sup>181</sup> <https://nces.ed.gov/Pubs2003/Overview03/discussion/districtsize.asp>

efficient in operational costs over a smaller one because of the 'economies of scale' theory (bigger is better), is incorrect.

Utilizing the economies of scale argument as the reason to consolidate school districts or to maintain an exceptionally large school district, such as Alpine School District with its 84,000 students and ASD's trend to build 1,000+ student capacity schools, appears irrational. Research has concluded students in smaller school districts with small school populations:

- Are more academically successful than those in larger schools and school districts.
- Have higher high school graduation rates.
- Are more likely to take advanced level courses.
- Are more likely to participate in extra-curricular activities.

Studies have found small school districts with smaller schools are frequently the glue that bands together neighborhoods and communities, serving as their economic and social hub. Neighborhoods that lose their schools, especially for a larger school consolidation, lose more than a building – they lose their collective cultural and civic center.<sup>182</sup>

A 1990 Clemson University study concluded that "school district size is the most significant factor in determining school size, with consolidation/reorganization plans generally resulting in larger schools."<sup>183</sup>

A 2000 study from the Alexis de Tocqueville Institution<sup>184</sup> found compelling fiscal evidence that supports breaking up large school districts into smaller ones. **Its study found larger school districts generally devote a smaller portion of their resources to student instruction than do smaller districts**, as reported by researcher Michael Antonucci.<sup>185</sup>

Larger school districts seem obsessed with the belief that economies of scale would make the delivery of education more efficient in larger districts. Today, there are 24 districts in the U.S. with enrollments that exceed 100,000 students. Alpine School District is the 42nd largest school

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<sup>182</sup> Cotton, K., "School size, school climate, and student performance". School Improvement Research Series (SIRS), Close-up #20, Portland OR: Northwest Regional Educational Laboratory. 1996

<sup>183</sup> <https://www.clemson.edu/search/index.html?q=1990+school+district+size&hq=-inurl%3Ahttps&cx=017503627494391313024%3Asbh0fawlf20&cof=FORID%3A10&ie=UTF-8&z=1275>

<sup>184</sup> The Alexis de Tocqueville Institution was a Washington, D.C. based think tank until 2007. AdTI was named after the French historian Alexis de Tocqueville. Founded in 1988, its president was Ken Brown and its chairman was Gregory Fossedal.

<sup>185</sup> Antonucci, Michael, Heartland Institute (2000). <https://www.heartland.org/about-us/who-we-are/mike-antonucci> . Michael Antonucci's writings have appeared in The Wall Street Journal, Forbes, New York Daily News, Education Next, and many other periodicals, and his work has been favorably cited in the Washington Post, Boston Globe, Philadelphia Inquirer, New York Post, and a host of other prominent daily newspapers.

district in the United States with approximately 84,000 students.<sup>186</sup>

If economies of scale were in effect--with fixed costs being spread over a larger operation--then one would expect that a school district's spending on instruction would increase as a share of the total as the size of the district increased. But Michael Antonucci finds just the opposite to be the case. He concludes that the American public school system suffers from "penalties of scale."<sup>187</sup> Instead of making up a larger percentage of the budget **as school district size increases, the percentage spent on teachers, books, and teaching materials goes down.**

"Paradoxically, the larger a school district gets, the more resources it devotes to secondary or even non-essential activities," writes Antonucci in the November 17, 1999, report *Mission Creep: How Large School Districts Lose Sight of the Objective: Student Learning*.<sup>188</sup>

For example, the average U.S. school district spends 61.7 percent of its budget on instruction -teachers, books, and teaching materials. But many of the nation's largest school districts spend less on instruction than the U.S. average rather than more. Florida's Broward County spends 55.7 percent of its education budget on instruction, Maryland's Baltimore County spends 55.3 percent, and Florida's Orange County spends barely half - just 52.2 percent - on student instruction.

When Antonucci examined the proportion of district employees devoted to teaching, the picture looked no better. For the average U.S. school district, only slightly more than half of the employees, 52 percent, are teachers. But in Philadelphia, only 48 percent are classroom teachers. In Detroit, there are three non-teaching employees for every two classroom teachers.<sup>189</sup>

In stark contrast, Rhode Island--with an average school district enrollment of only 9,222 students--spends two-thirds of its education budget on instruction. Over 63 percent of its education employees are classroom teachers.<sup>190</sup>

This diversion of resources in large districts away from the primary instructional mission is likely to shortchange minority students most, notes Antonucci, since enrollment in the nation's largest school districts is dominated by ethnic and racial minorities. The Heartland Institute recommended breaking up large districts if they prove incapable of using their resources more efficiently. (See Executive Summary #1 and this Study's Chapter 1 on "Finances")

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<sup>186</sup> D. Driscoll, et al. *Economics of Education Review*, 2003

<sup>187</sup> Ibid

<sup>188</sup> Mike Antonucci's November 17, 1999, report "Mission Creep: How Large School Districts Lose Sight of the Objective: Student Learning," is Alexis de Tocqueville Institution Issue Brief No. 176.

<sup>189</sup> Ibid

<sup>190</sup> Ibid

Better student achievement and fiscal efficiency has been considered the cornerstone of the case for increasing district size. Questions from Orem residents have included:

- *Can a smaller school district provide an equivalent or better student learning program than a larger school districts?*

ANSWER: Yes. In addition to the many studies cited in this chapter, a study from the University of Chicago found a direct negative relationship of states with large district size and individual student academic achievement tests. The study concluded, "Students in states with smaller districts and smaller schools have higher SAT and ACT scores."<sup>191</sup>

- *Can a smaller school district provide a superior educational product for the same level of expenditure?*

ANSWER: Yes.

1. A University of California at Berkeley study found smaller districts more efficient than larger ones in both dollars per student and numbers of administrators per student.<sup>192</sup>
2. Antonucci found that there are "penalties of scale." Instead of making up a larger percentage of the budget as school districts size increases, the percentage spent on teachers, books, and teaching materials goes down! He writes, "Paradoxically, the larger a school district gets, the more resources it devotes to secondary or even non-essential activities."<sup>193</sup>
3. McGuire, in a 1989 study found, "As specialization in staff grows, program offerings expand, and administrative personnel increase, problems of coordination and control also increase. And in large systems, time and energy are more likely to be shifted away from core service activities."<sup>194</sup>
4. Antonucci also writes, "And let's not forget the labor implications. Which district is more likely to have difficult contract negotiations or work stoppages? The district with 15 bus drivers, or the one with 677 bus drivers?"<sup>195</sup>

A number of research studies indicate that students do better in smaller districts (defined by total student enrollment, not geographic area). For example, Abbott, Joireman, & Stroh

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<sup>191</sup> Walberg, Herbert J., "On Local Control: Is Bigger Better?", University of Chicago, No. 59, Nov. 22, 1993

<sup>192</sup> Webb, Florence R., "A district of a certain size: An exploration of the debate on school district size" University of California at Berkeley, Education and Urban Society, Vol. 21 No. 2. February 1989, 125-129. "Found smaller districts more efficient than larger ones"

<sup>193</sup> Antonucci (2000) op. cit.

<sup>194</sup> McGuire, Kent, "School Size: The Continuing Controversy", Education and Urban Society, February 1, 1989. <https://doi.org/10.1177/0013124589021002005>

<sup>195</sup> Cox, David N., "Big Trouble: Solving Education Problems Means Rethinking Super-Sized Schools and Districts", <http://www.smaller-schools.org/research.php?ref=big-trouble-solving-education-problems>

(2002)<sup>196</sup>, Howley (1996)<sup>197</sup>, and Walberg (1994)<sup>198</sup> found small districts were associated with higher academic achievement, and that this association is especially pronounced for high poverty districts, for elementary and middle school students. David Cox found smaller school districts had greater student achievement levels than larger school districts.<sup>199</sup>

Not all research supports these results however. A 2004 study in Denmark<sup>200</sup> larger school districts fostered students with more desire to seek a college education.

The research shows a strong correlation between school district size and the size of the district's school size. The larger the school district is results in the bigger the schools become. This results in larger class sizes (student to teacher ratio). Research studies show lower student academic achievement in larger school districts when compared to smaller school districts; an increase of students in the classroom directly affecting student learning, classroom instruction and teacher dissatisfaction.

Public education in the United States began a trend in the 1930s to form large, regional and/or county wide school districts under the premise that larger school districts would achieve better operational and student achievement performance at a lower cost as a result to economies of scale and specialization. This was done before significant evidence emerged contradicting or supporting these assumptions. For a long time in America, the trend was to create and preserve large school districts. As with most educational issues, the pendulum is swinging back, with overwhelming research, on the subject of district size, which is – ***smaller is better.***

Research has shown the practice of consolidating and maintaining larger school districts has negative impacts to learning and well-being of students, especially in 21<sup>st</sup> Century schools. Creating and maintaining large regional and/or county wide school districts with over 20,000 enrolled students are detrimental to students' emotional and academic learning. Optimum size is between 10,000 to 20,000. Research shows large school districts create serious inefficiencies, such as "sluggish bureaucracies"<sup>201</sup> that result in lower student achievement, teacher dissatisfaction, operational inefficiencies, public relation inadequacies and financial waste.

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<sup>196</sup> Abbott, M.L., Joireman, J., & Stroh, H.R., "The Influence of district size, school size and socioeconomics status on student achievement in Washington: A replicative study using hierarchical linear modeling. Technical Report #3. 2002, Lynwood, WA; Washington School Research Center, Seattle Pacific University

<sup>197</sup> Howley, C., "Compounding disadvantage: The effects of school and district size on student achievement in West Virginia". 1996. Journal of Research in Rural Education 12 (1), 25-32

<sup>198</sup> Walberg, H.J., "Losing local control". 1994. Educational Researcher, 23 (5), 19-26

<sup>199</sup> Cox, David N., "Big Trouble: Solving education problems means rethinking super-size districts and schools". 2002. The Sutherland Institute, Utah

<sup>200</sup> Heinesen, E. "School district size and student educational attainment: Evidence from Denmark. 2004, Copenhagen, Denmark: AKF, Institute of Local Government Studies - Denmark

<sup>201</sup> Published online: 09 Dec 2019 <https://doi.org/10.1016/j.sosocij.2007.10.005>

The move toward maintaining large school districts in excess of 20,000 students has its roots in the spread of industrial technology at the beginning of the twentieth century. Mass production of goods was governed by a fiscal equation relating efficiency with ever greater volume of activity at a single, large production center.

This equation was embraced by school administrators, who hungered both for legitimacy within the private sector and the increased prestige and status connected with responsibility over a relatively larger public entity.<sup>202</sup>

### **Student Academic Achievement, Quality of Classroom Instruction and Fiscal Efficiency**

A North Carolina Department of Public Instruction study compared the school district sizes of the five states with the best and worst SAT and ACT scores, high school graduation rates, dropout rates and retention rates. The study found that the states performing at higher levels on these performance indicators had ***smaller school district sizes***.<sup>203</sup>

A Nebraska study demonstrated that ***smaller school systems academically outperformed larger ones*** within the state. The authors also found ***small school district size is good for the academic performance of students from low socioeconomic status conditions***.<sup>204</sup>

Researchers in Maine found that their 15 ***smallest districts produced higher graduation and post-secondary enrollment rates*** than their 15 largest districts.<sup>205</sup>

In Massachusetts, a task force found that ***smaller districts had lower average dropout rates, higher attendance rates***, greater extra-curricular participation, and were more likely to meet Annual Yearly Progress (AYP) targets than the state average.<sup>206</sup>

A Cornell University study of small rural districts in New York found that ***students in these small districts tended to learn the basics at average or above average levels, when compared to students in other districts***. The authors concluded larger school districts' student enrollment does not guarantee desirable results for students.<sup>207</sup>

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<sup>202</sup> Guthrie, J.W. (1979). Organizational scale and school success. *Educational Evaluation & Policy Analysis*, J(1) 17-27.

<sup>203</sup> Sher & Schaller, "A Critique of the North Carolina Department of Public instruction's Plan for School District Mergers", 1986

<sup>204</sup> Spradlin, Carson, et.al., "Revisiting School District Consolidation Issues", Center for Evaluation and Education Policy Education Policy Brief, Vol. 8, No. 3, 2010

<sup>205</sup> David P. Driscoll, *Commitment and Common Sense: Leading Education Reform in Massachusetts*, Harvard Education Press, 2017

<sup>206</sup> Ibid

<sup>207</sup> Monk, Haller. "Modern Conceptions of Educational Quality and State Policy Regarding Small Schooling Units". U.S. Department of Education, 1992.

In a series of five studies, Marshall University researchers found that ***smaller districts and schools had greater achievement equity than larger districts and schools, especially when the influence of size is contingent on socioeconomic status (SES)***. There was particular concern for schooling to serve impoverished communities. "The authors advocated the need to create smaller districts as well as smaller schools as a route to both school excellence and equity of school outcomes".<sup>208</sup>

A Utah study was referenced comparing Utah school district 1997-2000 SAT scores. In both the 5<sup>th</sup> and 8<sup>th</sup> grade test scores, the ***smallest school districts scored highest*** (99%) within their expected range. Medium size school districts score next highest (54%) within their expected range. Larger school district scored the lowest (36%) within their expected range. 11<sup>th</sup> grade scores followed the socio-economic expectations which are upward with district size but this may be because the lower scoring students in bigger districts had already dropped out.<sup>209</sup> It is important to note here, that Utah does not test 11<sup>th</sup> grade students in the RISE/ASPIRE testing, the state of Utah testing method, and have not since the testing method was adopted in 2019. 12<sup>th</sup> grade students are not included in State testing under RISE/ASPIRE (2019-present), nor the previous testing method SAGE (2014-2018).

## Conclusions

Research showed per-pupil costs are minimized in much smaller districts; completely negating the argument of economies of scale with large districts. Furthermore, academic achievement measurements are better in smaller districts, particularly for the economically disadvantaged.<sup>210</sup> The research showed a strong correlation between school district size and school size. The larger the school district, the bigger the school, the larger the class size (student to teacher ratio). Research studies show lower student academic achievement in larger school districts when compared to smaller school districts; an increase of students in the classroom directly affecting student learning, classroom instruction and teacher dissatisfaction.

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<sup>208</sup> Bickel, R., & Howley, C. (2000). The Influence of Scale on School Performance. Education Policy Analysis Archives, (2000), 8, 22.

<sup>209</sup> Cox, David N., "Big Trouble: Solving Education Problems Means Rethinking Super-Sized Schools and Districts". <http://www.smaller-schools.org/pdfs/bigTrouble.pdf>

<sup>210</sup> K. Rooney, J. Augenblick, An Exploration of District Consolidation, Augenblick, Palaich and Associates, Inc. May, 2009

## CHAPTER 8 EVALUATION OF CONSOLIDATION OF TWO OR MORE SCHOOLS INTO ONE LARGER SCHOOL

### **Trends and practices to consolidate two or more schools into one larger one does not work.**

This Comprehensive Feasibility Study found that consolidating two smaller schools into one larger school does not lead to operating-cost savings or an increase in student achievement and student test results. ASD's practice of closing smaller neighborhood schools in Orem to save money to devote more money to building new facilities in the west areas of the district should be reconsidered and seems misdirected. Orem now has 13 elementary schools, however five years ago Orem had 15. Two schools were demolished, and the students at those schools were consolidated into another schools.

An often over-looked characteristic of small schools is that they tend to be located in small districts. The correlation between school size and district size is .381—significant at the .001 level.<sup>211</sup> As district size grows, so does the enrollment of schools in these districts.

It appears ASD has an established trend to consolidate two or more elementary schools into one elementary school resulting in a student enrollment over 1,000. Julie King, ASD school board member, stated ASD will have an additional "13 elementary schools that will have more than 1,000 students (each) by 2026".<sup>212</sup>

**The research is rich in supporting smaller, neighborhood schools (less than 400 students) over larger schools.** Across the country, many large school districts are consolidating their aging smaller schools with the mistaken hope of saving money. Alpine School District has also adopted this practice.

In 2019 in Orem, Scera Park and Hillcrest elementary schools were consolidated into a newly constructed 1,000+ student capacity Centennial Elementary School, and Hillcrest was demolished. In 2021 ASD combined two Title 1 schools, Geneva and Suncrest Elementaries, which were combined to create Parkside Elementary, with enrollment around 560. Geneva was demolished and its students sent to already existing Suncrest, which was subsequently renamed Parkside. Neither of these consolidations were put before the residents of Orem for formal public input or a vote.

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<sup>211</sup> Using data from the Common Core of Data (CCD) 2003-2004; The Common Core of Data (CCD) is the US Department of Education's primary database on public elementary and secondary education in the United States. CCD is a comprehensive, annual, national database of all public elementary and secondary schools and school districts. [www.nces.ed.gov/ccd](http://www.nces.ed.gov/ccd)

<sup>212</sup> <https://lehifreepress.com/2021/12/17/alpine-school-district-board-begins-2022-bond-talks/>

The research evidence supporting this widely implemented policy of consolidating multiple schools into one larger school is virtually non-existent. In fact, research on the effects of school size on student achievement and well-being is extensive, spans the political spectrum, and is unusually consistent in its findings that small size benefits students, especially students who are at risk for educational difficulties.<sup>213</sup>

Research has revealed what might be called "The Hobbit Effect: Why Small Works in Public Schools"<sup>214</sup>

- Small schools found fewer bullying incidents;
- Lower rates of crime and violence
- More attention to student mental and emotional health and awareness;
- Less student misbehavior and discipline problems;
- Small schools have higher teacher retention rates;
- Higher quality of teacher instruction and student learning;
- Greater parent involvement and community support;
- Greater academic success;
- Produce high student graduation rates regardless of socio-economic status.<sup>215</sup>

A growing amount of research evidence documents the failure of consolidation to produce savings in the operating costs of a larger school over smaller ones. These studies looked at what actually happened, rather than at what was predicted. The studies found little, if any, savings accomplished through consolidation.<sup>216</sup>

Studies have found there are additional costs to large, consolidated schools that small schools avoid.<sup>217</sup>

### **Educational Infrastructure Costs: Buildings<sup>218</sup>**

Size of school in our Comprehensive Feasibility Study measured by total square feet vs. planned

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<sup>213</sup> "Anything But Research-based: State Initiatives to Consolidate Schools and Districts", Rural Policy Matters, May 2006. <http://www.ruraledu.org/articles.php?id=2034>

<sup>214</sup> Jimerson, Lorna, "The Hobbit Effect: Why Small Works in Public Schools", The Rural School and Community, Arlington, Virginia. 2006

<sup>215</sup> <https://smallschoolscoalition.org/the-cost-of-small-schools-a-white-paper/>

<sup>216</sup> Jimerson, Lorna (2006) op. cit.

<sup>217</sup> Howley, Craig B. 2005. "Don't Supersize Me: The Relationship of Planned Construction Cost to Planned School Enrollment in the U.S." Presented at the Annual Meeting of the International Society for Educational Planning. Bologna, Italy, October.

<sup>218</sup> Wasley, Patricia A., Michelle Fine, Matt Gladden, Nicole E. Holland, Sherry P. King, Esther Mosak, and Linda Powell. 2000. "Small Schools: Great strides. A Study of New Small Schools in Chicago." New York: Bank Street College of Education.

enrollment and came up with the following findings:<sup>219</sup>

- Doubling square feet of the project increases costs by 91 percent
- Two-school vs. one-school option increases construction costs by 4.7 percent
- "Very large school" projects increase costs from 8 to 12 percent

Another relevant source that weighs in on educational infrastructure costs is the study by Craig B. Howley of Ohio University, which questions the view that economies of scale necessitate the construction of larger schools. Howley found that smaller schools are less expensive than larger schools per square foot. Howley also found:<sup>220</sup>

- Smaller schools allocate 26 percent more space to each student
- Schools of 138–600 students were no more expensive per student to build than 601–999 students
- Schools of 138–600 students were less costly per square foot (\$96 vs. \$110)

Howley's conclusion: do not expect operating-cost savings from consolidating two smaller schools into one larger school.

### *Ten Research-based Reasons Why Small Works*

1. **There is greater participation in extra-curricular activities, and that is linked to academic success.**
2. **Small schools are safer.**
3. **Kids feel they belong.**
4. **Small class size allows more individualized instruction.**
5. **Good teaching methods are easier to implement.**
6. **Teachers feel better about their work.**
7. **Mixed-ability classes avoid condemning some students to low expectations.**
8. **Multiage classes promote personalized learning and encourage positive social interactions.**
9. **Smaller districts mean less bureaucracy.**
10. **More grades in one school alleviate many problems of transitions to new schools.**

Source: <https://holdenruralacademy.ca/2021/05/12/the-hobbit-effect-part-6/>

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<sup>219</sup> Azari-Rad, Hamid, Peter Philips, and Mark J. Prus. 2003. "State Prevailing Wage Laws and School Construction Costs." *Industrial Relations* 42 (3): 445–457. doi: 10.1111/1468–232X.00299.

<sup>220</sup> Howley, Craig B. 2005. "Don't Supersize Me: The Relationship of Planned Construction Cost to Planned School Enrollment in the U.S." Presented at the Annual Meeting of the International Society for Educational Planning. Bologna, Italy, October.

## CHAPTER 9 CREATING A NEW CITY SCHOOL DISTRICT PURSUANT TO UTAH LAW

Utah code provides that "A new school district may be created from one or more existing school districts, at the request of a city within the boundaries of the school district, pursuant to Section 53G 3 302". (See UCA ' 53G 3 301(2)(c)).

There are six requirements under Utah code that must be met in order for a municipality to create a new school district.

First, a city must have a population of at least 50,000 (See UCA ' 53G 3 302(1)(a)).

Second, a city with a population of at least 50,000 is permitted to create a new school district with boundaries contiguous with that of the City (See UCA ' 53G 3 301(2)(c)).

Third, a feasibility study must be completed (See UCA ' 53G 3 302(1)(a)). The Code provides that "[T]he determination of all matters relating to the scope, adequacy, and other aspects of a feasibility study under Subsection (1)(a) is within the exclusive discretion of the city's legislative body".

Fourth, with the majority vote of the City Council, the Council may submit for voter approval a measure to create a new school district with boundaries contiguous with that city's boundaries, in accordance with Section 53G 3 301 (See UCA ' 53G 3 302(1)(a)).

Fifth, the City must submit a signed Petition to the County Clerk, as described UCA ' 53G 3 301(3)(b). The Petition shall:

- (i) be filed with the clerk of each county in which any part of the proposed new school district is located;
- (ii) indicate the typed or printed name and current residence address of each governing board member making a request, or registered voter signing a petition, as the case may be;
- (iii) describe the proposed new school district boundaries; and
- (iv) designate up to five signers of the petition or request as sponsors, one of whom shall be designated as the contact sponsor, with the mailing address and telephone number of each.

This Petition is required by the Utah County Clerk to be submitted on or before August 23, 2023,

Finally, if all of the statutory strictures are met, the County Clerk will place on the November 8, 2022 ballot, to be voted on by the legal voters residing within the proposed new school district boundaries, the issue relating to a new municipal school district (See UCA § 53G-3-301(9)(a)(i)).

As to the duties and rights of the City Council, upon receiving a completed feasibility study, the Council may choose one of three options:

- Option 1: The Council is not required to vote. They may terminate the issue without further comment.
- Option 2: The Council may, by Resolution, vote not to move forward with the statutory process. This will result in the termination of the process of placing a new school district measure on the ballot.
- Option 3: The Council may, by majority vote and by Resolution, move forward with the statutory process. This will result in the Council placing a new school district measure on the ballot.

## CHAPTER 10 THE 2004 PROPOSED NEW PIONEER (LEHI) SCHOOL DISTRICT FEASIBILITY STUDY FOR A PROPOSED DIVISION OF ALPINE SCHOOL DISTRICT<sup>221</sup>

The 2004 New Pioneer School District Feasibility Study was referenced in this Study's Executive Summary. A detailed summary of this 2006 proposed division of Alpine School District is as follows.

In 2004, pursuant to Utah Code Annotated Section 52A-2-118, an Ad Hoc Advisory Committee was formed by the Utah County Commission and "charged with reviewing data and gathering information on the financial viability of the proposed new school district and on the proposed financial impact on the existing school district". (Quoted from Section IV, Finance Subcommittee Report, page 1).

The boundary of the proposed Pioneer School District enveloped all of Lehi, and all municipalities and unincorporated portions of Utah County that were in the Alpine School District that were to the west of Lehi, including Saratoga Springs, Eagle Mountain, and Cedar Fork. (See map, Exhibit A).

As to the western part of Alpine School District, at the time of the Pioneer School District Feasibility Study, the Ad Hoc Advisory Committee opined:

The Lehi area is predominantly a consumer area with residents employed either in Provo-Orem or Salt Lake City. As such, there is little commercial or industrial tax base from which to draw property taxes. This is a concern for two reasons. First property values within the new school district are on average, significantly lower than in other areas of the existing Alpine district. Additionally, if property taxes need to be raised in Lehi and the other areas to fund the new district and they become skewed relative to value and relative to what residents in other areas of the county are paying, Lehi will become a less desirable place to live. (Quoted from Feasibility Study, Analysis of Alpine School District Division, revised and submitted June 16, 2004, page ii).

This paucity of commercial taxpayers means that any local revenue raised for the new district will be done so by levying taxes on residential property. (Quoted from Feasibility Study, Analysis of Alpine School District Division, revised and submitted June 16, 2004, page 5).

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<sup>221</sup> New Pioneer School District Study, 2004, Ad Hoc Committee, Utah County Commissioners

This analysis is typical of the east versus west issues in both Salt Lake County and in Utah County relating to school district splits and increased taxation.

Along the Wasatch front, the east side of the valley was initially developed with housing, neighborhoods, and retail and commercial businesses. Until the mid-1990's, the west side remained a rural area. For example, there are very few, if any, large property parcels on the east side of the freeway from Provo to Bountiful. In contrast, the west side has large swaths of land and active farms still in operation.

The Ad Hoc Advisory Committee found that:

The Lehi area is predominantly a consumer area . . . As such, there is little commercial or industrial tax base from which to draw property taxes. The two largest assessed value properties in Lehi, Micron and Thanksgiving Point, are RDA projects, meaning neither pays property tax for specified number of years. The other large commercial properties currently in the area consist of three grocery stores; two within the Lehi City limits and one in Saratoga Springs, the Lehi roller mill and various gas stations and eating establishments. The paucity of commercial taxpayers means that any local revenue raised for the new district will be done so by levying taxes on residential property.

The Ad Hoc Advisory Committee concluded that if the proposed Pioneer School District were created, taxes in Lehi, and cites to the west, would increase as much as 90%. In contrast, the creating of the proposed Pioneer School District would result in the cities to the east, including Orem, realizing a tax decrease of 11-17%.

The Ad Hoc Advisory Committee focused on and reviewed the east-west side issues. To place in context the taxation issues, the Ad Hoc Advisory Committee obtained a record created by the Granite School District to determine the east vs. west side spending as Granite at the time had increased student growth on its west side with east side schools needing repair, retrofitting or replacement: similar to Alpine School District. Question 5 of the Questioner is startling:

- Q. What has Granite School District spent on the east side vs. the west side for Capital Outlay Expenditures 1991-1997 and Bond Expenditures 1983-1988?
- A.
- |                   |              |          |
|-------------------|--------------|----------|
| Granite East Side | \$15,274,385 | (13.64%) |
| Granite West Side | \$96,699,513 | (86.36%) |

After extensive research and the analytics of data, the Ad Hoc Advisory Committee determined that the deciding issue was the projected increase in taxes that would be experienced by

residents in the new Pioneer School District. This led the Ad Hoc Advisory Committee to recommend that the new Pioneer School District not be created. In various documents contained in the report, the Ad Hoc Committee determined that the tax increase, over a five-year period, would be in the upper range of ninety percent (90%) for Lehi, Saratoga Springs and Eagle Mountain. In the minutes of the May 5, 2004 meeting of the Ad Hoc Advisory Committee, the 90% issue was discussed. The minutes read as follows:

The numbers that became a subject of much discussions were that by the year 2010 the property tax in the new area would be ninety percent (90%) higher than what they would have been had the district not been split. And the remaining Alpine district [taxes] would be projected to be 17% lower. . . Mr. Alexander (a CPA) then added a small table, by hand, calculating the percentage of increase using the numbers above showing the growth in valuation. This shows the property taxes increasing 40% higher not 90% previously presented, and the remaining Alpine district would be 11% lower not 17% in 2010. This would apply only to the school district taxes and not to the other property taxes.

As one will note, based on these statements, the Ad Hoc Advisory Committee could not determine with certainty the true extent of the tax increases in the new proposed Pioneer School District. However, there was no dispute that the taxes would increase somewhere between 40% and 90% for residents living on the west side of Alpine School District.

Inversely, the Ad Hoc Advisory Committee determined that the residents in those municipalities remaining in the Alpine School District, including Orem, Lindon, Pleasant Grove, American Fork, Highland and Alpine, would realize a significant decrease in taxes. There was no dispute in the findings by the Ad Hoc Advisory Committee that taxes would decrease between 11% and 17% for east side residents.

In our review of the data, research and studies, we could find no basis, factual or otherwise, that would suggest that there would be a tax increase if the New District was created.

Our conclusions are consistent with the feasibility study performed the Ad Hoc Advisory Committee for the proposed Pioneer School District. Although we did not conclude the taxes would decrease in Orem, we can, with confidence, conclude that there is no basis in fact, or otherwise, that the taxes will increase in Orem. We can also represent that there is a greater likelihood that taxes will decrease, not increase, if the New District is created.

## CHAPTER 11

### THE IMPORTANCE OF RESEARCHING PAST STUDIES AND HISTORICAL EVIDENCE IN CONDUCTING FEASIBILITY STUDIES TO CREATE NEW SCHOOL DISTRICTS AND SPLITTING LARGER SCHOOL DISTRICTS IN UTAH

*Replicability is almost universally accepted as the most important criterion of genuine scientific knowledge.<sup>222</sup>*

DEC has strived to objectively audit and analyze the financial data made available to DEC to conclude if creating the New District, a community that is over 95% built out in residential and commercial growth, is financially viable and feasible. In many ways DEC's research duplicated procedures and methods implemented in past similar studies. The conclusions of prior similar studies have been compared to this Study's analyses and conclusions.

Our conclusions, especially regarding the issue of property taxes for the residents of Orem, reached similar conclusions to the 2004 Ad Hoc Committee responsible for an Alpine School District feasibility study to allow the City of Lehi and communities west of Utah Lake to form its own separate school district. Our conclusions also matched the facts and historical evidence of how property taxes affected the residents living in the Canyons School District after its split from the Jordan School District (add year). The previous 2004 study and (year) split with regards to property taxes both give immense credibility to this Study.

DEC has investigated the following studies, facts and historical evidence:

- 2004 Ad Hoc Committee & BYU Feasibility Study for an ASD split,
- Historical evidence and facts following Canyons School District 2008 creation and aftermath,
- ASD East-West Split Study presented to the ASD Board of Education 9 Feb 2021.

This Study concluded if the voters in the City of Orem do choose to create the New District, it will be financially viable, sustainable and feasible.

The 2004 Ad Hoc Committee responsible for an Alpine School District feasibility study to allow the City of Lehi and communities west of Utah Lake to form its own separate school district found the City of Orem and other east-side communities' property taxes would not increase and in all probability would go down.

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<sup>222</sup> Rosenthal & Rosnow, Applying Hamlet's question to the ethical conduct of research: A conceptual addendum. 1984, American Psychologist, p. 9

The areas of high growth and new school construction in Lehi and the west side of Utah Lake, would have had a significant increase in property taxes to pay for the needed new schools, in order to keep up with their high-growth student populations. Due to cost limitations, the decision was made to forego the splitting of Lehi and its western communities into a separate school district. With Lehi's dominate tax base today, such a split proposed in 2004 may be feasible.

A careful review of the facts and historical evidence of what happened to property taxes following the Jordan School District and Canyons School District split reveals a confirmation of the findings from the 2004 Ad Hoc Committee study for an Alpine School District split. **Please see the following chapter regarding the Canyons/Jordan School District split and its affect upon property taxes.** The areas of high population growth and new school construction on the west-side of Salt Lake County caused Jordan School District to increase its taxes.

Those taxpayers on the east side of Salt Lake County received a break from paying for the new construction to the west, and were then able to focus their monies on bettering their own district's curriculum, infrastructure, retaining/recruiting quality instructional staff, etc., to improve the students' education residing in the Canyons District, as well as attracting new residents with better student learning opportunities and teacher instruction environments.

During the Alpine School District East-West Split Study presented to the ASD Board of Education on February 9, 2021, Alpine's Business Administrator, Rob Smith, spoke of four criteria that needs to be met prior to a successful split of the Alpine School District. These four criteria were:

1. Student academic performance is declining;
2. Financial strength is declining;
3. Public engagement is declining;
4. Voter dissatisfaction and/or a vote of no confidence for a bond election to generate money for new school construction and capital projects.

#4 – Residents of ASD voiced their opposition to an ASD proposed bond in 2020. Apparently, there was controversy surrounding ASD decision to use new construction bond money for maintenance projects to replaced roofs on two high schools in Orem. Questions arose if this was a legal use of bond money. Based on the evidence collected and analyzed, this Study concludes these four ASD criteria have been met. Each criterion above is explored and explained how they have been met.

This Study and historical evidence conclude similar financial and feasibility conclusions. ***Property taxes will not increase for the residents of Orem if they vote in favor of creating the New District.***

#### NEW \$595,000,000 BOND PROPOSED BY ALPINE SCHOOL DISTRICT

- ASD has proposed a \$595M bond to be voted on in November 2022;<sup>223</sup>
- ASD's outstanding debt is currently \$538,847,876 for the year ending June 30, 2022;
- Orem share of the existing debt is approximately \$105 million;<sup>224</sup>
- Orem residents would be responsible for approximately \$116 million of the \$595 million bond to be paid over the next 20 years (\$595 million bond x 19.44%), even if Orem's schools receive no allocation (\$0).
- This proposed bond would more than double the amount of bond debt owed by Orem residents, increasing Orem resident's share of the bond debt from \$105 million to approximately \$221 million (\$105 million plus \$116 million).
- Were a new city school district in Orem formed, and issue its own bond for approximately \$116 million (the estimated amount of Orem's bond indebtedness for the \$595 million proposed bond), the New District could fund the building of new schools and remedy the seismic hazards in older schools located within Orem;
- We could find no policies of the ASD School Board that requires ASD to distribute bond funds in proportion to Orem's 19.44% of the property value in the Alpine School District.
- It will be telling as the focus of the ASD \$595 million bond proposed for this November 2022 ballot. Will it pay for new schools to meet student enrollment growth particularly on the west side or will funds be set aside to address existing schools in critical need for seismic reinforcement? A news article dated December 17, 2021, citing ASD board members discussing the proposed upcoming bond, shows infighting for the funds has already begun.<sup>225</sup>

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<sup>223</sup> See Lehi Free Press article dated May 11, 2022, which can be found at the following link: <https://lehifreepress.com/2022/05/11/alpine-school-district-to-survey-voters-on-possible-595-million-bond-request/>

<sup>224</sup> The City of Orem currently has 19.44% of the property value in the Alpine School District (\$7.25 billion estimated taxable value divided by Alpine's \$49.9 billion estimated taxable value).

<sup>225</sup> Alpine School District board begins 2022 bond talks, Lehi Free Press, December 17, 2021.

## CHAPTER 12

### History of the Canyons/Jordan School Districts Split, and its Aftermath on Property Taxes

In November 2007, east-side residents voted to leave Jordan School District and form their own school district. The west side remained as Jordan School District. The Canyons School District was comprised of Cottonwood Heights, Sandy, Midvale, Alta and Draper.

When the Canyons School District was first established in 2009 as a local education agency (LEA) and legal taxing entity the Canyons School Board pledged there would be no increase in property taxes following the split with Jordan School District. However, prior to the formation of the new Canyons School District, the Utah Legislature passed in its 2008 session, a capital equalization law, which went into effect fiscal year 2010. It was called the "Salt Lake County-wide equalization law".

**The Utah Legislature required Canyons, Murray, Granite and Salt Lake City school districts, all in Salt Lake County, to contribute funds to help the Jordan School District pay for new school construction on its west-side.<sup>226</sup>**

As a result, Canyons was required to pay Jordan School District \$3.8 Million, which it didn't have available in its \$200 million budget for the 2009-2010 school year. Jennifer Toomer-Cook, communications director for the Canyons School District, said, "Countywide equalization is a brand-new law this year. And a \$3.8 million liability that we have under that law we cannot absorb in our current budget."<sup>227</sup>

It was a step away from the pledge the Canyons School Board made of no new taxes. Toomer-Cook expressed that this tax was basically forced upon Canyons and other Salt Lake County school districts by the Utah Legislature. "People and school districts all over Salt Lake County are raising taxes to pay for countywide equalization (and Jordan School District), and we're no different. We're going to have to do that," Toomer-Cook said.<sup>228</sup> The Canyons School Board held a Truth-in-Taxation hearing on August 4, 2009, to proposed a 3.8 percent tax increase to cover the mandated equalization expense. Keith Bradford, Canyons District CFO, noted the hearing was required because as a new legal entity, Canyon's property tax rate was officially 0 (zero). **Canyons under the law had to set a base tax rate. The proposed rate to raise the approximate \$4 million constituted a tax increase.** The proposed tax increase meant an additional \$46 per year for the owner of a \$311,000 home which was the median home price in

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<sup>226</sup> <https://www.deseret.com/2009/7/23/20330478/canyons-school-district-proposes-tax-increase>

<sup>227</sup> Ibid

<sup>228</sup> <https://www.ksl.com/article/7266084/canyons-school-district-looking-at-property-tax-hike>

Canyons School District at the time.

**When was the last time the Canyons District Board of Education raised taxes?**

It is important to note property taxes in Canyons School District did not increase until 2019.

"When Canyons was first established in 2009, the district held a Truth-in-Taxation hearing to establish a base rate. But this is first time in Canyons' 10-year history that the district has sought to recoup inflation through a tax increase". (Canyons School District statement: July 22, 2019)<sup>229</sup>

**Why were Canyons' property owners still paying Jordan School District debt? When did it finally come off their taxes?**

In 2003, voters in the then-Jordan School District approved a \$281 million bond to renovate buildings. However, in November 2007, communities in Cottonwood Heights, Draper, Midvale, Sandy and Alta voted to create a new school district, which eventually became Canyons District. Although no longer part of Jordan, Canyons' taxpayers still were required to pay 58% of Jordan's previous bond debt though the newly formed Canyons school district had only 41% of the total assets in the old Jordan School District. Also, only 3% of the total \$281 Million bond went to schools on the east side. Approximately 97% of the 2003 bond went to west side new school construction.

Over 13-year period Canyons' taxpayers ended up paying \$215.9 million toward this debt, money they never saw in east side aging schools that were seismically unsafe for students, with badly needed renovations and replacement to return to safety compliance. In 2020, the debt due was \$12.0 million due in 2020, \$10.6 million due in 2021, and \$9.8 million due in 2022. This year, the old Jordan debt will finally be retired from Canyon's financial books.

Again, it needs to be noted that only 3% of the total bond proceeds were spent on schools located in Canyons School District.

**Does the amount of taxes collected increase over time as property values rise?**

In Utah, property tax rates are automatically adjusted to compensate for swings in property values. This adjusted tax rate is called the certified tax rate. As property values rise, the certified tax rate falls so as to keep neutral the amount of revenue generated from year to year. This system, as designed by the state Legislature in 1985, allows local governments and school districts to draw the same amount of revenue as budgeted the previous year. However, the certified tax rate does not capture inflation. In order to recoup any inflationary losses that accrue from year to year, local governments, including school districts, must raise the certified rate through the Truth-in-Taxation process.

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<sup>229</sup> <https://www.canyonsdistrict.org/general-news/12309-truth-in-taxation/>

## Chapter 13 VINEYARD AND LINDON - PROSPECT OF STUDENTS WHO RESIDE IN ATTENDANCE ZONES NOT CURRENTLY TIED TO OREM MUNICIPAL BOUNDARIES, BEING ABLE TO ATTEND SCHOOLS IN OREM

Comments have been made at past Orem City Council public meetings by parents and patrons who currently live outside the municipal boundaries of Orem, within the communities of Vineyard and Lindon who currently have children who attend public schools within Orem. These comments include parental inquiries and requests for their children to continue to attend their same schools if the New District is created.

Additional questions have been made about inter-district open enrollment, especially as it concerns continued and future opportunities for family school choice. Questions have arisen as to how is it done and what might be the feasibility of students to attend schools in the New District who reside outside the municipal boundaries of Orem.

DEC has researched these questions, issues, parent and patron concerns. Discussion follows regarding the feasibility of permitting family choice for students to attend schools within the New District will be discussed.

### Demographics & Tax Revenue

Cities & Areas	Demographics										Tax Revenue									
	Voters	% of Total Voters	Population (2020 Projections)	K-6 Students	7-9 Students	10-12 Students	Total Students (2020 Oct 1 Count)	% of Total Students	% Students to Population	Basic Rate (MUSD)	Voted (MUSD)	Board (MUSD)	Debt Service (MUSD)	Capital (MUSD)	Total Property Tax (MUSD)	% of ASD Funds	Assessed Value per Student	FY21 State unrestricted revenue \$3,596 x # of students	% of ASD Funds	FY21 Local + State rev per student
Lindon	7,145	3.50%	11,753	931	686	569	2,186	2.71%	18.60%	\$2.79	\$2.74	\$1.17	\$3.95	\$0.91	\$11.55	5.75%	\$783,615	\$7,860,856	2.71%	\$8,881
Orem	48,703	23.86%	99,227	7,481	3,623	3,559	14,663	18.19%	14.78%	\$11.02	\$10.83	\$4.61	\$15.60	\$3.58	\$45.63	22.71%	\$461,434	\$52,728,148	18.19%	\$6,708
Vineyard	5,626	2.76%	2,065	962	325	241	1,528	1.90%	74.00%	\$1.10	\$1.08	\$0.46	\$1.56	\$0.36	\$4.56	2.27%	\$442,479	\$5,494,688	1.90%	\$6,580
<b>TOTAL SOUTH AREA</b>	<b>61,474</b>	<b>30.12%</b>	<b>113,045</b>	<b>9,374</b>	<b>4,634</b>	<b>4,369</b>	<b>18,377</b>	<b>22.80%</b>	<b>16.26%</b>	<b>\$14.90</b>	<b>\$14.65</b>	<b>\$6.24</b>	<b>\$21.10</b>	<b>\$4.84</b>	<b>\$61.74</b>	<b>30.72%</b>	<b>\$498,182</b>	<b>\$66,083,692</b>	<b>22.80%</b>	<b>\$6,956</b>

Demographics is statistical data relating to the population and in this case, the kindergarten through 12th grade (K-12) students within the population of the cities of Lindon, Orem and Vineyard. The main purpose of the graphing of tax revenue is to review the resources required to finance school district expenditures in a way that is administratively feasible, equitable and efficiently for the targeted students residing in the cities of Lindon, Orem, and Vineyard. This information allows estimates to be made and conclusions to be reached as accurately as possible.<sup>230</sup>

<sup>230</sup> This data is meant to be an overview in an attempt to answer questions presented through the Orem portal. No comprehensive feasibility has been performed by Lindon or by Vineyard. Further, these two cities have not been contacted by DEC. The residents of Lindon and Vineyard, if they so choose, may take steps under Utah law to separate from ASD. We have no opinion as to their desire to do so.

As of 2020, Lindon has approximately 2,186 K-12 students in Alpine School District (ASD) public schools. Vineyard has 1,528. DEC didn't have the opportunity to inquire of each students' family as whether or not they were currently attending ASD public schools in Orem or elsewhere. Requests for information from ASD indicated the vast majority of the Lindon and Vineyard student were attending Orem public schools. This being the case these numbers have been factored into the estimated the New District. This number is approximately 14,882.

The total amount of property tax revenue from residents living inside the municipal boundaries of the City of Orem is approximately 18% of the total revenue collected for the Alpine School District. Coupled with the percentage of property tax revenue from Lindon at 2.7%, and Vineyard at 1.9%, makes a total of **22.8% (23%) of the total revenue collected for the Alpine School District from these three communities**. ASD currently has approximately 84,000 students, and the Orem estimate listed above of 14,882 shows that **while these three communities (Orem, Lindon, Vineyard) provide 23% of the ASD revenues, they account for roughly 18% of the total student population in ASD**.

Comments have been made at past Orem City Council public meetings by parents and patrons who currently live outside the municipal boundaries of Orem, within the communities of Vineyard and Linden who currently have children who attend public schools within Orem, as well as those who live in Orem and attend Oak Canyon Jr. High located in Lindon.

DEC has researched these questions, issues, parent and patron concerns in the effort to report on the feasibility of permitting family choice for students to attend schools within the New District.

The current law (Utah Code Ann. § 53A-2-206.5 through § 53A-2-213 Utah Admin. Code r. R277-437) gives the direction that students may have up to six years to attend schools in Alpine School District or Orem, from the date that the newly created city school district in Orem becomes the Legal Education Authority (LEA) responsible for the public education of its students. This date will begin in the 2024-2025 school year. Vineyard and Linden students who currently attend schools in Orem will have until the 2030-2031 school year to choose which district schools to attend.

In order to continue an open enrollment for Vineyard and Lindon residents to have the option of sending their students to the newly created city school district in Orem, DEC offers the following approval processes.

**1. Inter-district Enrollment Permits & Orem City Council Resolution.** As soon as the Orem resident voters approve the New District, the Orem City Council can pass a Resolution directing the New District to accept all present and future Vineyard and Linden family permit requests for their students to attend public schools in Orem. This will give assurances to students and their

families of their decision, as well as assisting in financial and logistical planning that the New District will account for.

Guidelines for non-residential students to attend a school in the newly created city school district in Orem other than their home school in another school district have been established and need to comply with the standards of the "Enrollment Options Program" as outlined in Utah Code 53A-2-206.5 through 213. Students/parents requesting attendance at a school of their choice.

#### **Utah Open Enrollment Policies (October 2017)**

Open-enrollment policies in Utah allow a student to transfer to a public school of his or her choice. There are two basic types of open-enrollment policies:

- **Intra-district:** students transfer to another school within their resident school district.
- **Inter-district:** students transfer a school outside of their resident district.

School boards of receiving districts adopt policies governing acceptance and rejection of transfer applications and designate which schools and programs are available for open enrollment during the following school year. The New District can adopt a policy that its schools are open for enrollment of nonresident students if the school's enrollment level is at or below the open enrollment threshold, although school boards may allow nonresident students in schools operating above the threshold. Standards for accepting or rejecting may include:

- Lack of capacity in a grade level (for elementary schools) or another special program.
- Maintaining reduced class sizes.
- Maintaining a heterogeneous student population.
- Priority may be given to intra-district transfers over inter-district transfers.
- Siblings attending school in the receiving district.
- There are also transfer provisions related to safety issues.

(Citations: Utah Code Ann. § 53A-2-206.5 through § 53A-2-213 Utah Admin. Code r. R277-437)

**2. Entire Alpine School District voter approval.** The residents could petition for an election to be held to allow the cities of Lindon and Vineyard be included into the New District. However, such an election to allow Lindon and Vineyard to split from Alpine School District and join the New District, will require the existing voters residing in the Alpine School District, including Lindon and Vineyard, to vote their approval or disapproval.

## CHAPTER 14

### HOW FUNDING IS REIMBURSED FOR NON-OREM RESIDENT STUDENTS ATTENDING SCHOOLS IN OREM

**Question:** *How is funding reimbursed for non-Orem resident students attending schools in Orem?*

DEC appreciates the many questions that have been submitted by members of the community on SeamlessDocs "School Study Feedback Submission," and questions made verbally and in writing. Similar questions to the one above prompted DEC to investigate and find answers. This question was asked by the DEC Team of the following individuals:

- Samuel Urrie, Utah State Office of Education (USOE) Financial Director (on 5-25-22)
- Chris Lewis, Director of Accounting, Granite School District (on 5-26-22)

Both administrators, auditors, CPAs and Directors of Accounting gave DEC similar answers. Their responses have been summarized below.

The receiving school district that the student does not reside in will receive the student's full Weighted Pupil Funding (WPU) which comes from the State and is set by the Utah Legislature. The WPU funding is based upon the previous school year's October 1st student count. Of the local per student property tax funding that school districts receive – the receiving school district can expect one half (1/2). If a reimbursement agreement exists between the two school districts, A & B, the receiving school district may receive the full per student property tax from the student's resident district.

The WPU does follow the student, as it comes directly from the State, based upon the Oct 1st student count. But the per pupil property tax (local funding) does not follow the student. USOE School Board Rule, R277-437-3 "Open Enrollment" 2a & 2b states:

*The purpose of this rule is: (a) to establish necessary definitions; (b) to establish a **formula** for the residual per pupil expenditure for school districts to reimburse each other for full and part-time nonresident students.*

As regards for a school district to receive reimbursement funding for a non-resident student's education, this is addressed in the following sections of R277-437-3:

(6)(a) As required under Subsection 53G-6-405(2), a resident district shall pay to a nonresident district one-half of the resident district's per student expenditure for

each resident student properly registered in the nonresident district. (b) **A resident district may pay a nonresident district any additional amount if agreed upon by both districts.**

Currently Utah Code allows for students to attend the schools they are presently enrolled and allow them to continue to attend while progressing through the current schooling system for up to six years when a new school district is formed. Utah Code 53A-2-118.1 3(a)(IV)(A) states:

- (A) An individual residing within the boundaries of a new school district at the time the new school district is created may, for six school years after the creation of the new school district, elect to enroll in a secondary school located outside the boundaries of the new school district if:
- (I) the individual resides within the boundaries of that secondary school as of the day before the new school district is created; and
  - (II) the individual would have been eligible to enroll in that secondary school had the new school district not been created;

This Study also addressed the question of allowing students who reside in the communities of Vineyard and Lindon who wish to attend schools in a newly formed city school district in Orem. Again, **full WPU funding for each the student is assured.** Regarding the per pupil property tax funding, under the USOE School Board Rule R277-437-3 one-half of the per pupil tax funding is assured.

## RECOMMENDATION

It is recommended that during the dual district arbitration meetings, if the voters of Orem approve the creation of the New District, that an agreement be reached between ASD and the New District that FULL per pupil property tax funding is assured to the student's receiving school district from the student's residential school district.

This follows R277-437-3: *A resident district may pay a nonresident district any additional amount if agreed upon by both districts.* This is the FORMULA (mutual district per pupil property tax agreement), referenced in 2b above.

**This agreement would assure that all students wishing to continue to attend, and proceed to the next school(s) in their desired path to graduation (i.e. junior/middle school, high school) be permitted to happen without financial repercussions to the families or districts involved, and that full revenues follow each student in order to maximize that student's educational experience.**

## CHAPTER 15

### HIGH SCHOOLS IN OREM MEMBERSHIP & PARTICIPATION IN THE UTAH HIGH SCHOOL ATHLETIC ASSOCIATION (UHSAA)

DEC has received questions from parents, patrons and coaches about the status of Orem's three high schools (Orem High School, Timpanogos High School, Mountain View High School) and their membership and participation in the Utah High School Athletic Association (UHSAA). DEC reached out to UHSAA and was able to contact Mr. Steven Marsing, UHSAA Director of Swimming<sup>231</sup>, member of UHSAA Executive Committee, formerly Wasatch High School Athletic Director and swim coach. He replied to our enquiries on June 28, 2022. The following is a copy of DEC's email sent to Mr. Marsing and his verbal reply after consulting with UHSAA leadership. He replied there will be "No Change" for Orem's high schools UHSAA membership and activities participation.

Email from: Dr. Paul McCarty  
Date: June 28, 2022 9:53 a.m.  
To: Steven Marsing

Mr. Marsing,

Thank you for taking my call. As we discussed, our firm DEC Consulting Services, has been contracted by the City of Orem to conduct a Feasibility Study for the possible creation of a new city school district. We have received enquiries from coaches and parents regarding their students' participation in high school sport programs.

We have researched the creation of Canyons School District following its split from Jordan and found no disruption in UHSAA sectioned sports and fine arts activities and their UHSAA scheduling. We are hoping if a new city school district is created, there will be the same seamless continuation of UHSAA sanctioned sports and fine arts activities and schedules without any disruptions.

We understand that UHSAA is the leadership organization for high school athletic and fine arts activities in Utah. We also understand UHSAA sanctions various sports and the activities of music, speech/debate and theatre/drama in six different classifications. Here are our questions we're hoping you can help us to answer.

1. Our understanding is that if Orem were to have a new city school district, then their sports

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<sup>231</sup> [https://uhsaa.org/machform/data/form\\_43155/files/element\\_4\\_dbad47272587d55f52f75d853d4960fc-481-March%202022%20Region%205%20Meeting%20Agenda.pdf](https://uhsaa.org/machform/data/form_43155/files/element_4_dbad47272587d55f52f75d853d4960fc-481-March%202022%20Region%205%20Meeting%20Agenda.pdf)

programs and activities will work similar to how it is done currently in Alpine School District.

**What we don't know is the details of how that might work? Could you explain this**

2. Since UHSAA sanctions various sports and the activities of music, speech/debate and theatre/drama in six different classifications, **will the scheduled UHSAA sanctioned activities continue if a new city school district in Orem is created?**

3. We understand UHSAA has over 158 member schools. As you know we have three high schools in Orem who are currently members: Orem High School, Timpanogos High School, Mountain View High School. **If the new city school district in Orem is created, will their UHSAA high school membership continue?**

**6-28-22 at 10:43 am, Mr. Steven Marsing, Member of UHSAA Executive Committee, responded by phone after counseling with UHSAA leadership:**

In regards to Orem forming its own city school district and the new school district's participation in UHSAA sanctioned sports and fine arts activities and their UHSAA scheduling, Mr. Marsing said, "There is no obstruction whatsoever". "The only way there would be a (UHSAA) change if (the new city school district) was adding schools or adding sites". Orem High School, Timpanogos High School, and Mountain View High School "will stay in the same Region". "There is no change whatsoever". "It'll be as seamless as Canyons" when Canyons formed its own school district.

When asked if there was any written policy regarding membership and UHSAA sanctioned activities when a new school district is formed, the answer was there wasn't. Mr. Marsing said, "A new school district is being created. There is no adding of schools; no change in what the schools are offering; the high schools aren't changing. They (Orem High School, Timpanogos High School, and Mountain View High School) will continue in the same Region. No change."

## CHAPTER 16 FREQUENTLY ASKED QUESTIONS REGARDING THE NEW DISTRICT

**Summary of frequently asked question and inquiries gathered from Orem parents, patrons and taxpayers.**

*1. The primary focus of the feasibility study is the financial viability for the New District. Will the New District be financially viable?*

Yes. The Feasibility Study finds that the New District will be financially viable and financially sustainable.

*2. What conclusions can be drawn regarding maintaining educational quality, impacts on the creation of the New District on students and teachers?*

The Study addresses many important and needed impacts that should occur if the New District is formed, including but not limited to: increased student test scores; appropriate and competitive salary increases for teachers (especially for early career teachers); school facilities that will be rebuilt/retrofitted to ensure FEMA and other seismic, safety and efficiency measures are appropriately addressed, as well as establishing a strategy/plan to ensure that all facilities will be routinely inspected and maintained to the highest standards; reduced class sizes to better address student and teacher needs; higher graduation rates; and any other needs that may arise in the future as the Board and Orem residents agree upon.

*3. What will be the naturally occurring lag time for the New District to bring student learning, teacher instruction, related programs, administration, communications, and operations to full levels?*

Two years from the day voters approve the creation of the New District, is when the New District becomes the Local Educational Agency, or LEA, with full responsibility of Orem K-12 students learning. If voters approve the New District in November 2022, the New District can assume full responsibility as a school district for the 2024-2025 school year.

*4. What will be the property tax valuation per student for the New District?*

Using 2022 property tax figures, the estimated property tax valuation per student

within the New District would be \$479,611. The assessed valuation per student within the current ASD boundaries is \$441,984. The estimated assessed property tax value per student for the Remaining District after a split and excluding students from Orem would be \$433,326.

5. *Will the New District maintain a level of service and general fund expenditures?*

Yes. The New District will maintain the current level of services, student instruction and general fund expenditures.

6. *Will students elect to continue to attend a school outside the boundaries of the New District?*

That can only be answered by each student individually. The State of Utah has enacted laws that ensure that a student may attend the school(s) of their choice for six years following the establishment of the New District. In this specific case, Orem would not officially become its own school district until school year 2024-2025, so the six years following the split would ensure that students can attend desired school(s) through the end of school year 2030-2031.

DEC recommends that agreements be made between the existing school district and the New District to ensure that open enrollment options be made available to the students in affected areas, and that the financial funds follow each student in order to maximize the educational options available for each student. DEC recommends that student and their families commit to attend/follow a charted course of schools so that the school districts may be able to appropriately plan for future enrollments and financial planning to accommodate the flow of students throughout the elementary to graduation progression.

7. *Will the New District be able to provide student special needs, special education, such as sheltered work training and instruction for special education students, as well as a district Technology Center?*

Yes. The New District will provide the same level of student services that the student received in ASD. The student's Individualized Education Plan (IEP) between the parents and the school district is the contract for such services.

Special needs

These sorts of facilities are vital to assisting youths progress towards a successful and joyful future, learning skills for self-confidence, self-discovery and ultimately self-support. As needs are addressed within the New District, DEC recommends that

other districts be involved in shared services agreements and best practice-methods to appropriately and compassionately care for the needs of each individual. DEC recommends an inter-district committee be formed with these aims in mind. There can and should be crucial and caring relationships formed between the special needs individuals and teachers, as well as with other students that should not be confined within the boundaries of a district/community.

#### Technology Center

We live in an age of ever-increasing technology, bandwidth, devices/computers, media specialists and platforms. Cutting-edge computers five years ago, could now be considered obsolete, and monies needed in the quest for up-to-date equipment are seldom sufficient. The idea that each district must have its own Technology Center is errant and could become a continual drain of monies, equipment, and competition between districts. Shared service agreements and shared facilities ensure that monies are wisely (and collectively) spent, that the software/equipment/human specialists are appropriate in their function and availability to all. DEC discourages an environment of "haves" and "have nots" when it comes to school-funded equipment, software, printer, software, and media availability, especially considering that so many Title 1 schools and families reside in Orem vs the rest of ASD – currently Orem has 7 of the 9 Title 1 schools in ASD. Schools, and districts by extension, should provide an equal opportunity for every student, regardless of economic status. Shared services agreements and shared facilities could accommodate all students while also meeting collective goals of financial budgeting and fiscal responsibility.

*8. I am worried about the decay and aging of schools in Orem. How safe are Orem school buildings for children?*

In 2006, ASD commissioned a Seismic/FEMA Study relating to hazards within schools located with ASD. In 2006, 16 years ago, 10 schools located in Orem were identified as having seismic concerns. ... A 2022 FEMA Study found that 12 schools located within Orem have seismic concerns, with 3 Orem schools in a high-risk category (with identified unreinforced masonry), and 11 schools with RVS Scores of 2 or Less. ASD has not resolved pressing FEMA issues in Orem. The 12 Orem schools with seismic problems comprise approximately 35% of the identified total potentially unsafe seismic schools in ASD's portfolio.

*9. Are test scores for Orem students are declining?*

Yes. This Study found declining Orem student test scores and student academic achievement. In the last five years, district and state testing data has revealed

declining student academic achievement, particularly in ASD schools located in the City of Orem. In our research, we discovered significant disparities in student test score data provided by ASD compared to the Utah State Board of Education official test score results. The large majority of schools located in the City of Orem have experienced a continual decline in student test scores for the past five years, well before the COVID epidemic. State testing during the 2019-2020 did not occur. As of June 15, 2022, the State Board of Education has still not posted the RISE/ASPIRE test results for 2022 (testing occurred in April/May 2022).

*10. Why are student test scores important?*

Student test scores are important because they measure whether or not a school district is giving its students a rigorous education with high expectations. A school district should do all it can to give each student the best learning and instruction environments possible. Student test scores can be a measurement of the success of a school district's commitment to its students and teachers. For the students, this commitment allows students to aim high without settling for less than they are capable of achieving. Test scores provide a means for comparison and an opportunity to show growth, as well as indications of where more attention should be placed by educators.

*11. What are the start-up costs for the newly created school district for Orem City and what will be the source of start-up revenues?*

According to Utah Code 53G-3-302, initial start-up costs can be provided by the City of Orem for the New District. The New District may, up to a maximum of \$500,000, reimburse the City of Orem once the school district becomes a Local Education Agency (LEA), responsible for revenues and expenses in running the New District. Additionally, by January 1, 2024 (approximately a year after the November 2022 election to approve the creation of the New District by Orem voters) Alpine School District shall make available up to \$9,000,000 for start-up funds for the New District.

*12. Will there be a need for a property tax increase for the building of schools, if new school construction is necessary?*

Not necessarily. Lease revenue bonds do not require voter approval. If a school district chose to use lease revenue bonds for new construction, they would be most appropriate for smaller, short-term construction projects such as elementary schools.

Given the urgent need to address the 12 seismically challenged schools identified

in Orem, a plan to evaluate the facilities, receive cost estimates for retrofitting, renovations and/or replacement, and then educating the public of the findings must take place. How Orem decides to move forward with that information, will be up to the school board, administrators, and Orem citizens.

*13. Will the new municipal school district in Orem City receive a share of the Utah County property taxes allocated for education?*

The New District will receive its share all the property tax revenues allocated for education. In 2021, Orem taxpayers contributed \$56,115,287 to ASD. From 2002-2021, Orem taxpayers contributed \$764,537,222 to ASD, while receiving \$163,024,872 back in bond allocations (capital improvements), which amounted to a net loss of \$601,512,350 which ASD diverted to schools in other cities.

*14. Will the new municipal school district in Orem be able to acquire the current school facilities located within the municipal boundaries of Orem City?*

Yes. A complete and thorough valuation of each facility in Orem will take place, any facilities under leasehold, and lands owned by ASD within Orem municipal boundaries (i.e. Geneva Elementary school was demolished in fall 2021 which currently sits vacant). A team of professional appraisers with specialization in school facilities will assist in the valuation of these properties, as well as engineering professionals that will identify defects and deferred maintenance that currently exist at each facility. It is especially important to note that given the declined state of some schools in Orem, as well as the seismic information recently identified in the 2022 FEMA inventory list of problem schools (of which 12 currently exist in Orem), the valuations will factor in these deficiencies, resulting in appropriately-reflected [sale] prices.

*15. Who will appoint the principals and other administrators of the Newly District?*

Upon the recommendation of the superintendent of the New District, the Board Members of the newly created school district approve and appoint the local school principals and other district administrators. The Board Members will also authorize the new district hire. It is the duty of Orem residents to elect qualified, experienced, and knowledgeable Board Members to represent their communities on the School Board. These Board Members will have specific duties, one of which is to assist in the search, selection, and hiring of highly qualified individuals.

*16. Could the current teachers, principals, other school district employees within the newly created school district in Orem be retained?*

Yes. There are provisions in Utah State law that require the retention of each teacher, administrator and staff currently working in Orem schools for at least one school year. After the first year (2024-2025) school year, each contract is then struck annually, the same as is currently happening within ASD.

*17. Will it be necessary to pay teachers, administrators, and other personnel at the same level or approximately the same level as they are receiving now?*

Yes. There are provisions in Utah State law that require teacher, administrator, and staff salaries to remain at the same salary/benefits level for the first school year (2024-2025) that are currently in place within ASD. DEC recommends that teacher salaries be increased. During the first year, the Orem School District will be able to take this into effect with new hires. Orem School District should take competitive compensation into consideration for existing teachers during contractual negotiations for subsequent years, once the initial first year obligation has been met.

*18. Are transportation and facility improvements included in the feasibility study?*

The Study did not go into depth as far as transportation and capital improvement costs are concerned. DEC believes that local representation, local need and assessment, and local decision-making should drive the dialog for these issues.

#### Transportation

DEC recommends that Orem School District explore all options concerning transportation costs (drivers, buses, garage, maintenance, inspections, etc.) be delivered through shared service agreements with other districts, at least for the first several years that Orem navigates expenditures and needs as a new district. As the District becomes more aware of routine costs, enrollment figures, special need's locations, etc., then the District Administrators and Board Members, with city-wide input and information gathered and shared, make informed decisions regarding transportation as needs change/evolve.

#### Improvements

With Orem's excellent AAA bond rating, qualifying for and receiving good interest rates for needed improvements should not be difficult. Improvements should be considered upon urgency and need as follows, with input from industry professionals, residents and School Board Members:

#### Seismically Unsafe Schools

The FEMA 2022 study has identified at least 12 schools in Orem that need immediate seismic evaluation and remedy. These are urgent in nature, as they are in close proximity to the Provo Section of the Wasatch Fault line. Experts give a 57% probability (over 1 in 2 chance) of an earthquake with a magnitude 6.0 or greater to occur within the next 50 years.<sup>232</sup> The 2006 Seismic Vulnerability Assessment provided by Reaveley Engineers & Associates to ASD stated:

"Recently there has been an increased awareness of the possibility of a severe earthquake occurring in Utah ... Concerned individuals agree that the circumstances warrant investigation as to how structures not designed to current code standards will respond during an earthquake ... the Wasatch Fault is considered to be active ... [and] seismologists estimate that activity on the fault could produce an earthquake with magnitude of 7.3 (Richter Scale) or greater. An earthquake of this magnitude could produce relatively high ground shaking at the various sites." They continue, "Schools are occupied by one of society's most precious resources, its children. Therefore, the need for properly protecting the occupants is very great. The occupancy density also is one of the highest of any building type and, after an earthquake, the children are very likely to be frightened, which can make emergency egress difficult at best and virtually impossible in a badly damaged structure ... After an earthquake, community damage will result in an influx of people in need of shelter and, if the school building is not functional, it becomes another disaster-related liability rather than an asset."<sup>233</sup>

#### Aging Schools

Orem has many aging, inefficient schools. The real estate portfolio will need to be assessed for inefficiencies, capacity ratios, additions, renovations, rebuilds, required maintenance, etc. DEC suggests that an industry-specific and experienced real estate portfolio manager (or team) be hired to oversee scheduled maintenance, manage contractual work and fees at each location, submit financial statements/reports, perform routine safety and code inspections, and submit an annual facility portfolio assessment. This assessment should include a 1-year, 3-year, 5-year and 10-year strategic plan for each facility, so that funding be acquired and utilized to maximize building efficiency and function. The portfolio manager should work in conjunction with the Board members and city fire, police and other individuals to assure that fire/safety drills and protocols, evacuation routes, and other matters concerning public safety are met.

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<sup>232</sup> <https://quake.utah.edu/publications/reports/earthquake-database-for-utah-geological-survey-map-277-utah-earthquakes-1850-2016-and-quadernary-faults-utah-geological-survey-open-file-report-667>, The Utah Earthquake Program (consists of the UGS, UUSS, and UDEM), see also [quake.utah.edu](https://quake.utah.edu)

<sup>233</sup> 2006 Seismic Vulnerability Assessment, Reaveley Engineers & Associates, pages 1-3

19. *Will the Orem City Council or Orem City Mayor have any control or supervisory authority over the operation of a municipal school district?*

The elected Orem City School Board Members will have full responsibility for the supervision of the New District. The Orem City Council and/or the Orem City Mayor do not have any control or supervisory authority over the operation of the New District.

20. *Can the newly created Orem City School District receive accreditation for its schools?*

All ASD schools in Orem are accredited by the Utah State Board of Education. This accreditation will be kept current under the New District. The same applies for all high school athletics and fine arts programs, under direction of the UHSSA (see question 23 below)

21. *Will persons who are employed by the newly created Orem School District continue their retirement through the Utah Retirement System (URS)?*

Yes.<sup>234</sup>

22. *Will medical insurance plans for employees in the new Orem City School District continue?*

Yes. The same ASD medical insurance plans or improved plans, negotiated with the new Orem Education Association, representing the teachers employed in the New District and all other representative organizations for all the new school district employees will have seamless coverage.

23. *Utah High School Activities Association (UHSSA) is the leadership organization for fine arts and athletics in Utah. Will Orem City School District schools and students continue to compete through the UHSAA?*

Yes. See Chapter 16 "High Schools in Orem Membership & Participation in UHSSA"

24. *Who will employ the Orem City School District's superintendent?*

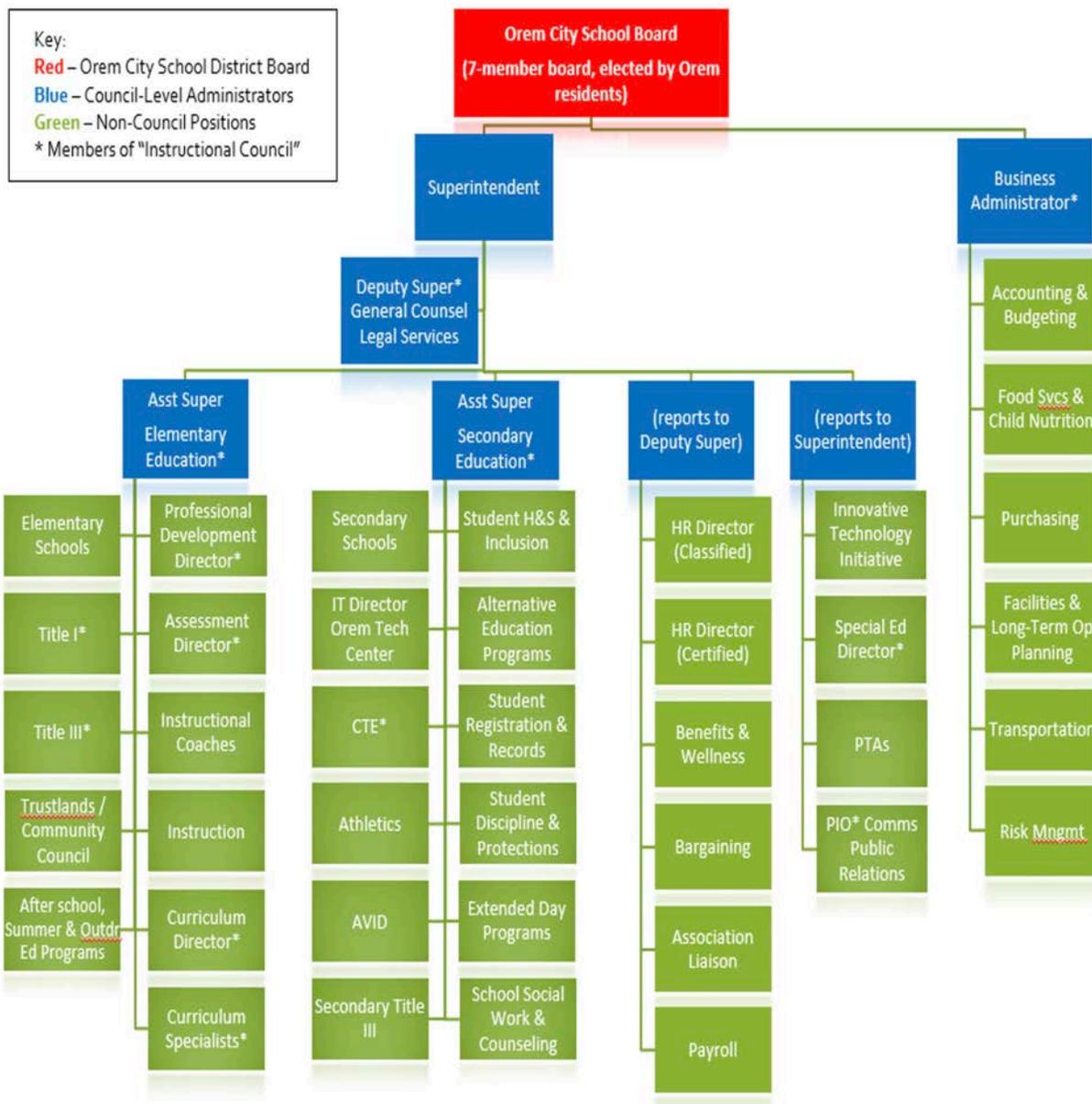
A superintendent will be employed by the Orem City School District after the November 2022 elections favor the creation of the New District. Utah Code states a superintendent may have only a two-year contract, then subject to approval by the school board for rehire. Two years is the mandatory waiting or interim period until the

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<sup>234</sup> <https://www.urs.org/general/AboutURS>

New District becomes the Local Education Authority with full responsibility for the students and operations from ASD. This will allow a newly elected Orem City School District School Board to hire a new superintendent or extend the contract of the current superintendent for two more years.

## Chapter 17 Proposed Orem City School District Office Organizational Structure



Acknowledgment: New District Organization Chart Template Courtesy of Provo City School District

### Explanation of Department Abbreviated Titles

AVID = Provides scaffolded support (start small & deepen in instruction) to students for college

and career readiness and success.

**CTE** = Career & Technology Education. Teaching specific career skills to students in junior school & high school

**IT** = Information Technology

**Orem Tech Center** = A school district-wide secondary student technology & learning center. Integrates rigorous classroom instruction with relevant, work-based experiences that inspire, empower and prepare Orem City students for college, career and life success. It can become a magnetic secondary school.

**PIO** = Public Information Officer

**Title 1** = Federal funding to schools for children from low-income families to meet state academic standards.

**Title III** = Federal funding for English Language Learners (ELLs) to attain English language proficiency and meet state academic standards.

**Title 9 (IX)** = Prohibits discrimination by sexual orientation and/or gender identity in any education program or activity receiving federal financial assistance.

## APPENDIX A

August 2006. ASD received the Seismic Vulnerability Assessment from Reaveley Engineers & Associates. The portfolio assessment was conducted on all facilities owned by Alpine School District. The assessment identified 39 facilities as "poor" and 18 facilities as "very poor."

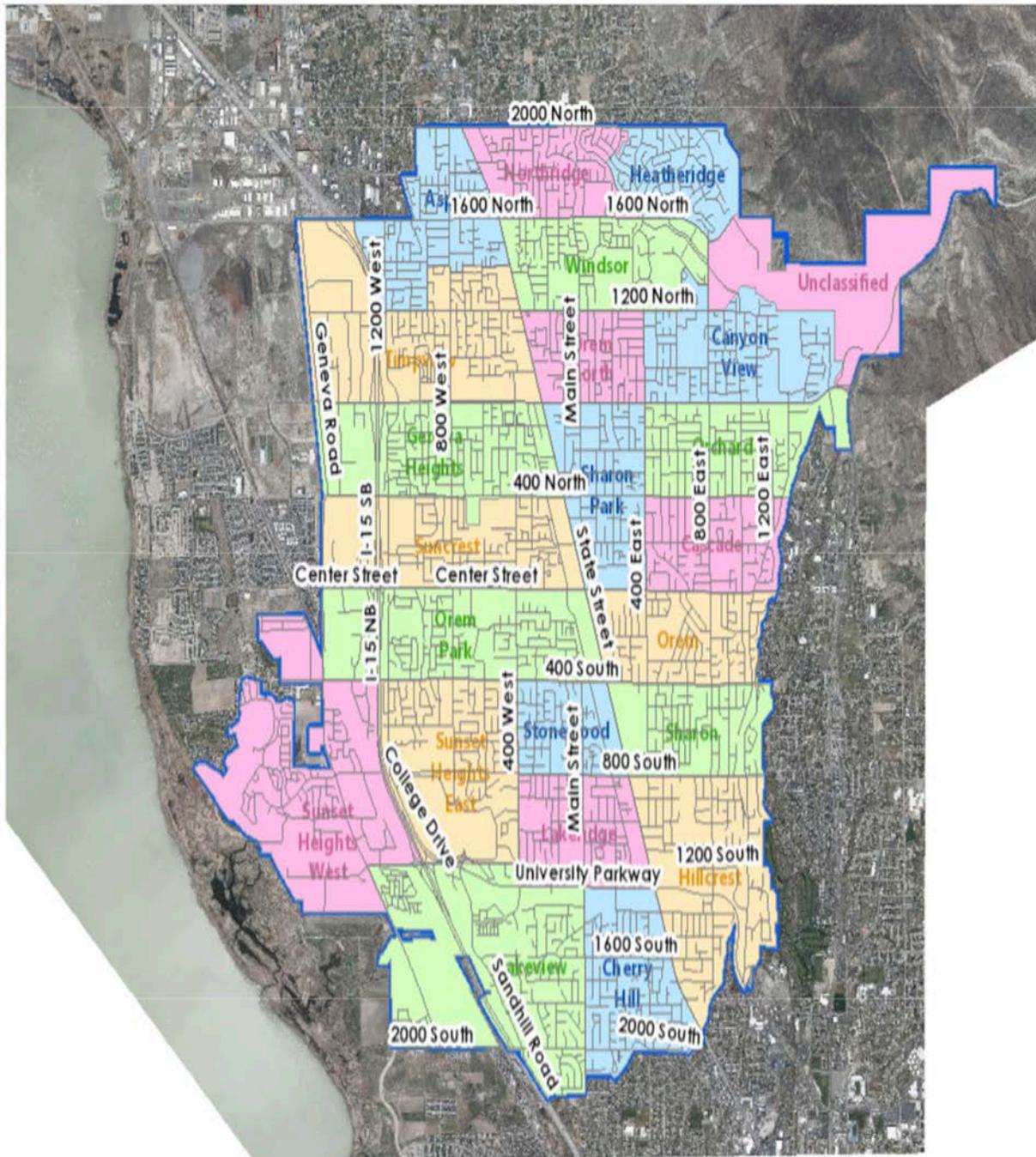
Ten (10) schools in Orem were identified with seismic problems (Cascade, Cherry Hill, Geneva, Hillcrest, Scera Park, Sharon, Westmore, Windsor, Orem Jr. High, and Orem High). 5 schools were brought into seismic compliance (Cascade, Cherry Hill, Scera Park aka Centennial, Westmore, and Orem High), while 2 were demolished and not replaced (Geneva and Hillcrest).

In February 2022, a new seismic study provided by Applied Technology Council in conjunction with the Federal Emergency Management Agency (FEMA) and the Utah Division of Emergency Management (UDEM). The study identified four (4) Orem schools that are still un-remediated from the 2006 Assessment (Sharon, Windsor, Orem Jr. High, and Geneva Elementary with a status "pending review"). Eight (8) additional schools are identified with RSV (rapid visual screening) Scores of 2 or Less (Bonneville, Canyon View Jr. High, Lakeridge Jr. High, Mountain View High, Orchard, Orem Elementary, Suncrest aka Parkside, and Timpanogos High). Oak Canyon Jr. High has also been identified with seismic problems (RVS Score of 2 or Less), and many children from Orem attend this school.

Polaris School was moved from its location near UVU to American Fork in 2019. The facility was sold in February 2022 to UVU.

The public can access these seismic reports at the Orem Portal ([orem.org/transparency](http://orem.org/transparency)).

## APPENDIX B BOUNDARY MAP OF PROPOSED NEW DISTRICT FOR THE CITY OF OREM



## APPENDIX C

### HOW UTAH PUBLIC SCHOOL EDUCATION IS FUNDED

This section explains the Utah public school education formula for funding. It begins with an overview of school funding and spending. Then, DEC provides an overview of the state's formula funding. Formula funding is broken down and the basic calculations that determine how much funding a school district will receive from the state are explained.

Schools in Utah require resources to operate and meet their objectives. The way in which schools get their funding varies, but there are a few basic funding principles that are relatively uniform in the State of Utah. It is helpful to understand the basics of funding Utah public schools to discover where resources are generated and expended to educate students in Utah.

#### Where does the Money Come From?

Utah public school funding comes from a variety of sources at the local, state and federal level. In Utah approximately 52% of a school district's budget comes from state resources, including income taxes, sales tax, and fees. Another 38% is contributed locally, primarily through the property taxes of homeowners in the area. The last 10% of the public education budget comes from federal sources, with an emphasis on grants for specific programs and services for students that need them.<sup>235</sup>

School Districts, like other public governmental entities, are required to use fund accounting methods promulgated by the Governmental Accounting Standards Board (GASB). "The diverse nature of governmental operations and the necessity of assuring legal compliance preclude recording and summarizing all governmental financial transactions and balances in a single accounting entity."<sup>236</sup> School Districts typically have a general fund for primary operations, a capital fund for building infrastructure, a debt service fund to report the source and use of bonds and other loans, and then non-major funds for nutrition, pensions, etc. While cash is generally fungible, cash within a specific fund may be restricted to items allowed by that fund.

Additionally, public entities must go through both a budget and a financial statement reporting process. The budget authorization process is necessary to secure the necessary funding to carry out its mission. The budget process requires estimating both district revenues and expenses and then, after determining the state and federal funding to be received, the remaining funds needed to balance the budget are appropriated through the property tax process. At the end of each

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<sup>235</sup> "Total School District & Charter School Revenues by Governmental Source FY 2012". <https://le.utah.gov/lrgc/briefings/howutahpublicschoolsarefunded.pdf>

<sup>236</sup> GASBS 1300.101.

reporting year, financial statements must be prepared to report the financial position of the entity.

**Local Government Basics**

**Role of Local Governments.** Cities, counties, and special districts share the responsibility of providing municipal services – such as police, fire protection, sewer, water, parks, and libraries – to Utah residents. Counties, in addition to providing some municipal services, also provide countywide services, such as health and social services programs.

**Main Revenue Sources.** Local governments rely on four main revenue sources to provide services: federal and state grants, property taxes, user charges and fees (i.e., impact fees), and other taxes and revenues.

**Utah School Funding.**

Utah Local Education Agency (LEA), or School Districts, generate their funds from three primary sources: State, Local, and Federal funds (listed in order of amount or importance). The State of Utah provides more than half the revenue for most public schools. Local funding is primarily obtained through property taxes, but fees (i.e., cell tower revenue, pre-school programs, etc.) are an additional local source. Federal funds are obtained through various programs designed to promote equity among schools. The final source of funds is through bonds which are generally used to fund larger capital projects. Figure 1 is an excerpt from ASD's FY2022 Budget Book and describes the revenue sources.

**Figure 1**

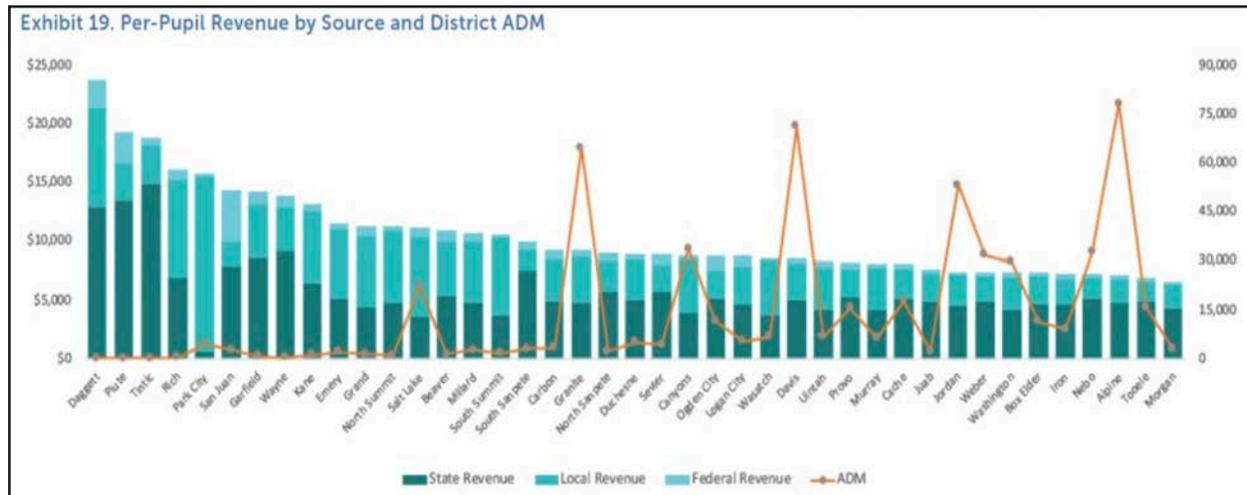


Figure 1, WestEd - Utah School Funding

Figure 2

**REVENUES**

**Property taxes** – Property taxes are levied to provide for the operating funds of the District. On June 8 of each year, the Utah State Tax Commission provides the District with a Certified Tax Rate. After receiving the Certified Tax Rate, the District’s property tax rates can be determined. The Basic Program Tax Rate and the Charter School Local Levy Rate is set by the Legislature; all other rates are set by the Board of Education with a rate ceiling set by state law.

**Registered vehicles** – Prior to 1992, motor vehicles were assessed a tax based on the individual entity tax rate where the vehicle was registered. Beginning in January 1992, all motor vehicles in Utah were assessed at a rate of 1.7% of market value. The revenues collected in each county from the uniform rate was distributed by the county to each taxing entity in the same proportion in which revenue collected from other property tax is distributed. For fiscal year 1998, vehicles were assessed at 1.5% market value. Beginning 1999 vehicles are now charged a fee based not on market value but on the age of the vehicle.



**Interest on investments** – The District earns interest on funds invested until they are needed to cover expenditures. The District invests funds in accordance with the Utah Money Management Act and District policy. The interest earnings are credited to each fund on the cash balance of the fund during the fiscal year.

**Local sources** – The District collects local revenues from cell towers, and other sources. In addition, revenue is collected from District preschool programs, partnership donations, etc.

**State sources** – The state provides about 64.02% of the total General Fund revenue. Most of the state revenues are allocated based on student enrollment. The Nutrition Fund receives a reimbursement from the state for each student lunch served. This funding is provided from a mandatory markup of state liquor sales.

**Federal sources** – The Federal Government provides funding, both direct and through the Utah State Board of Education for specific programs. The major areas of support include Special Education, Nutrition, CTE, and Title I.

Figure 2, ASD Revenue Description from FY2022 Budget, Page 52

### State Funding Sources

Utah school funding is largely accomplished through the Minimum School Program (MSP). This is the largest and most expensive program in Utah's Budget. The MSP is comprised of three parts or programs: Basic School Program, Related to Basic School Program, and the Board and Local Voted Levy Program. The Basic School Program is generally referred to as the Weighted Pupil Unit (WPU) and is the primary source for general education and its funds are unrestricted. The Related to Basic School Program is largely restricted funds that must be used for specific purposes. The Board and Local Levy Program provide matching funds to School Districts to encourage local jurisdictions to increase funding of schools.

Figure 3

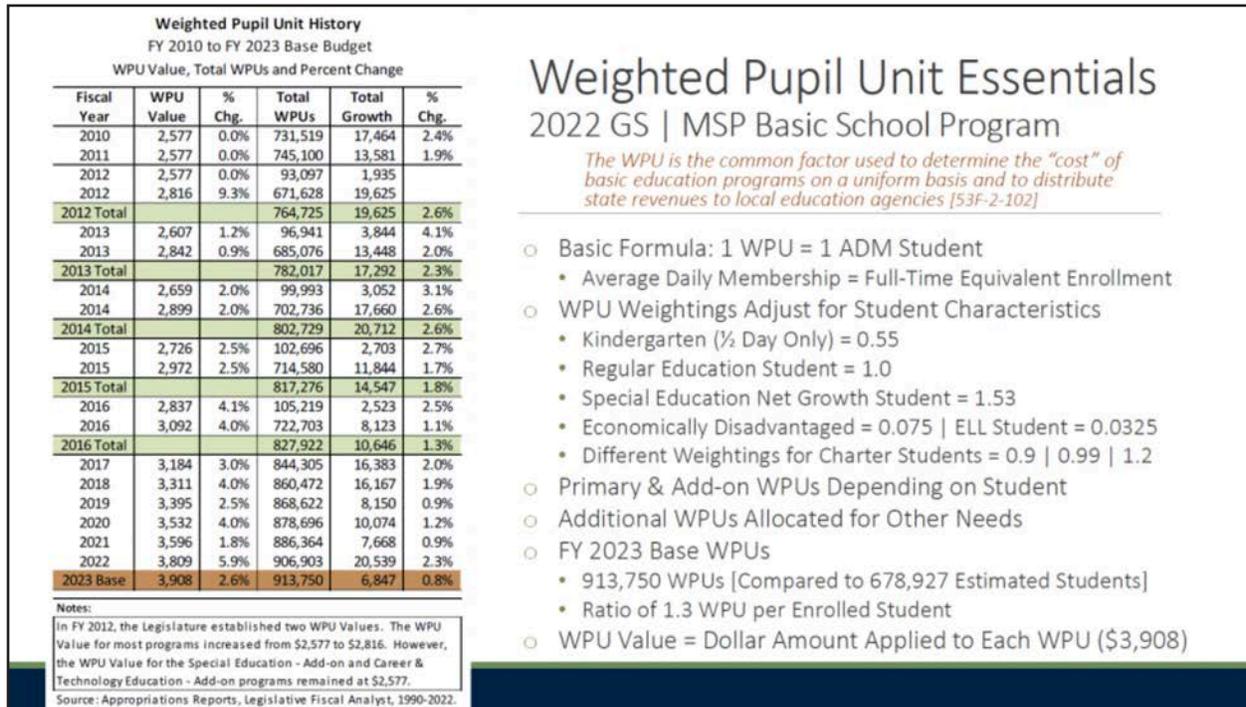


Figure 3, WPU Summary

### The weighted pupil unit (WPU)

The weighted pupil unit (WPU), is the basis for much of the formula portion of the Minimum School Program, and is intended to ensure that every student receives a minimum level of state support.

Figure 2 indicates that the WPU was \$3,809 per student for the 2021-2022 school year and \$4,038 per student for the 2022-2023 school year (the FY 2023 WPU was originally \$3,903 as shown in Figure 2 but was increased during the recently concluded Utah State Legislature in April 2022<sup>237</sup> legislative session).

### Career and Technology Education (CTE) - Add on Advanced Technology Education (ATE)<sup>238</sup>

To compensate for the higher cost of state approved Career & Technology Education (CTE) courses provided either directly by districts or through external providers on contract to districts.

Examples: Supplies, texts, and personnel.

Formula: Distributed across four areas -- unspecified, Summer Agriculture, Comp Guidance, Work Based Learning.

<sup>237</sup> Gov. Cox signs historic funding for education | Governor Spencer J. Cox (utah.gov), Cox signs bills to expand all-day kindergarten, provide period products in schools | KSL.com

<sup>238</sup> Advanced Technology Education (ATE) emphasizes the education of technicians for the high technology fields that drive US economy. <https://www.nsf.gov/pubs/2021/nsf21598/nsf21598.htm>

### **CTE Introduction, Career & Technical Student Organization (CTSO), and Competency**

Proportional to prior year CTE ADM plus growth. Growth is added only if CTE ADM has grown in each of the two prior years up to a maximum of 10%; if CTE ADM declines, the district is held harmless (growth is set equal to 0%). Law: 53A-17a-113; R277-911, 914. Contact: Thalea Longhurst. (Updated, July 2011)

### **Professional Staff**

To support LEAs in recruiting and retaining highly educated and experienced educators for instructional, administrative and other types of professional employment in public schools.

Example: Signing bonus, retention bonus, advertising.

Formula: Per WPU, which is calculated thus: [1] Multiply the number of FTE licensed staff in each applicable experience category by the applicable weight, which is given in statute. [2] Divide the product from #1 by the number of licensed staff included in #1 and reduce the quotient by 1.00. [3] Multiply the result from #2 by one-fourth of total WPU's generated by Kindergarten, Grades 1-12, and Necessarily Existent Small School programs. Law: 53A-17a-107; R277-486. Contact: Kirin McInnis (Updated, May 2012)

Value of WPU: \$3,809		Utah State Supported Minimum School Program District Summary		
Voted Local Levy: 0.001600		FY 2022 Legislative Estimates		
Board Local Levy: 0.000738		Recipient: Alpine 1		
Adjusted Assessed Valuation: \$ 35,156,554,971				
Collection Rate: 93.45%				
Basic Program Tax Rate: 0.001663				
Local Revenue Produced: 54,635,870		Local & State	Less Local	State
Local Revenue Required: 54,635,870		Amount	Amount	Support
Recapture: 0		Generated		Amount
Charter School Levy Local Revenue: 2,422,021				
I: BASIC SCHOOL PROGRAMS:				
A: REGULAR BASIC SCHOOL PROGRAMS				
1. Grades K-12	77,561,257	295,430,826.20	54,635,870.00	240,794,956.20
2. Nec. Existent Small Rural Schools	.000	0.00	0.00	0.00
3. Professional Staff	6,492,032	24,728,151.01	0.00	24,728,151.01
4. Administrative Costs	.000	0.00	0.00	0.00
5. Foreign Exchange Students	1.000	3,809.00	0.00	3,809.00
B. RESTRICTED BASIC SCHOOL PROGRAM				
1. Special Education -- Add-On	8,996.960	34,269,422.03	0.00	34,269,422.03
2. Special Education -- Self-Contained	1,568.850	5,975,749.65	0.00	5,975,749.65
3. Special Education -- Pre-School	1,711.481	6,519,031.06	0.00	6,519,031.06
4. Extended Yr. Pgm. -- Severely Disabled	40.904	155,804.79	0.00	155,804.79
5. Special Education -- Impact Aid	205.113	781,277.09	0.00	781,277.09
6. Special Education -- Intensive Services	.000	0.00	0.00	0.00
7. Special Ed -- Extended Year for Special Educators	.000	0.00	0.00	0.00
8. Career and Technical Ed. -- Add-On	3,446.776	13,128,768.44	0.00	13,128,768.44
9. Students At-Risk -- Add-On	1,022.300	3,893,940.70	0.00	3,893,940.70
10. Class Size Reduction -- K - 8th Grade	5,078.613	19,344,437.90	0.00	19,344,437.90
<b>TOTAL BASIC SCHOOL PROGRAM (A and B)</b>	<b>106,125.286</b>	<b>404,231,217.87</b>	<b>54,635,870.00</b>	<b>349,595,347.87</b>
C. RELATED TO BASIC PROGRAM, ETC.				
1. Pupil Transportation		13,013,501.24	0.00	13,013,501.24
2. Rural School District Transportation Grants		0.00	0.00	0.00
3. Rural School District Transportation Reimbursement		0.00	0.00	0.00
4. Flexible Allocation WPU Distribution		0.00	0.00	0.00
5. Enhancement for At-Risk Students		0.00	0.00	0.00
6. Gang Prevention		0.00	0.00	0.00
7. Youth in Custody		0.00	0.00	0.00
8. Adult Education		467,055.00	0.00	467,055.00
9. Adult Education Supplemental		0.00	0.00	0.00
10. Adult Education - Corrections Institutions		0.00	0.00	0.00
11. Enhancement for Accelerated Students		735,272.88	0.00	735,272.88
12. Concurrent Enrollment		762,144.25	0.00	762,144.25
13. Paraeducator Funding		0.00	0.00	0.00
14. Early Literacy Program		4,898,450.32	3,548,216.49	1,350,233.83
15. Early Intervention		1,815,904.24	0.00	1,815,904.24
16. Special Education Intensive Services		0.00	0.00	0.00
17. English Language Learner Software Grants		0.00	0.00	0.00
18. Educator Salary Adjustments		20,598,607.86	0.00	20,598,607.86
19. Teacher Salary Supplement Program		0.00	0.00	0.00
20. National Board-Certified Teacher Program		0.00	0.00	0.00
21. Teacher Supplies and Materials		594,829.37	0.00	594,829.37
22. Effective Teachers in High Poverty Schools Incentive Program		0.00	0.00	0.00
23. Grants for Educators in High Need Schools		0.00	0.00	0.00
24. Elementary School Counselor Program		0.00	0.00	0.00
25. Grants for Professional Learning		0.00	0.00	0.00
26. Grow Your Own Teacher and Counselor Program		0.00	0.00	0.00
27. School LAND Trust		10,342,207.00	0.00	10,342,207.00
28. Teacher & Students Success Act Program		15,447,924.57	0.00	15,447,924.57
29. Student Health & Counseling Support Program		0.00	0.00	0.00
30. Library Books and Electronic Resources		86,985.08	0.00	86,985.08
31. School Nurses		140,775.50	0.00	140,775.50
32. Dual Immersion		0.00	0.00	0.00
33. MOST		0.00	0.00	0.00
34. Beverley Taylor Sorenson Elementary Arts		0.00	0.00	0.00
35. Digital Teaching and Learning		0.00	0.00	0.00
II: LEEWAY PROGRAMS				
1. Voted Local Levy Program, Min. Basic Growth, and Local Levy Growth		88,142,631.93	57,571,954.56	30,570,677.37
2. Board Local Levy Program, Min. Basic Growth, and Local Levy Growth		22,035,624.27	14,757,678.24	7,277,946.03
<b>TOTAL:</b>		<b>583,313,131.38</b>	<b>130,513,719.29</b>	<b>452,799,412.09</b>
III: OTHER STATE PROGRAMS		Total		
A. Capital Outlay				
1. Capital Outlay Foundation				133,127.99
2. Foundation Guarantee Min. Basic Growth				158,348.70
3. Enrollment Growth				165,808.89
4. Enrollment Growth Min. Basic Growth				329,194.87
<b>TOTAL:</b>				<b>786,480.45</b>
<b>TOTAL STATE SUPPORT FUNDING</b>		<b>453,585,892.54</b>		

ADA Compliant 4-21-2021

Figure 7, FY 2022 Alpine State Source Funding

**Special Education - Add On**

To provide educational services for students with disabilities as required by federal law.

Examples: Special Ed personnel, texts, supplies.

Formula: Per WPU, which is the greater of the average of Special Education (Self Contained and Resource) ADM over the Previous 5 years (which establishes the "foundation" below which the current year WPU can never fall) or prior year Special Education ADM plus weighted growth in Special Education ADM. Weighted growth is determined by multiplying Special Education ADM from two years prior by the percentage difference between Special Education ADM two years prior and Special Education ADM for the year prior to that, subject to two constraints: the Special Education ADM values used in calculating the difference cannot exceed the "prevalence" limit of 12.18% of total district ADM for their respective years; and if this measure of growth in Special Education exceeds current year growth in Fall Enrollment, growth in Special Education is set equal to growth in Fall Enrollment. Finally, growth is multiplied by a factor of 1.53. This 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. Note: This formula is new for FY 2004 and will be phased in through FY 2006 by applying a special hold harmless provision to districts whose foundation level is adjusted downward by it. Law: 53A-15-301, 302, 303, 303.5, 304, 305, 53A-17a-111; R277-750. Contact: Jennifer Howell. Data: Membership audit report (September 15; Fall Enrollment audit report (November 1). (Updated May 2012)

**Related to Basic School Program**

The Related to Basic School Program is a little more complex because the number of available programs is much larger. Figure 8 provides a summary of the Related to Basic School Program.

**Figure 8**



Figure 8, Related to Basic School Program

Figure 7, Part C, related to the Basic Program, are not WPU formula based, but are dependent on other formulaic calculations. Below are a few examples of Related to the Basic Program items:

### **Transportation – Levy**

A local school board may use revenue from the Special Transportation levy to pay for transporting students and for the replacement of school buses.

Eligibility: A local school board qualifies if it levies at least the minimum special transportation tax rate—0.0002—and the levy is not enough to generate at least 85% of the state average cost per mile for the purposes listed above.

Formula: Proportional to the difference between the amount generated by the levy and 85% of the state average cost per mile. Law: 53A-17a-127; R277-600. Contact & Data: Murrell Martin. (Updated, September 2011)

### **Educator Salary Adjustments**

Ongoing appropriation, subject to budget constraints, in an effort to attract and retain highly skilled and dedicated educators. Given only to educators who have received a satisfactory rating or above on their most recent evaluation. Part-time educators shall receive partial salary adjustments. These funds may not be used for one-time bonuses.

Formula: Distributed in proportion to the number of full-time-equivalent (FTE) educator positions in school districts, charter schools, and the Utah Schools for the Deaf and Blind as compared to the total number of FTE educator positions. Law: 53A-17a-153; R277-110. Contact: Jaime Barrett (Updated September, 2011)

### **Board and Local Levy Program**

The Board and Local Levy Program also provide matching funds to School Districts that encourage local jurisdictions to increase school funding. Figure 9 discusses the basics of the levy program. These funds are funded by local property taxes with the state providing equalization funds to qualifying school districts, such as the Alpine School District. These funds, like the Basic Program are unrestricted.

Figure 11

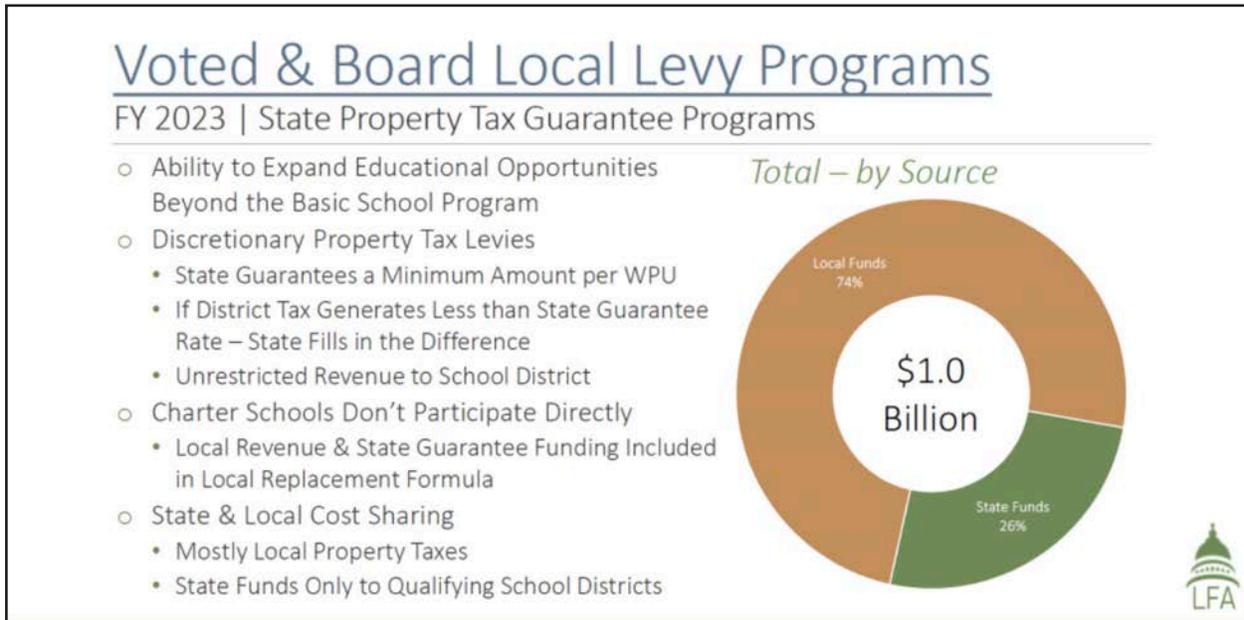


Figure 11, Voted and Board Local Levy

Figure 12

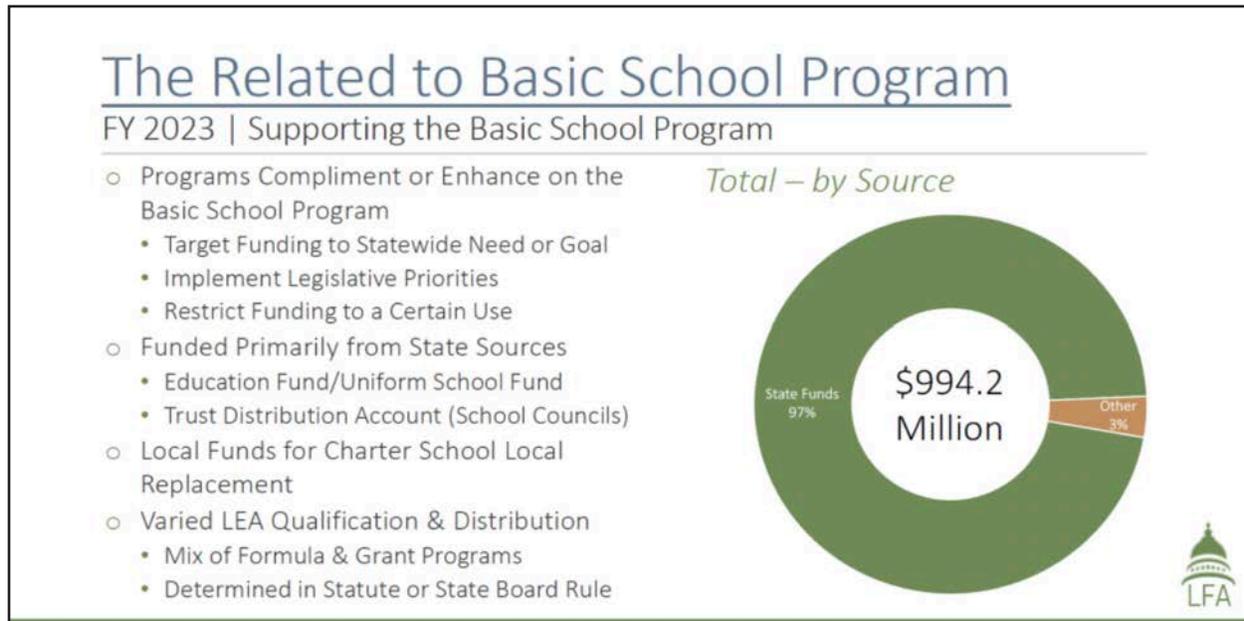


Figure 8, Related to Basic School Program<sup>239</sup>

<sup>239</sup> The Figures in Appendix C are sourced from the Utah State Legislature: Lieshman, Benjamin (2021), Minimum School Program, slide presentation located at: <https://le.utah.gov/interim/2022/pdf/00000398.pdf>



**Local Funding**

Local funding is primarily comprised of real property taxes, vehicle fees, and other fees charged by the school district. The majority of these funds are raised through the district's property tax base. Districts

are often compared based on the tax base per student—the value of the property subject to tax divided on the number of students within the district. Alpine School District is near the bottom of all Utah school districts due to our disproportionately high number of children per household and aversion to taxes.

The Alpine School District has the following levies that comprise its property tax rate: Basic School, General Obligation Bond, Capital Local, Voted Local, Board Local, and Charter School. Figure 10 shows the tax levies imposed by the Alpine School District in 2021. The Charter School Levy is collected by the ASD and then redistributed to local charter schools.

**Figure 10**

ALPINE SCHOOL DISTRICT		
210 Basic School Levy	0.001661	\$57,686,948
230 GO Bond Payments	0.002219	\$77,066,428
246 Capital Local Levy	0.000803	\$27,888,392
510 Voted Local Levy	0.001600	\$55,568,402
525 Board Local Levy	0.000559	\$19,414,211
527 Charter School Levy	0.000062	\$2,153,276
<b>SUM OF RATES AND BUDGETS:</b>	<b>0.006904</b>	<b>\$239,777,657</b>

*Figure 10, Alpine School District Rate and Budget for 2021*

**Basic Levy**

The Basic Levy or Tax Rate that must be applied to a district's assessed property valuation and is required by state law. The Basic Tax Rate is applied to the assessed property valuation in each district to raise funds for schools. The state then makes up the difference between what is required by the Minimum School Program and what the district can raise through the Basic Tax Rate. In addition to the Basic Levy, school districts may choose to impose or levy up to 12 additional property taxes to raise additional funds—as noted above the ASD imposes only five levies besides the Charter School Levy. For the 2021, the Basic Tax Rate was 0.001661 (see Figure 10). The Basic Levy is allocated to the General Fund.

**General Obligation Bond Payments**

The General Obligation (GO) Bond Payments are restricted solely to the Debt Service fund. The Debt Service fund is used to pay down principal and interest on the general obligation and lease revenue bond outstanding by a district.

### Capital Local Levy

The Capital Local Levy is used to fund capital improvements. This levy is restricted to the Capital Projects fund.

### Voted Local Levy

The Voted Local Levy is allocated to the General Fund.

### Board Local Levy

The Board Local Levy is split between an allocation to the General Fund and the Non-K-12 Fund. The portion allocated to the non-K-12 Fund is restricted to provide a local match for the early or K-3 Reading Improvement Program. School districts may receive additional state funding for the K-3 Reading Improvement Program if they match the state allocation with property tax revenue (or some other local revenue source). All school districts within Utah participate in this program.

### Charter School Levy

The Charter School levy is collected by the local school district and paid out to charter schools located within the district.

These levies work to further equalize property tax collections across districts through the Basic School Program. The state provides additional funding to assist school districts that generate less property tax revenue for the same property tax rate than other districts. Only those school districts that don't meet the minimum revenue per WPU receive an allocation of state funding.

While some property taxes subsidize educational expenses, local funds are the primary driver of capital improvements and building of new schools. This is in direct contrast to other states where much of new school construction costs come from substantial impact fees charged for new home construction. As a result, population growth can place pressure on school district cash flows and create conflict between growth and maintenance.

### Truth in Taxation

Utah also has an important program called Truth-in-Taxation (TNT). Truth-in-Taxation is Utah's most taxpayer-friendly law. TNT was enacted in 1985 and championed by the Utah Taxpayers Association and then-Tax Commissioner Gary Cornia. TNT does not technically limit property taxes, but it requires local elected officials to think twice about increasing property tax rates because they know all citizens will receive required notices of the tax increase and its potential impact on their property. Additionally, TNT requires a public hearing where citizens can debate the proposed tax increase.

TNT is a revenue-driven rather than rate-driven. This is because as property tax valuations increase, the mill rate or property tax rates decrease. This automatically reduces property

tax rates and prevents local governments from receiving a windfall simply because property valuations have increased. For example, if property tax valuations of existing property increase by 20 percent because the County Assessor finds that home prices have risen 20 percent, the mill rate or property tax rate will decrease by 16.7% which maintain revenue neutrality as illustrated by the following equation:

$$(\text{Existing tax base of } 100\% + 20\% \text{ increase}) * (100\% - 16.7\% \text{ decrease}) = \text{no change in taxes paid}$$

The lower mill rate or property tax rate is known as the certified tax rate (CTR). This rate is then applied to all property, including "new growth." When local governments receive increased revenues due to new growth, TNT has no automatic adjustment for inflation. If local governments need or want to exceed the CTR, they are subject to TNT's public notification and hearing process. This requires local government officials to explain the proposed budget to their constituents and receive immediate feedback.

### **Federal Funding Sources**

The federal government, through the Department of Education, provides direct and flow-through funds to school districts. The largest programs the district operates with federal funding are Individuals with Disabilities Education Act (IDEA), Title I, Improving Teacher Quality, 21st Century Community Learning Centers and the school lunch program. These five major programs make up over 90% of all the federal grants that most districts receive in any typical year.

Much of the federal funding available to the districts is provided under the No Child Left Behind Act of 2001. According to the Department of Education, "No Child Left Behind is based on stronger accountability for results, more freedom for states and communities, proven education methods, and more choices for parents." Most federal grants, large and small, are first awarded to the Utah State Office of Education, which then awards districts based on enrollment, demographics, and demonstrated need.

#### Title I

This major grant, part of the No Child Left Behind Act 2001, and its successor Every Student Succeeds Act 2015, is funded by the federal government to help ensure that all children receive fair and equal opportunities to obtain a high-quality education.

#### Individuals with Disabilities Education Act (IDEA)

IDEA is also part of the No Child Left Behind Act. It is designed to help disabled students receive improved opportunities for success, with a substantial focus on providing technology to help meet this goal.

#### Improving Teacher Quality

This grant is designed to help improve the quality of education in the classroom through investment in teachers. Part of No Child Left Behind Act, the objectives of this grant are carried out by increasing the number of teachers who are "highly-qualified," and requires district to meet specific objectives related to academic achievement.

#### 21st Century Community Learning Centers

This grant, also part of No Child Left Behind, is a group of several smaller grants awarded to districts in attempt to provide quality instruction outside of regular school hours. These are competitive awards based. Much of the funding is determined by the number of low-income students enrolled.

#### Federal Foods Programs

Federal foods programs assist districts with providing quality, nutritious meals to children most in need. The funding is based on the number of meals served to students, multiplied by a reimbursement amount that is predetermined by the Federal government.

## APPENDIX D

### RESEARCH REVIEW OF SMALL CLASS SIZE IN ELEMENTARY & SECONDARY STUDENTS

#### Small Class Size Benefits for the Elementary, Middle and Upper grades.

DEC received questions regarding 'class size' from parents that can be summarized in the following question:

***Will smaller classrooms benefit students in middle school and high school as well as those students in elementary and the lower grades?***

The results of the following research studies are that small classrooms have the greatest impact in the early grades, especially on underperforming children. Based on these studies, it makes sense to target funds to reduce class size to kindergarten and grades one through three.

On the other hand, off-task behavior in the classroom by middle and high school students is commonplace and escalating. Because one of the benefits of smaller class size is fewer discipline problems, it would seem that smaller classes would be an advantage in all middle and high schools as well as in grade schools. Also, student dropout rates are increasing nationwide. It would seem that a student who is thinking about dropping out or having trouble fulfilling the requirements for graduation would greatly benefit from the additional individual attention from the teacher that smaller classes allow.

Overall, the research appears to be in agreement that all K-12 students can benefit from small class sizes to achieve better student achievement and learning outcomes. It is important to note the research reports class size reduction can be an effective strategy for closing racially or socioeconomically based achievement gaps in the elementary and secondary grades.

***Research Review of Smaller classes, higher achievement and narrowing the opportunity gap***<sup>240</sup> (The following research, reports and study reviews are from Class Size Matters, a nonprofit, nonpartisan clearing house for information on the proven benefits of smaller classes.)

- **Gilraine, Michael. (2017)** Multiple Treatments from a Single Discontinuity: An Application to Class Size. **Also published in the Journal of Labor Economics, Oct. 2020. As applied to New York City, for the 2008-13 period.** "... I show that smaller classes significantly improve student test scores: a four-student decrease in average

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<sup>240</sup> <https://classsizematters.org/research-and-links/>

- class size at the school-grade level leads to an improvement of about one-fifth of a standard deviation in math scores and around one-seventh of a standard deviation in English scores. These estimates are similar in magnitude to those reported by randomized experiments such as Project STAR."*
- **Baker, B. D., Farrie, D. and Sciarra, D. G. (2016)**, Mind the Gap: 20 Years of Progress and Retrenchment in School Funding and Achievement Gaps. **ETS Research Report Series, 2016: 1–37**. "*...ample research has indicated that children in smaller classes achieve better outcomes, both academic and otherwise, and that class size reduction can be an effective strategy for closing racially or socioeconomically based achievement gaps. Although it is certainly plausible that other uses of the same money might be equally or even more effective, there is little evidence to support this ... Smaller class sizes and reduced total student loads are a relevant working condition simultaneously influencing teacher recruitment and retention); that is, providing smaller classes may partly offset the need for higher wages for recruiting or retaining teachers."* The authors' analysis shows that states with higher teacher/student staffing ratios in higher poverty districts tend to have lower than expected achievement gaps in Grade 4 and Grade 8 on the NAEPs.
  - **Mathis, William J. (2016)**. Research-Based Options for Education Policymaking: The Effectiveness of Class Size Reduction. *National Education Policy Center, University of Colorado*. With past research and policy considerations in mind, the brief concludes "class size is an important determinant of student outcomes, and one that can be directly determined by policy." This is especially crucial for populations which are most effected by large class sizes, such as low-income and minority students. The research brief outlines the benefits of smaller classes in terms of student achievement, graduation rates and non-cognitive skills. Mathis recommends class sizes between 15-18 (with room for variation based in subject), and argues that while class size reduction can be costly, it could prove to be the most cost-effective policy in the long run.
  - **Jackson, C. Kirabo., Johnson, Rucker C., Persico, Claudia. (2014)** The Effects of School Spending on Educational And Economic Outcomes: Evidence from School Finance Reforms **The Quarterly Journal of Economics**. *Analyses of school finance reforms reveal that a 10 percent increase in per-pupil spending each year for all twelve years of public schooling leads to 0.31 more completed years of education for students, about 7 percent higher wages, and a 3.2 percentage-point reduction in the annual incidence of adult poverty; with effects more pronounced for children from low-income families. Higher spending increases were associated with notable improvements in measured school inputs, including reductions in student-to-teacher ratios, increases in teacher salaries, and longer school years.*
  - Zyngier, David. (2014). Class size and academic results, with a focus on children from culturally, linguistically and economically disenfranchised communities. **Evidence Base**,

- issue 1, 2014.** *In this research summary, the author examined class size reduction and its effect on student achievement by analyzing 112 peer-reviewed studies, and showed that the overwhelming majority of these studies found that smaller classes have a significant impact on student achievement and narrowing the achievement gap. The author writes, "Noticeably, of the papers included in this review, only three authors supported the notion that smaller class sizes did not produce better outcomes to justify the expenditure."*
- **Schanzenbach, D. W. (2014).** Does Class Size Matter? **National Education Policy Center Policy Brief.** *"This policy brief summarizes the academic literature on the impact of class size and finds that class size is an important determinant of a variety of student outcomes, ranging from test scores to broader life outcomes. Smaller classes are particularly effective at raising achievement levels of low-income and minority children. Policymakers should carefully weigh the efficacy of class-size policy against other potential uses of funds. While lower class size has a demonstrable cost, it may prove the more cost-effective policy overall."*
  - **Dynarski, S., Hyman, J., & Schanzenbach, D. W. (2013).** Experimental Evidence on the Effect of Childhood Investment on Postsecondary Attainment and Degree Completion. **Journal of Policy Analysis and Management** **32(4): 692-717.** *"The study concludes that attending a small class increases the rate of college attendance, with the largest positive impact on black and poor students. Among those students with the lowest predicted probability of attending college, a small class increased rate of college attendance by 11 percentage points. Attending a small class also increases the probability of earning a college degree, and to shift students toward earning degrees in high-earning fields such as science, technology, engineering and mathematics (STEM), business and economics."*
  - **Achilles, C. M., et al. (2012).** Class-size Policy: The Star Experiment and Related Class-size Studies. **NCPEA Policy Brief, 1.2.** *"A reanalysis of the Tennessee STAR experiment found that small classes (15-17 pupils) in kindergarten through third grade (K-3) provide short- and long-term benefits for students, teachers, and society at large....poor, minority, and male students reap extra benefits in terms of improved test outcomes, school engagement, and reduced grade retention and dropout rates."*
  - **Shin, Yongyun. (2012).** Do Black Children Benefit More From Small Classes? Multivariate Instrumental Variable Estimators With Ignorable Missing Data. **Journal of Educational and Behavioral Statistics, 37 (4).** *An analysis of experimental data from Tennessee's Student-Teacher Achievement Ratio study show that, for Black students, reduced class size caused higher academic achievement in the four domains (reading, mathematics, listening, and word recognition skills) each year from kindergarten to third grade, while for other students, it improved the four outcomes except for first-grade listening in kindergarten and first grade only. Evidence shows that Black students benefit more than others from reduced class size in first-, second-, and third-*

- grade academic achievement, substantially narrowing the achievement gap.*
- **Bascia, N. (2010).** Reducing Class Size: What do we Know? **Ontario Institute for Studies in Education.** *Analysis of data collected by the Canadian Ministry of Education between 2003-04 and 2007-08 in eight school districts, 24 schools, and 84 classrooms. Classroom observations were undertaken at grades K-3, along with teacher surveys and parent surveys, the latter from every school district in Ontario. "Nearly three-quarters of the primary teachers reported that the quality of their relationships with students had improved as a result of the smaller class size, and two-thirds said their students were more engaged in learning than before class size reduction... Many parents of children enrolled in smaller classes reported that their children appeared to be learning more and were more comfortable at school."*
  - **Heilig, J.V., Williams, A. & Jez, S.U. (2010).** Input and student achievement: An analysis of Latina/o –serving urban elementary schools. **Association of Mexican American Educators (AMAE) Journal, 48 -58.** *Analysis of data in three of the four largest TX districts (Houston, Dallas and Austin) in 419 schools that were majority Latina/o over 4 years (2005-2008). Evaluated variables such as school funding expenditures, tests scores, ethnicity, and teacher certification, teacher-student ratio and degree obtainment to identify any impact on student achievement in urban elementary schools. "Most powerful predictor of changes in reading and math in all models was decreasing the student teacher ratio.... Essentially, decreasing the student teacher ratio by 1 percentage point would increase the percentage of students proficient on the TAKS by 3% for reading and by 4% for math (p54)."*
  - **Jepsen, C., & Rivkin, S. (2009).** Potential Tradeoff between Teacher Quality and Class Size. **Journal of Human Resources, 44.1.** *This paper investigates the effects of California's billion-dollar class-size-reduction program on student achievement;.... "[T] here is little or no support for the hypotheses that the need to hire large numbers of teachers following the adoption of CSR [class-size reduction] led to a lasting reduction in the quality of instruction," according to the study. "Overall, the findings suggest that CSR increased achievement in the early grades for all demographic groups...."*
  - **Konstantopoulos, S., & Chun, V. (2009).** What Are the Long-Term Effects of Small Classes on the Achievement Gap? Evidence from the Lasting Benefits Study," **American Journal of Education 116.** *A summary of the effects of smaller classes on the achievement gap through eighth grade. Effects significant in all tested subjects, and for students in smaller classes for four years, very substantial. "The results ... provided convincing evidence that all types of students (e.g., low, medium, and high achievers) benefit from being in small classes (in early grades) across all achievement tests.... in certain grades, in reading and science, the cumulative effects of small classes for low achievers are substantial in magnitude and significantly different from those for high achievers. Thus, class size reduction appears to be an intervention that increases the achievement levels for all students while simultaneously reducing the*

*achievement gap."*

- **Babcock, P., & Betts, J.R. (2009).** Reduced Class Distinctions: Effort, Ability, and The Education Production Function. **Journal of Urban Economics, Vol. 65, pp. 314–322.** *Empirical findings indicate that class-size expansion may reduce gains for low-effort students more than for high-effort students, Results here...suggest ...that larger gains for disadvantaged students may have occurred because small classes allow teachers to incentivize disengaged students more effectively, or because students are better able connect to the school setting in small classes.*
- **King, J. B. (2008).** **Bridging the Achievement Gap: Learning from three charter schools** (part 1), (part 2), (part 3), (part 4). **Columbia University (Doctoral Dissertation).** *"School size and class size are linked to the five key cultural values ....: a culture that teaches effort yields success; a culture of high expectations; a disciplined culture; a culture built on relationships; and a culture of excellence in teaching. Small classes and small overall student loads allow teachers to spend more time working with individual students to help them track their own progress and develop their skills – thus reinforcing the principle that effort yields success. High expectations are easier to maintain when teachers know their students well (because of small school and class size), can identify whether a student's poor performance on an assessment reflects deficiencies in their effort or their understanding, and can respond accordingly."*
- **Lubienski, S. T., et.al. (2008).** Achievement Differences and School Type: The Role of School Climate, Teacher Certification, and Instruction. **American Journal of Education, 115.** *Multilevel analysis of National Assessment of Educational Progress (NAEP) mathematics data for over 270,000 fourth and eighth graders in over 10,000 schools finds that smaller class size is significantly correlated with higher achievement.*
- **Magnuson, K.A., Ruhm, C. & Waldfogel, J. (2007).** The persistence of preschool effects: Do subsequent classroom experiences matter? **Early Childhood Research Quarterly, 22(1), 18 – 38.** *Using data from the Early Childhood Longitudinal Study-Kindergarten cohort (ECLS-K), this analysis reveals that children who attended preschool enter public schools with higher levels of academic skills than their peers who experienced other types of child care. Yet most of the preschool-related gap in academic skills at school entry is quickly eliminated for children placed in small classes and those providing high levels of reading instruction. Conversely, the initial disparities persisted for children experiencing large classes and lower levels of reading instruction.*
- **Ready, D. D., & Lee, V. E. (2006/7).** Optimal Context Size in Elementary Schools: Disentangling the Effects of Class Size and School Size. **Brookings Papers on Education Policy, pp. 99-135.** *Study finds that class size rather than school size makes a positive difference in elementary schools, and suggests that "if children*

- remained in the same elementary school for five or six years ... differences would be very substantial: a roughly 10-point advantage for children in small over large classes by the end of sixth grade, or 4.5 months of additional learning."*
- **Unlu, F. (2005).** California Class Size Reduction Reform: New Findings from the NAEP. **Princeton University.** *Study found that California's fourth grade students who were in reduced class sizes in grades K-3 had substantially higher scores in math on the national assessments (NAEPs), of between 0.2 and 0.3 of a standard deviation, compared to closely matched students who were not in smaller classes.*
  - **Finn, J. D., et. al. (2005).** Small Classes in the Early Grades, Academic Achievement, and Graduating From High School. **Journal of Educational Psychology.** *"For all students combined, 4 years of a small class in K-3 were associated with a significant increase in the likelihood of graduating from high school; the odds of graduating after having attended small classes for 4 years were increased by about 80.0%. Furthermore, the impact of attending a small class was especially noteworthy for students from low-income homes. Three years or more of small classes affected the graduation rates of low-SES students, increasing the odds of graduating by about 67.0% for 3 years and more than doubling the odds for 4 years."*
  - **Dee, T. (2004).** Teachers, Race, and Student Achievement in a Randomized Experiment. **Review of Economics and Statistics.** *Study showing that student/teacher racial differences appear to negatively effect student achievement in regular size classes. Yet in small classes, students learn more, and racial disparity between teacher and student has no significant effect.*
  - **Piketty, T. (2004).** Should We Reduce Class Size or School Segregation? Theory and Evidence from France. **ENS-EHSS, Paris-Jourdan.** *Piketty finds that reducing class size in high-poverty schools in France by less than 2 students per class led to a 10% reduction in the achievement gap. He estimates that reducing class size to 18 students per class in these schools would narrow the achievement gap by 40%, and reducing class size to 15 students per class would eliminate it.*
  - **Barton, P. (2003).** Parsing the Achievement Gap. **Educational Testing Service.** *Despite the fact that class size reduction has been shown to narrow the achievement gap, this study reveals that schools with large numbers of black and/or limited English students are more likely to have classes of 25 or more.*
  - **Institute of Education Sciences. (2003).** Identifying and Implementing Educational Practices Supported by Rigorous Evidence: A User Friendly Guide. **U.S. Department of Education.** *Class size reduction identified as one of four K-12 education reforms proven to increase learning.*
  - **Krueger, A. B., & Whitmore, D. M. (2002).** Would Smaller Classes Help Close the Black-White Achievement Gap? **from: Bridging the Achievement Gap, Brookings Institution Press.** *"Our analysis of the STAR experiment indicates that students who attend smaller classes in the early grades tend to have higher test scores while they*

- are enrolled in those grades than their counterparts who attend larger classes.... Moreover, black students tend to advance further... from attending a small class than do white students, both while they are in a small class and afterwards. For black students, we also find that being assigned to a small class for an average of two years in grade K – 3 is associated with an increased probability of subsequently taking the ACT or SAT college entrance exam, and 0.15-.20 standard deviation higher average score on the exam."*
- **Fidler, P., Phd. (2002).** The Impact of class size reduction on student achievement. **Los Angeles Unified School District, Publication No. 109.** *"The purpose of this study was to examine the impact of class size reduction (CSR) on achievement among 3rd, 4th, and 5th grade students with different numbers of years of participation in CSR.... We believe that CSR will help to increase student achievement, especially for students who need it the most: low SES students, limited English-speaking students, and those students in inner-city schools.... It can be concluded from the results of this study that CSR does help to increase language achievement gains, especially for ELL students."*
  - **Biddle, B., & Berliner, D. (2002).** *What Research Says About Small Classes and Their Effects.* **Wested.** *"When it is planned thoughtfully and funded adequately, long-term exposure to small classes in the early grades generates substantial advantages for students in American schools, and those extra gains are greater the longer students are exposed to those classes."*
  - **McLaughlin, D. and Drori, G. (2000).** School-Level Correlates of Academic Achievement: Student Assessment Scores in SASS Public Schools. **U.S. Department of Education. National Center for Education Statistics.** *The most authoritative study showing the importance of class size is in all grades, analyzing the achievement levels of students in 2,561 schools, as measured by performance on the NAEP (national) exams. After controlling for student background, the only objective factor found to be positively correlated with student performance was class size, not school size, not teacher qualifications, nor any other variable that the researchers could identify. Student achievement was even more strongly linked to smaller classes in the upper rather than the lower grades.*
  - **Grissmer, D., et. al. (2000).** Improving Student Achievement: What State NAEP Test Scores Tell Us. **RAND.** *"States with higher per-pupil spending, lower class sizes and more pre-K have higher achievement levels. Disadvantaged children are the most likely to gain benefits from such programs."*
  - **Pritchard, I. (1999).** Reducing class size: What do we know? **U.S. Department of Education.** *A comprehensive and wide-scale analysis of CSR analyses, experimental studies and state initiatives. "Researchers have used various techniques to study how class size affects the quality of education.... Overall, however, the pattern of research findings points more and more clearly toward the beneficial effects of reducing class*

size.

- **Bracey, G. (1999)** Distortion and Disinformation about Class Size Reduction. *EDDRA. Critique of Hanushek's analyses of class size reduction.*
- **Cromwell, S. (1998).** Are smaller Classes the Answer? **Education World.** *Thorough analysis of contemporary research articles evincing the benefits of smaller class sizes.*
- **Achilles, C. M. (1997).** Small Classes, Big Possibilities. **The School Administrator.** *"Perhaps the idea of small classes for students in the early grades is so commonsensical today that educators don't consider it a challenge. Yet education's leaders must look beyond the surface variables to understand the systemic, domino-effect possibilities of class-size changes."*
- **National Council of Teachers of English. (1996).** Statement on Class Size and Teacher Workload: Elementary. *Guideline for NCTE's position on educational issues is in strong support of smaller class sizes, complete with facts and challenges. All of the major professional organizations in the field of composition recommend course sizes of no more than twenty students for K-1, based on the literature on class size and writing.*
- **Mosteller, F. (1995).** The Tennessee Study of class size in the early school grades. **(1995). The Future of Children, 5.2.** *Formidable results from the historic large-scale experiment for early grades, Project STAR. "After four years, it was clear that smaller classes did produce substantial improvement in early learning and cognitive studies and that the effect of small class size on the achievement of minority children was initially about double that observed for majority children...."*
- **Australian Education Union. Fact Sheet Number 1. (1995).** Class sizes do matter. *Fact sheet with evidence from class size research projects and reading list for the general public.*
- **Boozer, M., & Rouse, C. (1995).** Intraschool variation in class size: patterns and implications. **NBER Working Paper, No.5144.** *"We find that not only are blacks in schools with larger average class sizes, but they are also in larger classes within schools, conditional on class type...it appears that smaller classes at the eighth grade lead to larger test score gains from eighth to tenth grade and that differences in class size can explain approximately 15% of the black-white difference in educational achievement."*
- **Word, Elizabeth et al. (1990)** The State Of Tennessee's Student/Teacher Achievement Ratio (STAR) Project Technical Report Part I and Part II. Database User guide. *Commissioned by the Tennessee State Dept. of Education. This report contains the results of Tennessee's ground-breaking 4-year longitudinal randomized class size experiment. The study analyzed student achievement and development in three class types: small classes with 13-17 students per teacher; regular classes with 22-25 students per teacher, and regular classes with 22-25 students per teacher assisted by a full-time teacher aide. Project STAR followed students from kindergarten through*

*third grade, starting in 1985-1986 and ending in 1988-1989. The study found significant gains in test scores in every subject and every grade, including reading, math, word study and listening, and lower grade retention rates for students who were in smaller classes; but no significant gains for those in classes with an aide.*

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The research reports the benefits for the upper elementary, middle and upper grades.<sup>241</sup>

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- **Blatchford, P., Bassett, P., & Brown, P. (2011).** Examining the effect of class size on classroom engagement and Teacher-pupil interaction- Differences in relation to pupil prior attainment and primary vs. secondary schools. **Learning and Instruction**, 21. *An observational study involving nearly 700 students in 49 schools in the UK finds that in both the early and later grades, smaller classes leads to students receiving more individual attention from their teachers and having more positive interactions with them. Classroom engagement decreases in larger classes, and this is particularly marked for struggling students at the secondary level. Students are engaged in active interactions with their teachers two to three times more often in a class of 15 compared to class of 30, and for low achievers at secondary level there is more than twice as much off task behavior in classes of 30 compared to 15. A five student increase in class size is associated with the odds of off task behavior increasing by 40% for this group. No threshold effect was observed; in other words, there is no particular class size that must be attained for positive benefits to accrue to students in smaller classes.*
- **Malloy, C., Ph.D., & Vital Research, LLC., (2010).** Lessons from the Classroom: Initial Success for At-Risk Students. **California Teachers Association**. *"An ongoing evaluation of the Quality Education Investment Act (QEIA) .... This report includes a comparative analysis of Academic Performance Index data for QEIA schools and non-QEIA schools as well as findings from an action research project in 22 QEIA schools statewide... most common goal noted by schools was class size reduction:*

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<sup>241</sup> Ibid

- at least one interviewee at all but one of the regular program schools cited class size reduction as a key goal of QEIA at their school...higher API growth schools cited class size reduction as one of the key factors that contributed to changes in teaching practices at their schools...spend more time with the "neediest, at-risk" students, differentiate instruction, and spend less time on classroom management issue."*
- **Lubienski, S. T., et.al. (2008).** Achievement Differences and School Type: The Role of School Climate, Teacher Certification, and Instruction. *American Journal of Education*, 115. *Multilevel analysis of National Assessment of Educational Progress (NAEP) mathematics data for over 270,000 fourth and eighth graders in over 10,000 schools finds that smaller class size is significantly correlated with higher achievement.*
  - **MiddleWeb. (2008).** Teachers of the Year talk about the need for smaller classes in the middle and upper grades. *Excerpts from ED's Teacher of the Year listserve discussing need for small classes.*
  - **Blatchford, P., et.al. (2008).** Do low attaining and younger students benefit most from small classes? Results from a systematic observation study of class size effects on pupil classroom engagement and teacher pupil interaction. *Paper delivered to the American Educational Research Association Annual Meeting.* "...[T]he main implication of this study is that smaller classes can benefit all pupils in terms of individual, active attention from teachers, but that the lower attaining pupils in particular can benefit from small classes at secondary level."
  - **Tienken, C.H., & Achilles, C.M. (2006).** Making Class Size Work in the Middle Grades. *AASA Journal of Scholarship & Practice*, 3.1, pp 26-36. *In a NJ middle school, reducing class size led to a reduction in the failure rate from 3-6% to only 1%, despite a concurrent increase in 40-60 students, and a 7% increase in poverty students, without any additional spending. Gains in test scores were statistically significant with .80 effect size.*
  - **Dustmann, C., et. al. (2003).** Class Size, Education and Wages. *Economic Journal*. *UK study showing high school students in small classes more likely to stay through graduation. See also Guardian UK summary. Explanation of the previous analysis' findings.*
  - **McLaughlin, Donald and Gili Drori.(2000)** School-Level Correlates of Academic Achievement: Student Assessment Scores in SASS Public Schools. *U.S. Department of Education. National Center for Education Statistics. The most authoritative study showing the importance of class size is in all grades, analyzing the achievement levels of students in 2,561 schools, as measured by performance on the NAEP (national) exams. After controlling for student background, the only objective factor found to be positively correlated with student performance was class size, not school size, not teacher qualifications, nor any other variable that the researchers could identify. Student achievement was even more strongly linked to smaller classes in the upper rather than the lower grades.*

- **National Council of Teachers of English. (1999).** More than a Number: Why Class Size Matters. *Guideline for NCTE's position on educational issues is in strong support of smaller class sizes, complete with facts and challenges.*
- **Wenglinsky, H.(1997).** When Money Matters. **Educational Testing Service.** *Shows how smaller classes in grades 4 and 8 are linked to higher test scores and improved student discipline.*
- **Boozer, M., & Rouse, C. (1995).** Intraschool variation in class size: patterns and implications. **NBER Working Paper, No. 5144.** *"We find that not only are blacks in schools with larger average class sizes, but they are also in larger classes within schools, conditional on class type...it appears that smaller classes at the eighth grade lead to larger test score gains from eighth to tenth grade and that differences in class size can explain approximately 15% of the black-white difference in educational achievement."*
- **National Council of Teachers of English. (1990).** Statement on Class Size and Teacher Workload: Secondary. *"The Secondary Section of the National Council of Teachers of English recommends that schools, districts, and states adopt plans and implement activities resulting in class sizes of not more than 20 and a workload of not more than 80 for English language arts teachers by the year 2000."*

## APPENDIX E

### DUTIES AND POWERS OF LOCAL SCHOOL DISTRICT BOARD OF EDUCATION - UTAH CODE ANNOTATED

*Effective 1/24/2018*

#### Part 4

#### Local School Board Powers and Miscellaneous Duties

**53G-4-401 Local school boards are bodies corporate -- Seal -- Authority to sue --  
Conveyance of property -- Duty to residents of the local school board member's district --  
Establishment of public education foundation.**

- (1) As used in this section, "body corporate" means a public corporation and legal subdivision of the state, vested with the powers and duties of a government entity as specified in this chapter.
- (2) The local school board of a school district is a body corporate under the name of the "Board of Education of ..... School District" (inserting the proper name), and shall have an official seal conformable to its name.
- (3) The seal is used by its business administrator in the authentication of all required matters.
- (4) A local school board may sue and be sued, and may take, hold, lease, sell, and convey real and personal property as the interests of the schools may require.
- (5) Notwithstanding a local school board's status as a body corporate, an elected member of a local school board serves and represents the residents of the local school board member's district, and that service and representation may not be restricted or impaired by the local school board member's membership on, or obligations to, the local school board.
- (6) A local school board may establish a foundation in accordance with Section 53E-3-403.

Amended by Chapter 293, 2019 General Session

**53G-4-402 Powers and duties generally.**

- (1) A local school board shall:
  - (a) implement the core standards for Utah public schools using instructional materials that best correlate to the core standards for Utah public schools and graduation requirements;
  - (b) administer tests, required by the state board, which measure the progress of each student, and coordinate with the state superintendent and state board to assess results and create plans to improve the student's progress, which shall be submitted to the state board for approval;
  - (c) use progress-based assessments as part of a plan to identify schools, teachers, and students that need remediation and determine the type and amount of federal, state, and local resources to implement remediation;
  - (d) for each grading period and for each course in which a student is enrolled, issue a grade or performance report to the student:
    - (i) that reflects the student's work, including the student's progress based on mastery, for the grading period; and
    - (ii) in accordance with the local school board's adopted grading or performance standards and criteria;
  - (e) develop early warning systems for students or classes failing to make progress;
  - (f) work with the state board to establish a library of documented best practices, consistent with state and federal regulations, for use by the local districts;
  - (g) implement training programs for school administrators, including basic management training, best practices in instructional methods, budget training, staff management, managing for learning results and continuous improvement, and how to help every child achieve optimal learning in basic academic subjects; and

- (h) ensure that the local school board meets the data collection and reporting standards described in Section 53E-3-501.
- (2) Local school boards shall spend Minimum School Program funds for programs and activities for which the state board has established minimum standards or rules under Section 53E-3-501.
- (3)
  - (a) A local school board may purchase, sell, and make improvements on school sites, buildings, and equipment and construct, erect, and furnish school buildings.
  - (b) School sites or buildings may only be conveyed or sold on local school board resolution affirmed by at least two-thirds of the members.
- (4)
  - (a) A local school board may participate in the joint construction or operation of a school attended by children residing within the district and children residing in other districts either within or outside the state.
  - (b) Any agreement for the joint operation or construction of a school shall:
    - (i) be signed by the president of the local school board of each participating district;
    - (ii) include a mutually agreed upon pro rata cost; and
    - (iii) be filed with the state board.
- (5) A local school board may establish, locate, and maintain elementary, secondary, and applied technology schools.
- (6) Except as provided in Section 53E-3-905, a local school board may enroll children in school who are at least five years old before September 2 of the year in which admission is sought.
- (7) A local school board may establish and support school libraries.
- (8) A local school board may collect damages for the loss, injury, or destruction of school property.
- (9) A local school board may authorize guidance and counseling services for children and their parents before, during, or following enrollment of the children in schools.
- (10)
  - (a) A local school board shall administer and implement federal educational programs in accordance with Title 53E, Chapter 3, Part 8, Implementing Federal or National Education Programs.
  - (b) Federal funds are not considered funds within the school district budget under Chapter 7, Part 3, Budgets.
- (11)
  - (a) A local school board may organize school safety patrols and adopt policies under which the patrols promote student safety.
  - (b) A student appointed to a safety patrol shall be at least 10 years old and have written parental consent for the appointment.
  - (c) Safety patrol members may not direct vehicular traffic or be stationed in a portion of a highway intended for vehicular traffic use.
  - (d) Liability may not attach to a school district, its employees, officers, or agents or to a safety patrol member, a parent of a safety patrol member, or an authorized volunteer assisting the program by virtue of the organization, maintenance, or operation of a school safety patrol.
- (12)
  - (a) A local school board may on its own behalf, or on behalf of an educational institution for which the local school board is the direct governing body, accept private grants, loans, gifts, endowments, devises, or bequests that are made for educational purposes.
  - (b) These contributions are not subject to appropriation by the Legislature.
- (13)

- (a) A local school board may appoint and fix the compensation of a compliance officer to issue citations for violations of Subsection 76-10-105(2)(b).
  - (b) A person may not be appointed to serve as a compliance officer without the person's consent.
  - (c) A teacher or student may not be appointed as a compliance officer.
- (14) A local school board shall adopt bylaws and policies for the local school board's own procedures.
- (15)
- (a) A local school board shall make and enforce policies necessary for the control and management of the district schools.
  - (b) Local school board policies shall be in writing, filed, and referenced for public access.
- (16) A local school board may hold school on legal holidays other than Sundays.
- (17)
- (a) A local school board shall establish for each school year a school traffic safety committee to implement this Subsection (17).
  - (b) The committee shall be composed of one representative of:
    - (i) the schools within the district;
    - (ii) the Parent Teachers' Association of the schools within the district;
    - (iii) the municipality or county;
    - (iv) state or local law enforcement; and
    - (v) state or local traffic safety engineering.
  - (c) The committee shall:
    - (i) receive suggestions from school community councils, parents, teachers, and others and recommend school traffic safety improvements, boundary changes to enhance safety, and school traffic safety program measures;
    - (ii) review and submit annually to the Department of Transportation and affected municipalities and counties a child access routing plan for each elementary, middle, and junior high school within the district;
    - (iii) consult the Utah Safety Council and the Division of Family Health Services and provide training to all school children in kindergarten through grade 6, within the district, on school crossing safety and use; and
    - (iv) help ensure the district's compliance with rules made by the Department of Transportation under Section 41-6a-303.
  - (d) The committee may establish subcommittees as needed to assist in accomplishing the committee's duties under Subsection (17)(c).
- (18)
- (a) A local school board shall adopt and implement a comprehensive emergency response plan to prevent and combat violence in the local school board's public schools, on school grounds, on its school vehicles, and in connection with school-related activities or events.
  - (b) The plan shall:
    - (i) include prevention, intervention, and response components;
    - (ii) be consistent with the student conduct and discipline policies required for school districts under Chapter 11, Part 2, Miscellaneous Requirements;
    - (iii) require professional learning for all district and school building staff on what their roles are in the emergency response plan;
    - (iv) provide for coordination with local law enforcement and other public safety representatives in preventing, intervening, and responding to violence in the areas and activities referred to in Subsection (18)(a); and

- (v) include procedures to notify a student, to the extent practicable, who is off campus at the time of a school violence emergency because the student is:
    - (A) participating in a school-related activity; or
    - (B) excused from school for a period of time during the regular school day to participate in religious instruction at the request of the student's parent.
  - (c) The state board, through the state superintendent, shall develop comprehensive emergency response plan models that local school boards may use, where appropriate, to comply with Subsection (18)(a).
  - (d) A local school board shall, by July 1 of each year, certify to the state board that its plan has been practiced at the school level and presented to and reviewed by its teachers, administrators, students, and their parents and local law enforcement and public safety representatives.
- (19)
- (a) A local school board may adopt an emergency response plan for the treatment of sports-related injuries that occur during school sports practices and events.
  - (b) The plan may be implemented by each secondary school in the district that has a sports program for students.
  - (c) The plan may:
    - (i) include emergency personnel, emergency communication, and emergency equipment components;
    - (ii) require professional learning on the emergency response plan for school personnel who are involved in sports programs in the district's secondary schools; and
    - (iii) provide for coordination with individuals and agency representatives who:
      - (A) are not employees of the school district; and
      - (B) would be involved in providing emergency services to students injured while participating in sports events.
  - (d) The local school board, in collaboration with the schools referred to in Subsection (19)(b), may review the plan each year and make revisions when required to improve or enhance the plan.
  - (e) The state board, through the state superintendent, shall provide local school boards with an emergency plan response model that local school boards may use to comply with the requirements of this Subsection (19).
- (20) A local school board shall do all other things necessary for the maintenance, prosperity, and success of the schools and the promotion of education.
- (21)
- (a) Before closing a school or changing the boundaries of a school, a local school board shall:
    - (i) at least 120 days before approving the school closure or school boundary change, provide notice to the following that the local school board is considering the closure or boundary change:
      - (A) parents of students enrolled in the school, using the same form of communication the local school board regularly uses to communicate with parents;
      - (B) parents of students enrolled in other schools within the school district that may be affected by the closure or boundary change, using the same form of communication the local school board regularly uses to communicate with parents; and
      - (C) the governing council and the mayor of the municipality in which the school is located;
    - (ii) provide an opportunity for public comment on the proposed school closure or school boundary change during at least two public local school board meetings; and

- (iii) hold a public hearing as defined in Section 10-9a-103 and provide public notice of the public hearing as described in Subsection (21)(b).
- (b) The notice of a public hearing required under Subsection (21)(a)(iii) shall:
  - (i) indicate the:
    - (A) school or schools under consideration for closure or boundary change; and
    - (B) the date, time, and location of the public hearing;
  - (ii) at least 10 days before the public hearing, be:
    - (A) published:
      - (I) in a newspaper of general circulation in the area; and
      - (II) on the Utah Public Notice Website created in Section 63A-16-601; and
    - (B) posted in at least three public locations within the municipality in which the school is located on the school district's official website, and prominently at the school; and
  - (iii) at least 30 days before the public hearing described in Subsection (21)(a)(iii), be provided as described in Subsections (21)(a)(i)(A), (B), and (C).
- (22) A local school board may implement a facility energy efficiency program established under Title 11, Chapter 44, Performance Efficiency Act.
- (23) A local school board may establish or partner with a certified youth court in accordance with Section 80-6-902 or establish or partner with a comparable restorative justice program, in coordination with schools in that district. A school may refer a student to a youth court or a comparable restorative justice program in accordance with Section 53G-8-211.
- (24) A local school board shall:
  - (a) make curriculum that the school district uses readily accessible and available for a parent to view;
  - (b) annually notify a parent of a student enrolled in the school district of how to access the information described in Subsection (24)(a); and
  - (c) include on the school district's website information about how to access the information described in Subsection (24)(a).

Amended by Chapter 84, 2021 General Session  
Amended by Chapter 262, 2021 General Session  
Amended by Chapter 324, 2021 General Session  
Amended by Chapter 345, 2021 General Session

**53G-4-403 School district fiscal year -- Statistical reports.**

- (1) A school district's fiscal year begins on July 1 and ends on June 30.
- (2)
  - (a) A school district shall forward statistical reports for the preceding school year, containing items required by law or by the state board, to the state superintendent on or before November 1 of each year.
  - (b) The reports shall include information to enable the state superintendent to complete the statement of funds required under Section 53E-1-203.
- (3) A school district shall forward the accounting report required under Section 51-2a-201 to the state superintendent on or before October 15 of each year.

Amended by Chapter 293, 2019 General Session  
Amended by Chapter 324, 2019 General Session

**53G-4-404 Annual financial report -- Audit report.**

- (1)
  - (a) The annual financial report of each school district, containing items required by law or by the state board and attested to by independent auditors, shall be prepared as required by Section 51-2a-201.
  - (b) A school district shall use fund and program accounting methods and standardized account codes capable of producing financial reports that comply with:
    - (i) generally accepted accounting principles;
    - (ii) financial reporting requirements established by the state board under Section 53E-3-501; and
    - (iii) accounting report standards established by the state auditor as described in Section 51-2a-301.
- (2) If auditors are employed under Section 51-2a-201, the auditors shall complete their field work in sufficient time to allow them to verify necessary audit adjustments included in the annual financial report to the state superintendent.
- (3)
  - (a)
    - (i) The district shall forward the annual financial report to the state superintendent not later than October 1.
    - (ii) The report shall include information to enable the state superintendent to complete the statement of funds required under Section 53E-1-203.
  - (b) The state board shall publish electronically a copy of the report on the Internet not later than January 15.
- (4) The completed audit report shall be delivered to the school district local school board and the state superintendent not later than November 30 of each year.

Amended by Chapter 192, 2020 General Session

**53G-4-405 Approval of purchases or indebtedness -- Local school board approval of identified purchases.**

- (1) An officer or employee of a school district may not make a purchase or incur indebtedness on behalf of the district without the approval and order of the local school board.
- (2) The local school board shall adopt one of the following approval methods, or a combination of the two:
  - (a) The local school board shall approve an appropriation for identified purchases in the district budget. Each purchase made under an identified purchase does not require additional local school board approval.
  - (b) The local school board shall approve individual purchases when made throughout the fiscal year.

Amended by Chapter 293, 2019 General Session

**53G-4-406 Claims against the local school board -- Itemized.**

Except for salary which is regularly authorized by the local school board, the local school board may not hear or consider any claim against the local school board which is not itemized.

Amended by Chapter 293, 2019 General Session

**53G-4-407 Tax exemption of school board property.**

- (1) Real and personal property held by a local school board is exempt from general and special taxation and from local assessments.
- (2) This property may not be taken in any manner for debt.

Renumbered and Amended by Chapter 3, 2018 General Session

**53G-4-408 Residence not condition of employment.**

A local school board may not require an employee to reside within its school district as a condition of employment.

Renumbered and Amended by Chapter 3, 2018 General Session

**53G-4-409 Activity disclosure statements.**

- (1) A local school board shall require the development of activity disclosure statements for each school-sponsored group or program which involves students and faculty in grades 9 through 12 in contests, performances, events, or other activities that require them to miss normal class time or takes place outside regular school time.
- (2) The activity disclosure statements shall be disseminated to the students desiring involvement in the specific activity or to the students' parents or to both students and their parents.
- (3) An activity disclosure statement shall contain the following information:
  - (a) the specific name of the team, group, or activity;
  - (b) the maximum number of students involved;
  - (c) whether or not tryouts are used to select students, specifying date and time requirements for tryouts, if applicable;
  - (d) beginning and ending dates of the activity;
  - (e) a tentative schedule of the events, performances, games, or other activities with dates, times, and places specified if available;
  - (f) if applicable, designation of any nonseason events or activities, including an indication of the status, required, expected, suggested, or optional, with the dates, times, and places specified;
  - (g) personal costs associated with the activity;
  - (h) the name of the school employee responsible for the activity; and
  - (i) any additional information considered important for the students and parents to know.

Amended by Chapter 293, 2019 General Session

**53G-4-410 Regional education service agencies.**

- (1) As used in this section:
  - (a) "Eligible regional education service agency" means a regional education service agency in existence before July 1, 2020.
  - (b) "Regional education service agency" means an entity formed by two or more school districts as an interlocal entity, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act, with the authority and duties described in this section.
- (2) The Legislature strongly encourages school districts to collaborate and cooperate to provide educational services in a manner that will best utilize resources for the overall operation of the public education system.
- (3) A regional education service agency formed by an interlocal agreement, in accordance with Title 11, Chapter 13, Interlocal Cooperation Act:

Amended by Chapter 408, 2020 General Session

**53G-4-411 Interlocal agreement for public education transportation services.**

- (1) In accordance with Title 11, Chapter 13, Interlocal Cooperation Act, at least two school districts may, for the purpose of coordinating public education transportation services:
  - (a) create an interlocal entity as defined in Section 11-13-103 if the school districts establish an interlocal entity governing board as described in Subsection (2); or
  - (b) enter into a joint or cooperative undertaking as described in Section 11-13-207 if the school districts establish a joint board as described in Subsection (2).
- (2) A governing board described in Subsection (1)(a) or a joint board described in Subsection (1)(b) shall consist of:
  - (a) at least one elected member of a local school board from each school district that creates the interlocal entity or enters into the joint or cooperative undertaking; and
  - (b) only elected members of the local school boards of the school districts that create the interlocal entity or enter into the joint or cooperative undertaking.

Renumbered and Amended by Chapter 3, 2018 General Session

**53G-4-412 Tribal regalia at high school graduation ceremonies.**

- (1) As used in this section:
  - (a) "Graduation attire" means attire that an LEA requires a student to wear as part of the dress code for a graduation ceremony.
  - (b) "Graduation ceremony" means a high school graduation ceremony.
  - (c) "Qualifying student" means a student who is:
    - (i) enrolled as a member of a tribe; or
    - (ii) eligible to be enrolled as a member of a tribe.
  - (d)
    - (i) "Tribal regalia" means a tribe's:
      - (A) traditional dress; or
      - (B) recognized objects of religious or cultural significance.
    - (ii) "Tribal regalia" includes the following items of cultural significance:
      - (A) tribal symbols;
      - (B) beads; and
      - (C) feathers.
  - (e) "Tribe" means a tribe, band, nation, or Alaskan Native village that:
    - (i) federal law recognizes; or
    - (ii) a state formally acknowledges.
- (2)
  - (a) A qualifying student may wear tribal regalia during a graduation ceremony.
  - (b) Wearing tribal regalia includes decorating graduation attire with tribal regalia.
- (3) An LEA may not prohibit a qualifying student from wearing tribal regalia as described in Subsection (2).
- (4) Nothing in this section shall be construed to limit an LEA's authority related to student expression under applicable federal and state law.

Enacted by Chapter 197, 2022 General Session

## APPENDIX F PROJECTED STUDENT ENROLLMENT AND OREM K-12 SCHOOLS ANALYSIS

### Alpine School District – Overview

#### School, Student & Related Demographic Data for the City of Orem

Below are listings of schools (public and private) located within municipal boundaries of the City of Orem. It is given here as a snapshot of what a new municipal school district in Orem would entail.

The following data was collected from multiple sources and websites, including Local School Directory.com, Orem City website, Alpine School District website, <https://www.geostat.org/data/orem-ut/property-tax>, United States Census Bureau; <https://www.census.gov/quickfacts/UT>.

#### The City of Orem

Population:	\$84,324
2020 Median Household Income:	\$64,590
2021 Median Property Tax Paid:	\$ 1,223

#### All Schools (Public, Charter, Private) located within the City of Orem

Schools:	31
Students:	18,051
Full-time Equivalent (FTE) Teachers:	806

#### Public Schools within the City of Orem

Total Schools:	28
Traditional Schools:	23
Special Schools:	2
Alternative Schools:	3
Number of Title 1 Schools:	7
Number of Students:	17,302
Full-Time Teachers:	760

#### Private Schools within the City of Orem

Total Schools:	3
Traditional Schools:	1
Special Ed Schools:	1
Number of Students:	749
Full-time Teachers:	48

## Alpine School District Enrollment & Projection Overview<sup>242</sup>

### October 1, 2021 Actual Enrollment

- 83,999 Students
- +3,046 from October 1, 2020
- +2,052 Elementary School
- +1,221 Middle School (9th graders out of Skyridge HS)
- -246 High School (9th graders out of Skyridge HS)

### New Schools in 2020-2021

- Harbor Point Elementary (Saratoga Springs)
- Trailside Elementary (Vineyard)
- Parkside Elementary (Orem: Consolidation of Geneva, Suncrest and part of Aspen)
- Viewpoint Middle (Lehi)

### October 1, 2022 Projection

- 84,974 Students
- +975 from October 1, 2021
- +386 Elementary School
- -193 Middle School
- +782 High School

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<sup>242</sup> <https://drive.google.com/file/d/0B2z1TYkljEONFV1djEbnN5d28/view?resourcekey=0-8Sa0AYDvslwiwNgAPT1grA>

**Alpine School District**  
Actual and Projected Enrollments

