Property Tax Equalization Programs

OLRGC

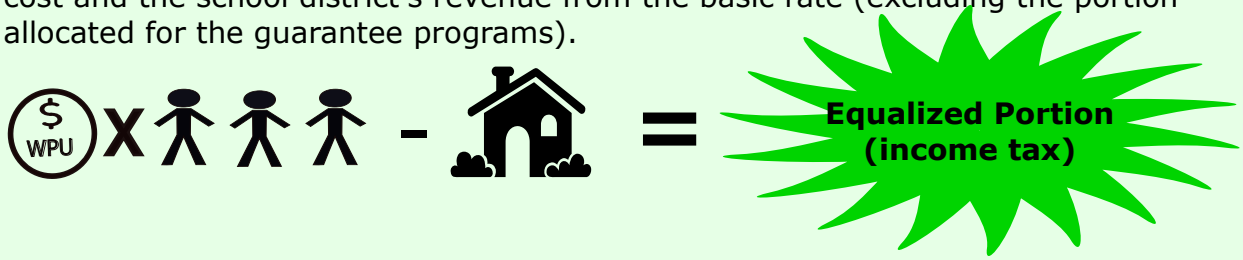
Basic Program - Operations and maintenance funding for public education programs

Legislature determines value of the Weighted Pupil Unit (WPU), a per student funding level ($3,184 for 2017)

A district levies the statewide basic rate on all properties across the district. Since the enactment of 2015 S.B. 97, a portion of revenue raised is used to offset state contributions to the guarantee programs.

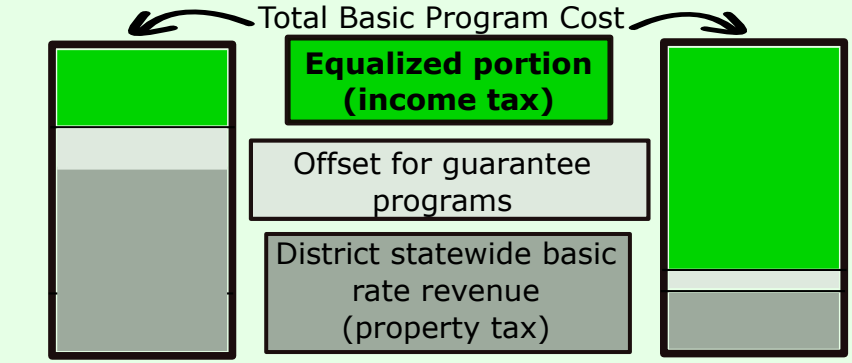
A district's basic program cost is determined by multiplying the number of students, weighted for certain characteristics, by the value of the WPU.

The state uses income tax to fund the difference between the basic program cost and the school district's revenue from the basic rate (excluding the portion allocated for the guarantee programs).



Example

District A and District B have the same number of students, levy the statewide basic rate, and have the same basic program cost, but have **different** total property values.



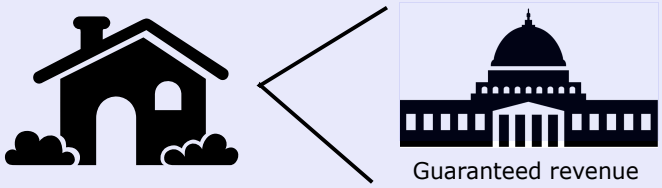
Guarantee Programs - Income tax funding to ensure that a particular level of district tax effort results in a minimum amount of revenue for the district

Utah's four guarantee programs

1. Voted Levy Guarantee
2. Board Levy Guarantee
3. Capital Outlay Foundation Program
4. Capital Outlay Enrollment Growth Program

A district's per student revenues from a local levy assessed at a particular rate varies depending on the number of students enrolled in the district and property values.

If the revenue generated by the district through a local levy is less than the amount guaranteed by the state based on statutory formulas:



the state equalizes funding by using income tax to fund the difference between the local revenue and the guaranteed revenue.

Charter Schools - Charter schools receive all basic program funding through state income tax. For each student enrolled in a charter school, the charter school also receives an amount equivalent to statewide average per student property tax revenue, funded through both income and property taxes.