Basic Rate and Voted & Board

Estimates, Actuals, and the Connection between Property Tax Underestimates and Over-Appropriation

Thomas Young

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H.B. 1

PUBLIC EDUCATION BASE BUDGET AMENDMENTS

2014 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Bradley G. Last
Senate Sponsor: Howard A. Stephenson

- sets the value of the weighted pupil unit (WPU) initially at the same WPU value set
  for the 2013-14 fiscal year:
- $2,659 for the special education and career and technology add-on programs;
and
- $2,899 for all other programs;
- sets the estimated minimum basic tax rate in 001477 for fiscal year 2014-15; and
- provides appropriations for other purposes as described.

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 53A-17A-135 is amended to read:

53A-17A-135. Minimum basic tax rate -- Certified revenue levy.
(1) (a) In order to qualify for receipt of the state contribution toward the basic program
and as its contribution toward its costs of the basic program, each school district shall impose a
minimum basic tax rate per dollar of taxable value that generates $294,092,000 $296,709,700
in revenues statewide.
(b) The preliminary estimate for the [2014-15] 2014-15 minimum basic tax rate is
[3] 001477
(c) The State Tax Commission shall certify on or before June 22 the rate that generates
$294,092,000 $296,709,700 revenues statewide.
<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Actual Collections from Basic Rate</th>
<th>Estimated Revenue from Basic Property Tax Rate</th>
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<tr>
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<tr>
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<td>2014</td>
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</table>

Sources: LFA, Tax Commission, USOE

Measure Names:
- Statutory Revenue Target
- Actual Collections from Basic Rate

Overpayment Amount (Statewide)

Sources: LFA, Tax Commission, USOE

Average, 16,938,515
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VOTED AND BOARD LEeway Programs

ITEM 9 To Voted and Board Leeway Programs - Voted and Board Local Levy Programs

From Education Fund

From Local Revenue

Schedule of Programs:

Voted Local Levy Program

Board Local Levy Program

Board Local Levy Program - Reading

Improvement

99,590,700

305,524,300

299,283,800

90,831,200

15,000,000

Source: LFA, USOE

Voted & Board Leeway - Estimates and Actual

Voted & Board Leeway State Guarantee Portion - Estimates and Actual

Fiscal Year
LONG TITLE

General Description:

This bill amends provisions in the Minimum School Program Act regarding the voted and board levy programs.

Highlighted Provisions:

This bill:

- requires the State Board of Education to:
  - use a voted and board local levy funding balance in the prior fiscal year to increase the value of the state guarantee per weighted pupil unit in the current fiscal year; and
  - distribute the state contribution to the voted and board local levy programs to school districts based on the increased guarantee per weighted pupil unit; and
- makes technical changes.
Summary

• Changed our estimating methodology on the Basic Rate and the Voted & Board leeways to make them more accurate
• They are more accurate, but we’re still underestimating, with the state overcollecting revenue from the basic property tax and the Legislature overappropriating the state guarantee portion of the Voted & Board leeways
• For FY 2014, there will be $13 million left due to the Basic Rate overcollection
• For FY 2014, $4 million will be distributed to districts under the Voted & Board leeways due to the overappropriation, not $27 million.