

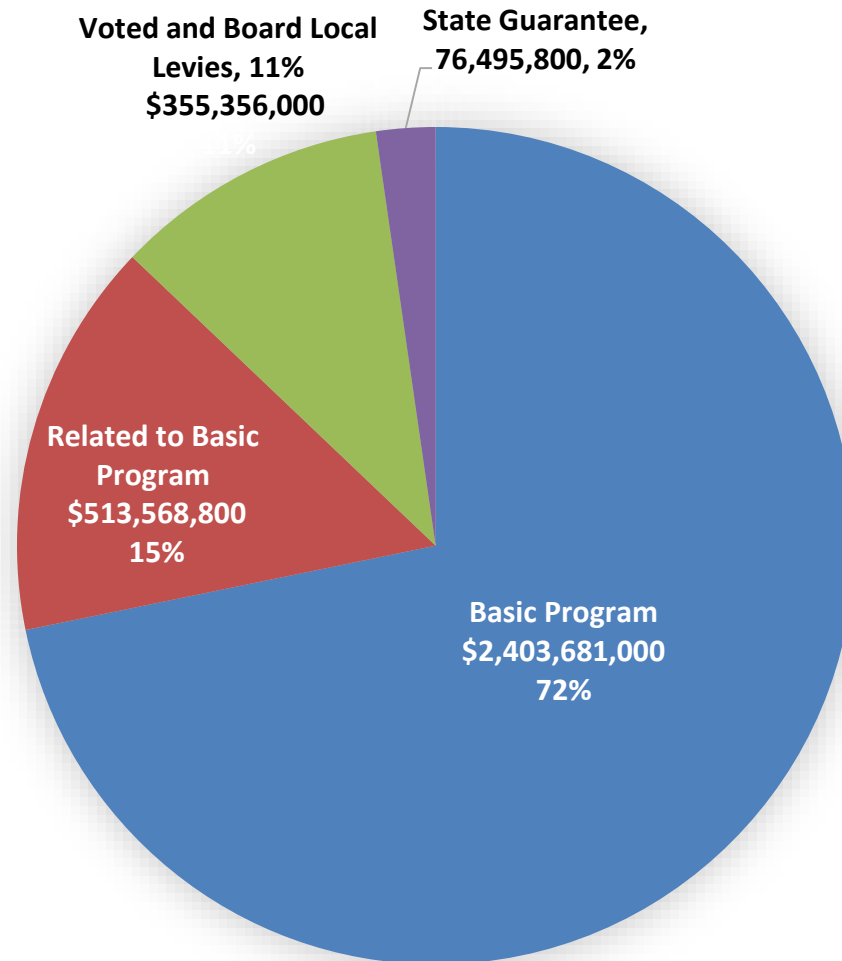
# How Utah Public Schools are Funded

Office of Legislative Research and General Counsel

June 2014



# Minimum School Program Revenues FY2015 - \$3,349,101,600



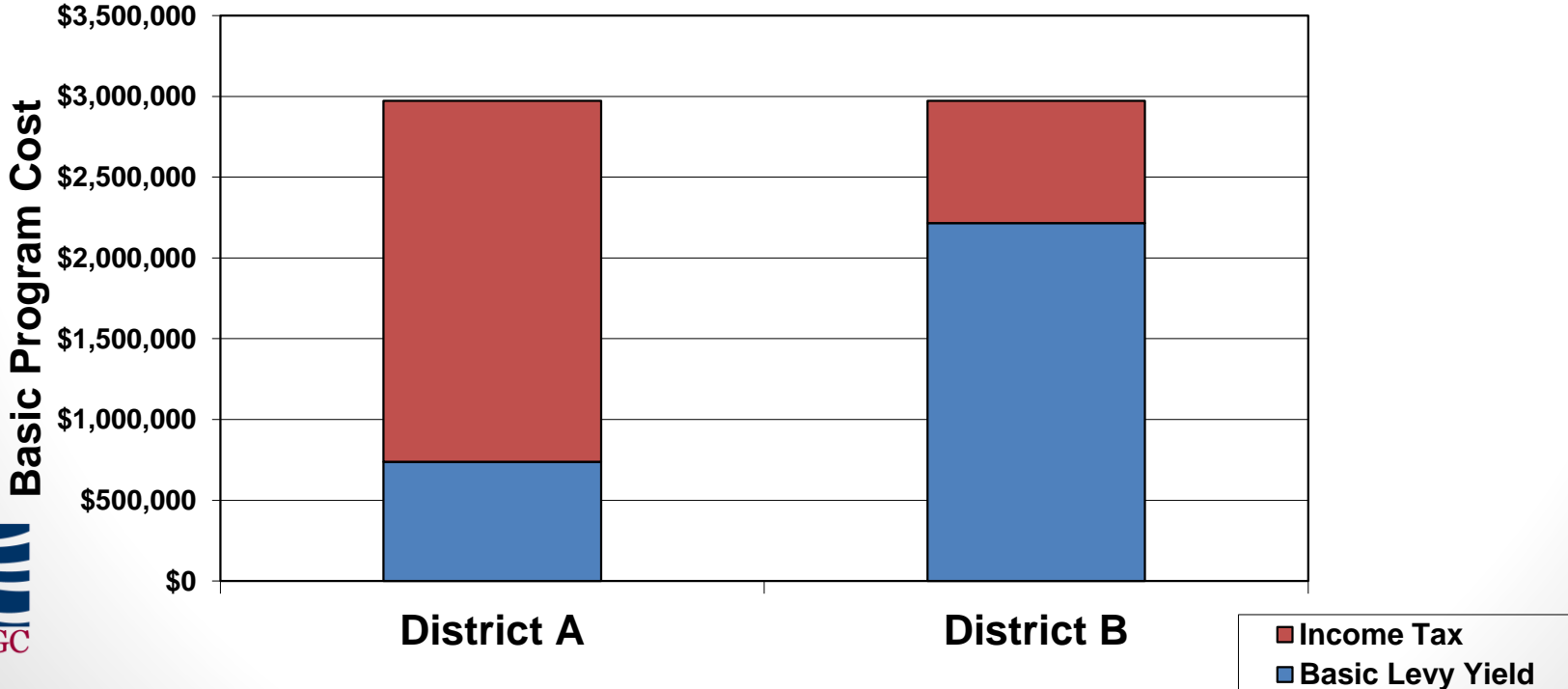
Source: Office of the Legislative Fiscal Analyst, Utah State Office of Education

# Basic Program Allocation

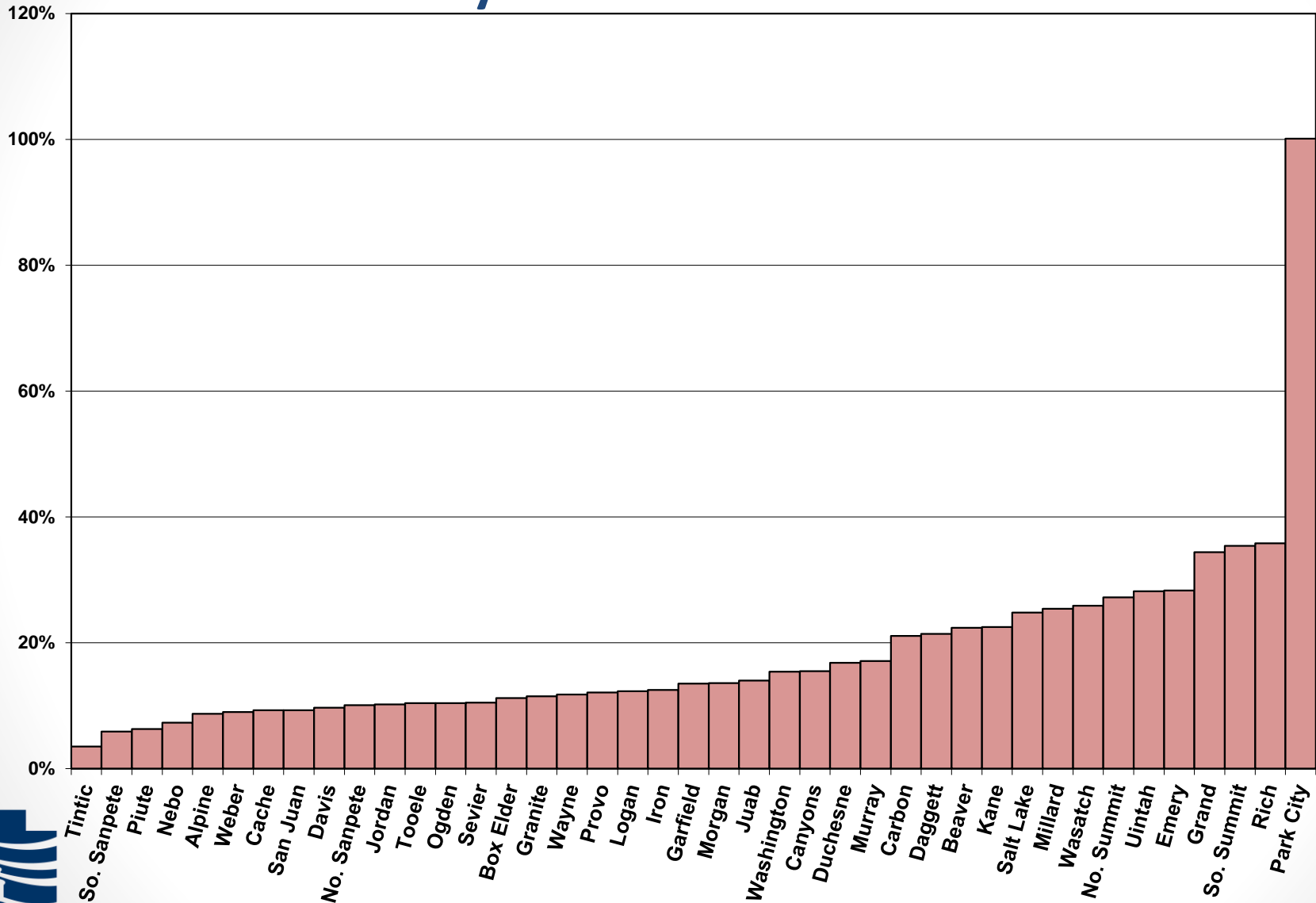
- School districts impose a uniform property tax known as the minimum basic tax rate or basic levy.
- Each school district and charter school is guaranteed an amount of money determined by the number of Weighted Pupil Units (WPU) and the value of the WPU
  - Basic levy revenues below the guaranteed amount are supplemented by the state (income tax revenues)
  - Basic levy revenues in excess of the guaranteed amount go to the state
- Number of WPU based on:
  - number of students in kindergarten and grades 1 - 12
  - number of students in special education programs
  - experience and educational level of professional staff
  - career and technical education (CTE) programs
  - school district size and rural schools
- Legislature sets value of WPU each year - \$2,972 for FY2015, except \$2,726 for CTE and special education add-on programs
- The use of Basic Program money is unrestricted, except the portion designated for special education or CTE

# Basic Program – Example

District A		District B	
Value of WPU	\$2,972	Value of WPU	\$2,972
WPUs	1,000	WPUs	1,000
Basic Program Cost	\$2,972,000	Basic Program Cost	\$2,972,000
Net Taxable Value	\$500,000,000	Net Taxable Value	\$1,500,000,000
Basic Levy	.001477	Basic Levy	.001477
Basic Levy Yield	\$738,500	Basic Levy Yield	\$2,215,500
Income Tax	\$2,233,500	Income Tax	\$756,500



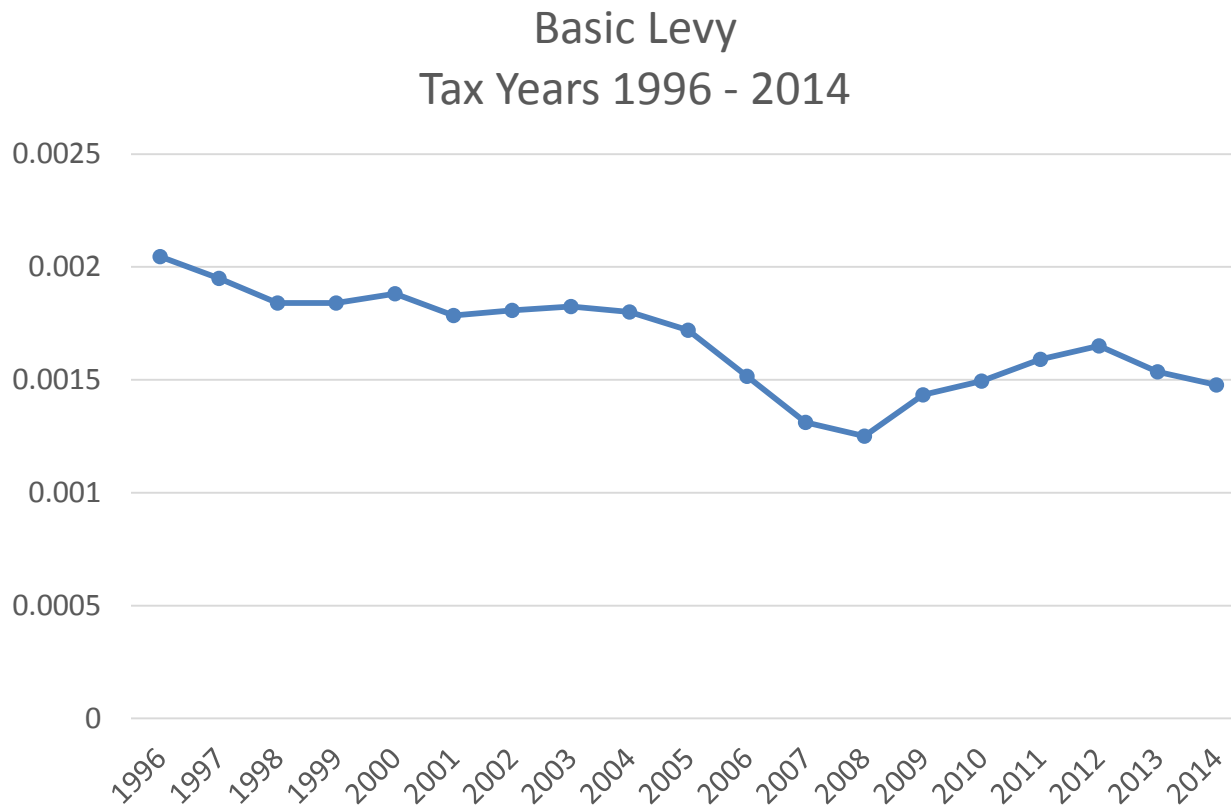
# Percent of Basic Program Cost Funded by a School District's Basic Levy Revenue – FY 2014



Data Source: Utah State Office of Education

# Basic Levy

- Set at a rate that generates the same amount of revenue that was generated in the prior year plus revenue from new growth



Data Source: Utah State Office of Education



# Related to Basic Program

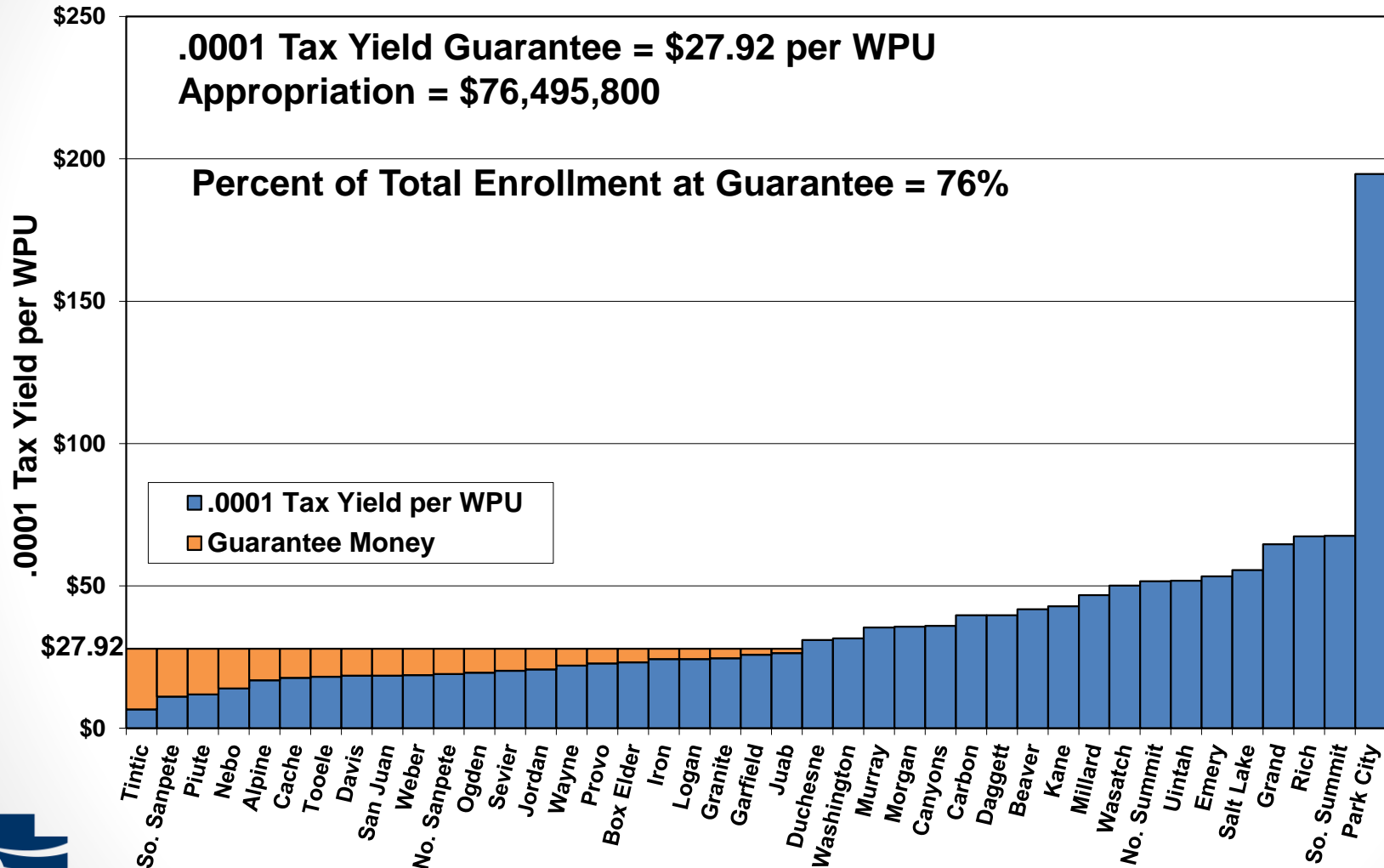
- Revenues from state income tax and interest and dividends from permanent State School Fund (no local contributions)
- Money set aside for specific programs, e.g.
  - Transportation
  - Youth-in-custody
  - Adult education
  - At-risk students
  - Enhancement for accelerated students
  - School Trust Land program
- School districts and charter schools qualify for program funds based on program criteria and must spend funds on allowed program uses.

# Voted and Board Local Levies

- Discretionary property tax levies imposed by a local school board
  - Voted local levy – must be approved by voters
  - Board local levy – approved by local school board
- If imposed, each tax rate of .0001 is guaranteed to generate \$27.92 per WPU in FY2015 up to a tax rate of .0020 (In FY2014, districts receiving guarantee had combined voted and board local levy rates ranging from .001791 to .003845)
- Revenues are unrestricted



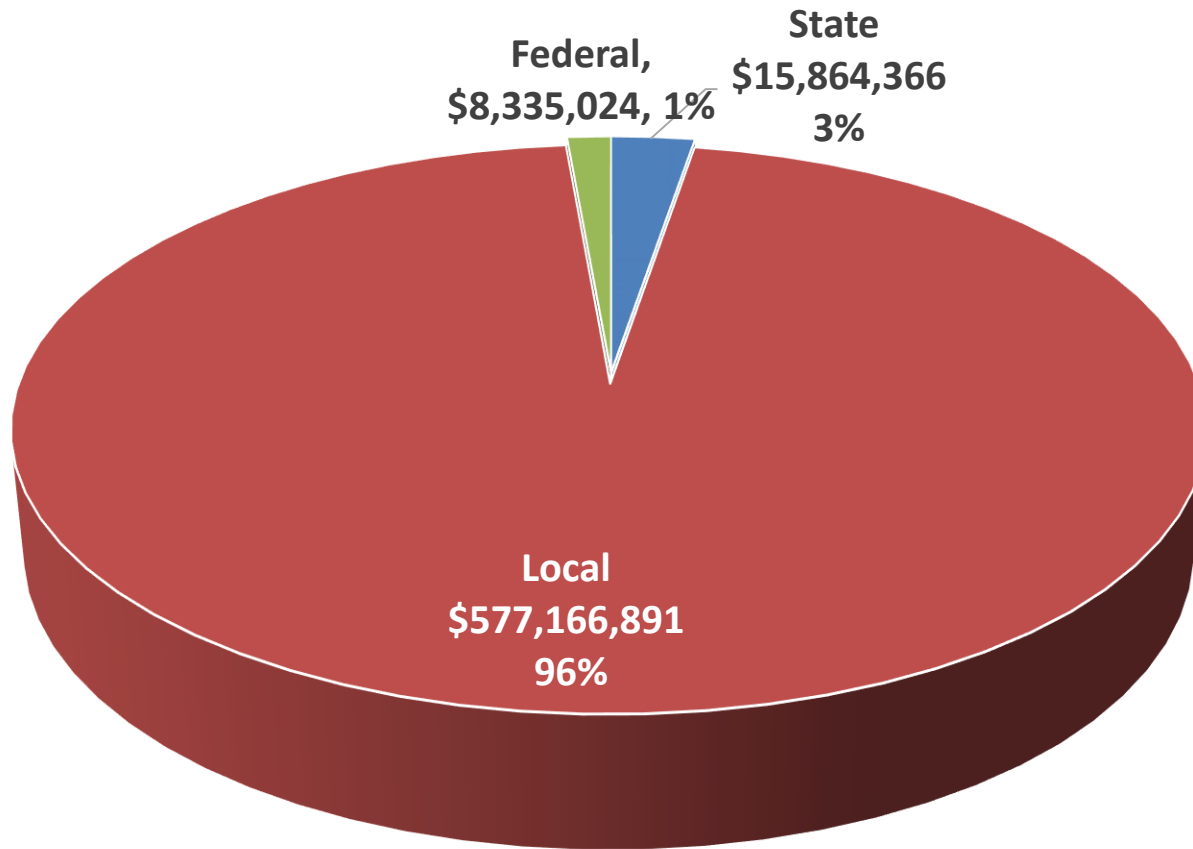
# Voted and Board Levy Guarantee, FY 2015



Data Source: Utah State Office of Education

# Statewide Capital Project and Debt Service Fund Revenues - FY 2013

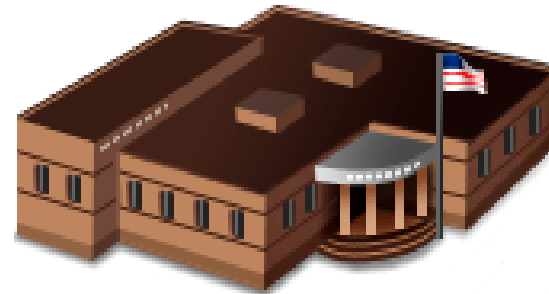
## \$601,366,281



Source: Annual Financial Report, Utah State Office of Education

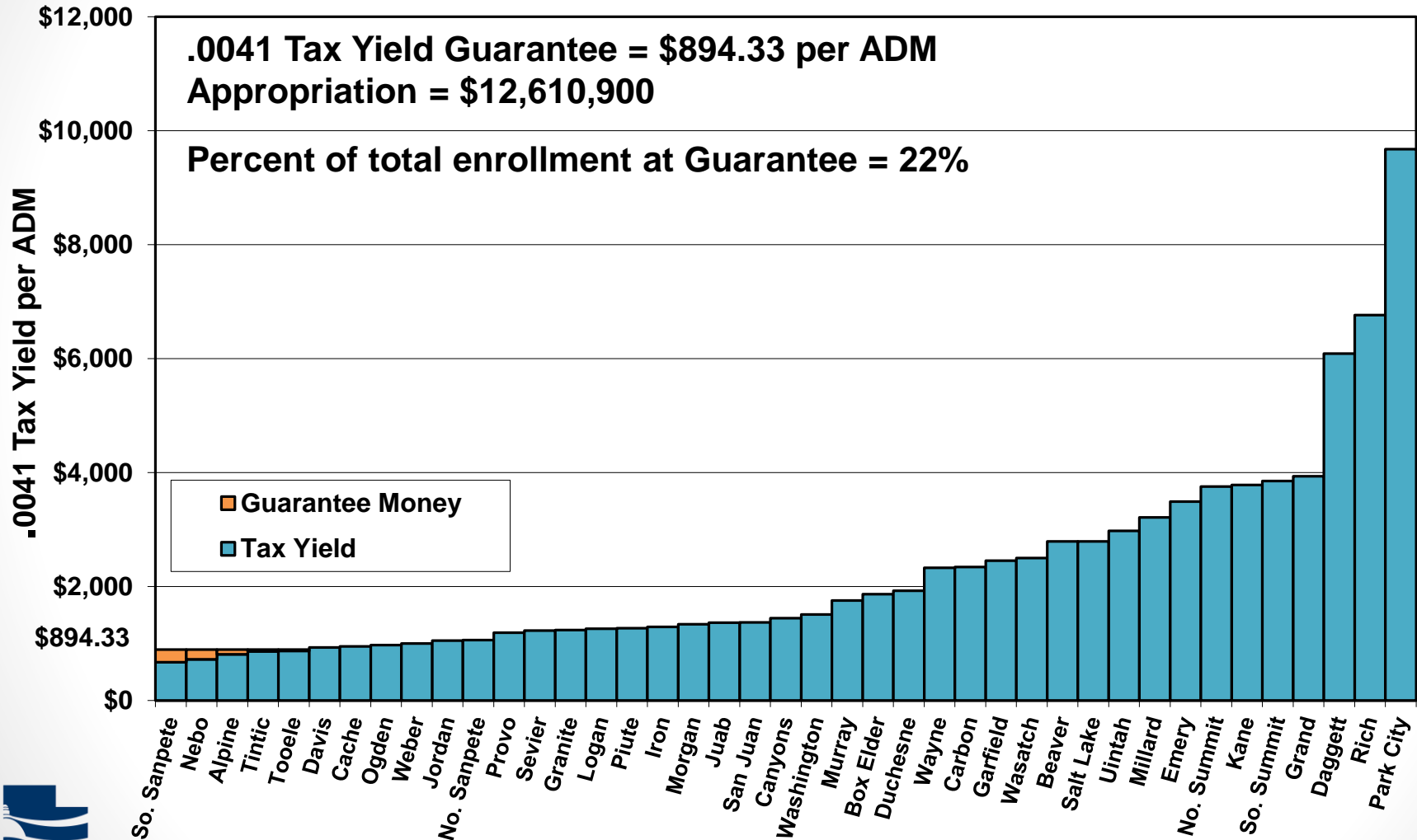
# Capital Projects Funding

- A local school board may impose a capital local levy up to .0030
- A local school board imposes a debt service levy to pay for bonded indebtedness approved by voters
- State aid provided based on tax yield per student and growth in enrollment
- For school districts in a county of the first class, .0006 of the capital local levy is distributed among the districts based on enrollment and growth in enrollment (scheduled to be repealed December 31, 2016)



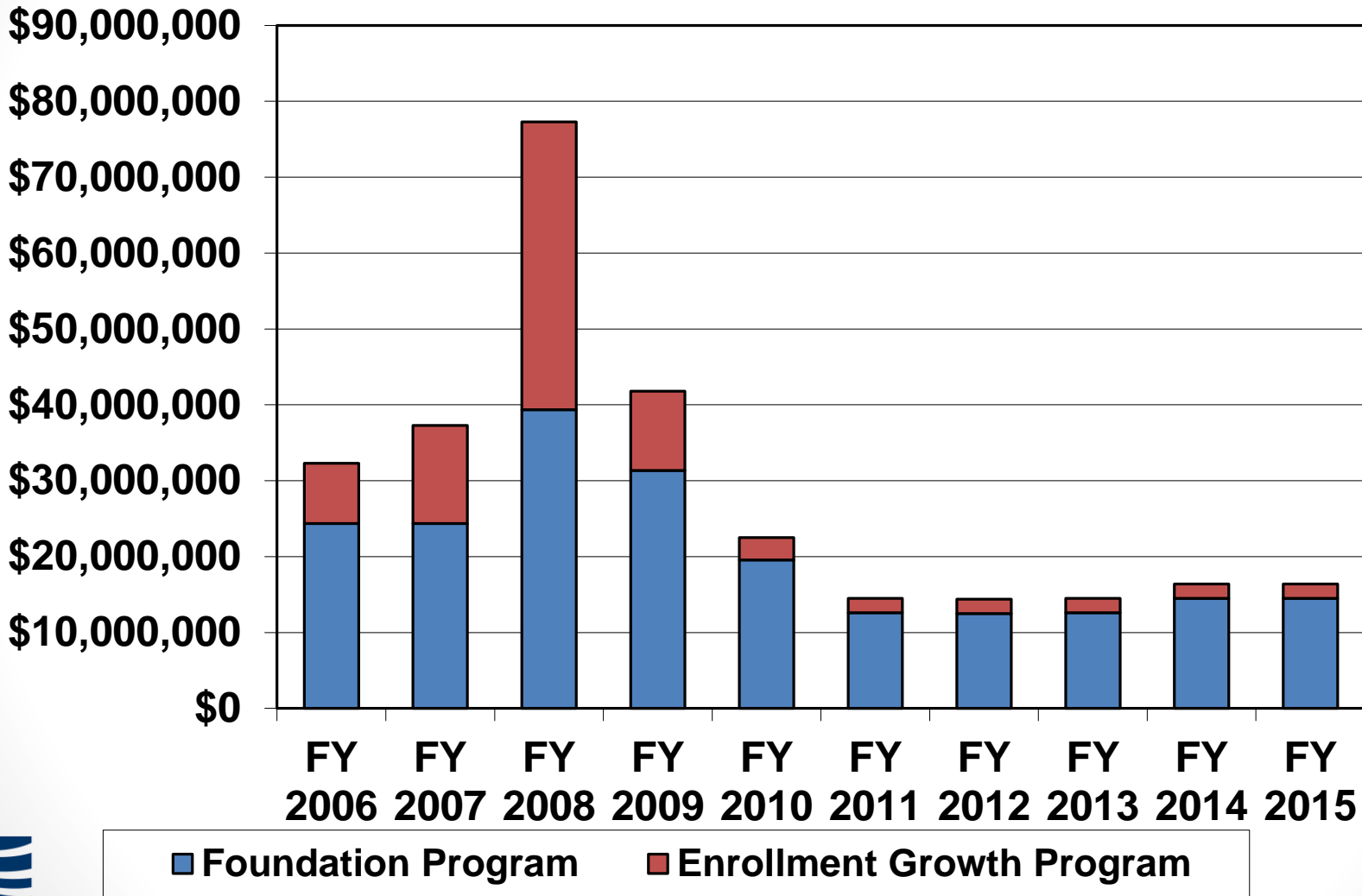
# Capital and Debt Service Levy Guarantee

## FY 2015



Data Source: Utah State Office of Education

# State Funding for School Buildings



■ Foundation Program    ■ Enrollment Growth Program

Data Source: Utah State Office of Education



# Charter School Funding

Charter schools are funded the same as school districts except:

- \$100 per pupil for charter school administrative costs
- No pupil transportation funds
- Grade weights
- Local Replacement Funding to replace school district property tax revenue, \$1,660.21 per charter school student in FY 2015



# Please feel free to contact the Education Team with any questions:

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