USOE Implementation of:

H.B 49 Voted and Board Levy Programs Amendments

H.B. 173 Necessarily Existent Small Schools Funding

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Program Overview

- Board & Voted Levy Guarantee Program
  - Voted Levy Program - Guarantee of $27.36 per .0001 of levy for each WPU up to .0016 of levy
  - Board Levy Program - Guarantee of $27.36 per .0001 of levy for each WPU up to .0004 of levy
  - If the District does not generate the full amount of the guarantee from property tax revenues State revenues are used to supplement up to the amount of the guarantee

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H.B. 49

- Provisions of the Bill
  - If a prior year funding balance exists USOE is directed to:
    - Use the funding balance to increase the value of the state guarantee per WPU
    - Distribute the state contribution in the same manner as the other Board & Voted Levy Guarantee Funds
    - Report the actions taken to the Office of the Legislative Fiscal Analyst

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H.B. 49

- Implementation
  - USOE determined the carry-over balance from FY 2012/13 - $20,898,905 balance
  - The guarantee per WPU was increased from $27.36 to $29.51
  - Districts notified of additional funds – 6/12/2013
  - Funds will begin flow to Districts in 1/12 increments per month with the July funds transfer
  - Amount adjusted twice during the year:
    - After October 1 headcount adjustment to WPUs
    - In the Spring based on actual tax collections

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Program Overview

- Necessarily Existent Small Schools Funding
  - Schools are classified as Necessarily Existent based on State Board of Education Rules and statute
  - Additional NESS WPUs for schools classified as necessarily existent are distributed based on a regression formula approved by the State Board of Education
  - Total Funding for FY 2012/13 - $ **24,731,084**

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H.B. 173

- Provisions of the Bill
  - If a prior year funding balance exists:
    - The State Board of Education may distribute the funding balance based on a formula which considers the tax effort of a local school board

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H.B. 173

- Implementation
  - USOE determined the carry-over balance from FY 2012/13 - $0 balance
  - No additional revenue is available to distribute based on tax effort

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VOTED and BOARD LOCAL LEVY:

After putting in the actual tax collections in the FY13 Voted and Board Local Levy state guarantee calculation, it was determined that the Board Local Levy collected $9,924,014 more than anticipated and the Voted Local Levy collected $10,974,891 more than anticipated. This left a total balance of $20,898,905 in the state funds for the state guarantee amount for FY13.

Per statute, that balance was incorporated into the FY14 Voted and Board Local Levy state guarantee. In order to distribute those funds completely, the state guarantee amount had to increase from $27.36 to $29.51. This was accomplished by adding the $9,924,014 to the Board Local Levy state guarantee funds and the $10,974,891 to the Voted Local Levy state guarantee funds. A "Goal Seek" function was used to generate a state guarantee amount so that all of the "excess" funds were used which calculated the $29.51 state guarantee amount.

The Voted and Board Local Levy spreadsheet was distributed to the school districts and the FY14 budgets were calculated using the newly established state guarantee amount.

On June 12, 2013, the following statements were sent out to the school districts on the increase in the FY14 Voted and Board Local Levy state guarantee:

1. ***Because there is a carry-over amount in the Voted and Board Local Levy program for FY13, per revised statute, the USOE is to change the amount of the state guarantee rate in the following year to use up those funds. Based on current number of WPUs, tax rates, and assessed valuations, the rate has been calculated at $29.51. PLEASE BE CAUTIOUS in using these "extra" funds: this "increase" should be considered a one-time increase and you should not count on these additional funds continuing in the future. Even though the rate has increased, this state guarantee rate will drop back down in FY15 to the statutory rate (there may or may not be and carry over funds in FY14).***
    a. ***This is a PRE midyear adjustment. The USOE will adjust it again in the actual mid-year update with mid-year number of WPUs, initial roll values, and current FY14 tax rates. The calculation will be adjusted again in the spring of 2014 per actual tax collections.***

VOTED & BOARD LOCAL LEVY GUARANTEE PROGRAMS

	STATE GUARANTEE AMOUNTS FY14-Legislative Estimates	STATE GUARANTEE AMOUNTS FY14 MidYear	Amount of FY13 Carryover Plus Amount not allocated in the Legislative Estimates Minus funds leftover in new Allocation
District	**$ 27.36**	**$ 29.51**	**$ 22,057,558**
1 Alpine	$ 25,167,231	$ 29,099,182	$ 3,931,951
2 Beaver	70,130	-	(70,130)
3 Box Elder	857,979	1,176,461	318,482
4 Cache	4,304,272	5,204,868	900,596
5 Carbon	-	-	-
6 Daggett	-	-	-
7 Davis	16,852,431	20,592,437	3,740,006
8 Duchesne	-	-	-
9 Emery	-	-	-
10 Garfield	11,951	32,284	20,333
11 Grand	-	-	-
12 Granite	10,030,617	13,694,749	3,664,132
13 Iron	513,775	813,861	300,086
14 Jordan	12,454,905	15,323,265	2,868,360
15 Juab	69,642	123,268	53,626
16 Kane	-	-	-
17 Millard	-	-	-
18 Morgan	35,894	65,088	29,194
19 Nebo	9,528,580	11,017,037	1,488,457
20 No. Sanpete	654,550	799,478	144,928
21 No. Summit	-	-	-
22 Park City	-	-	-
23 Piute	104,285	118,060	13,775
24 Rich	-	-	-
25 San Juan	790,683	1,022,239	231,556
26 Sevier	531,368	680,781	149,413
27 So. Sanpete	1,538,971	1,741,631	202,660
28 So. Summit	-	-	-
29 Tintic	339,836	374,296	34,460
30 Tooele	2,281,335	2,692,816	411,481
31 Uintah	-	-	-
32 Wasatch	-	-	-
33 Washington	-	746,756	746,756
34 Wayne	27,158	37,873	10,715
35 Weber	7,085,678	8,431,271	1,345,593
36 Salt Lake	-	-	-
37 Ogden	2,845,508	3,429,288	583,780
38 Provo	1,929,912	2,662,532	732,620
39 Logan	332,630	537,358	204,728
40 Murray	-	-	-
42 Canyons	-	-	-
Total	**$ 98,359,321**	**$ 120,416,879**	**$ 22,057,558**

June 10, 2013