



PUBLIC EDUCATION
BUDGET OVERVIEW

Understanding State & Local Perspectives

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Education Budget

2019 GS | State & Local Revenue Projections



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State Revenue:
Estimated General & Education Fund
 December 3, 2018

Total - \$1.1 Billion
 Ongoing - \$565.0 Million
 One-time - \$521.0 Million

Recent Tax Commission Reports (TC-23) Indicate Slowing Income Tax Collections

Revenue Estimates Revised in Late February

Crosswalk from Revenue Estimates to Available GF/EF Revenue - December 3, 2018
 (In millions of dollars)

a	b		c	
	One-Time	Ongoing		
1 General Fund				
2 Prior Year Surplus	8	-		
3 Fall Revenue Forecast	59	187		
4 Available GF Free Revenue	67	187		
5 Education Fund				
6 Prior Year Surplus	150	-		
7 Sept. 2018 Revenue Update	34	69		
8 Fall Revenue Forecast*	296	519		
9 Above-trend Revenue	100	(100)		
10 Available EF Free Revenue	579	488		
11 Total GF/EF				
12 Prior Year Surplus	158	-		
13 Sept. 2018 Special Session	34	69		
14 Revenue Forecast	355	706		
15 Above-trend Revenue	100	(100)		
16 Available GF/EF Free Revenue, Dec. 3	646	675		
17 Dec. Special Session Appropriations				
18 Cash Funding of Prison Construction	(125)	(110)		
19 Net Available GF/EF Free Revenue, Dec. 3	521	565		



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The Basic Levy:
 FY 2020 Estimated Revenue

Statute Provides for Certain Increases in Basic Levy Property Tax Revenue

- Basic Levy - \$14.9 M from "Net New Growth in Properties" historically used to offset the state cost of enrollment growth.
- Equity Pupil - \$12.8 M (Est.) Difference between the traditional "Basic Tax Rate" and the rate floor of 0.0016.
- WPU Value - \$4.7 M (Est.) for each 1% increase in WPU Value set by the Legislature

Minimum School Program: The Basic Levy

Basic Rate Components	FY 2019 Base Revenue	FY 2020 Net New Growth ⁽²⁾	FY 2020 Formulaic Incr.	FY 2020 Discretionary	FY 2020 Total
Basic Levy	\$333,073,800	\$14,962,300	\$0	\$0	\$348,036,100
Basic Levy Increment Rate ⁽²⁾	\$75,000,000	\$0	\$0	\$0	\$75,000,000
Equity Pupil Tax Rate	\$36,117,300	\$0	\$12,880,600	\$0	\$48,997,900
WPU Value Rate ⁽¹⁾	\$18,650,000	\$0	\$0	\$4,700,000	\$18,650,000
Total	\$462,841,100	\$14,962,300	\$12,880,600	\$4,700,000	\$490,684,000

Notes:

(1) The WPU Value Rate adjusts with the percent increase in the WPU Value as determined by the Legislature. The adjustment is based on the ratio of state/local funding in the prior year (FY 2019 is 85/15 split). For FY 2020, the property tax increase would be approximately \$4.7 million for each 1 percent increase. The "FY 2020 Discretionary" amount is not included in the "FY 2020 Total" as the Legislature has yet to determine the WPU Value increase for FY 2020 to calculate the final tax impact amount.

(2) Statute allows the Basic Rate to collect property tax revenue on the net new growth of properties in the state. "Net New Growth" is an amount calculated by the Tax Commission each year. Historically, this revenue has accrued to the Basic School Program and offset the state cost for enrollment growth each year. The net new growth amount for the Basic Levy Increment Rate has accrued to the Basic School Program since the creation of that rate in FY 2016.



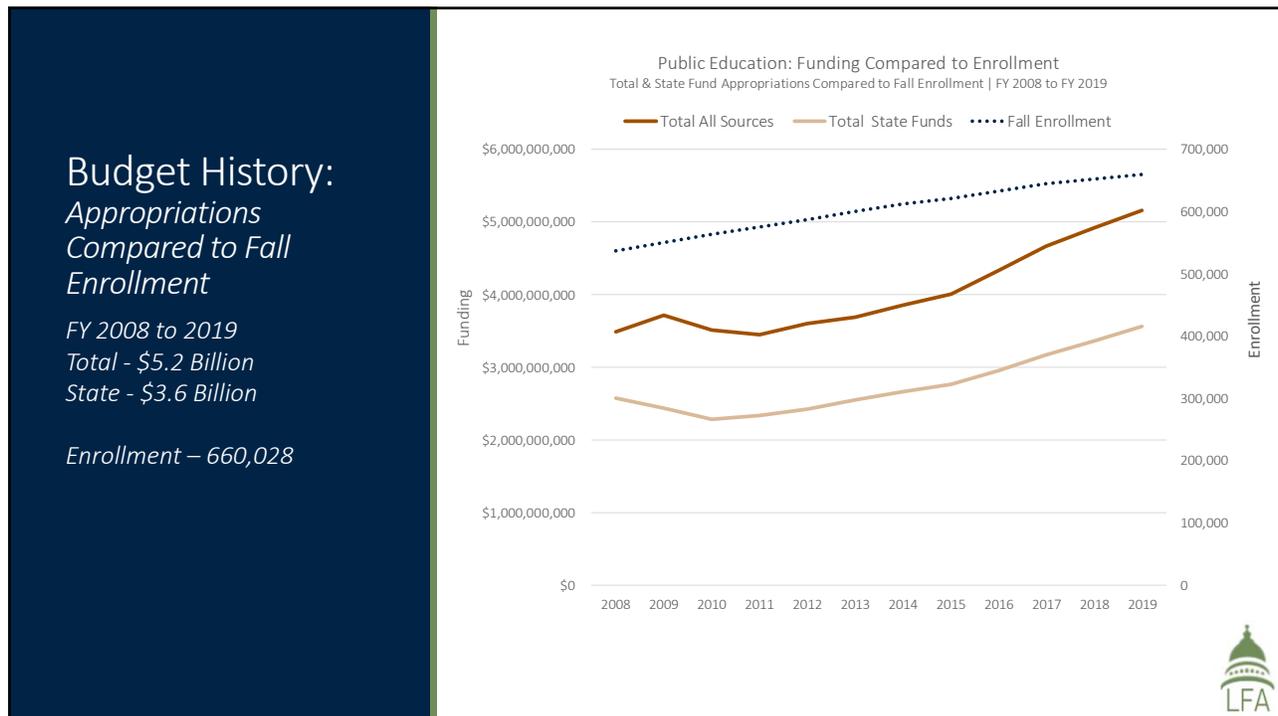
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Education Budget Histories

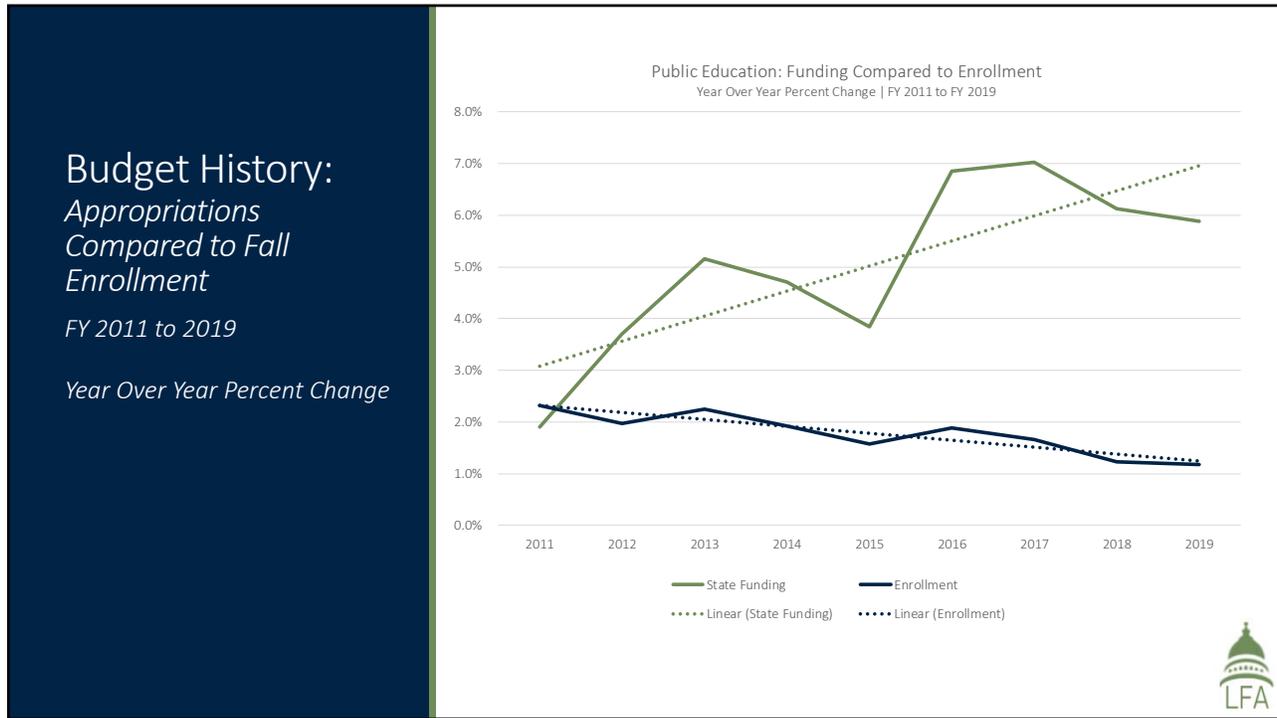
2019 GS | History of Appropriations to Support Public Education



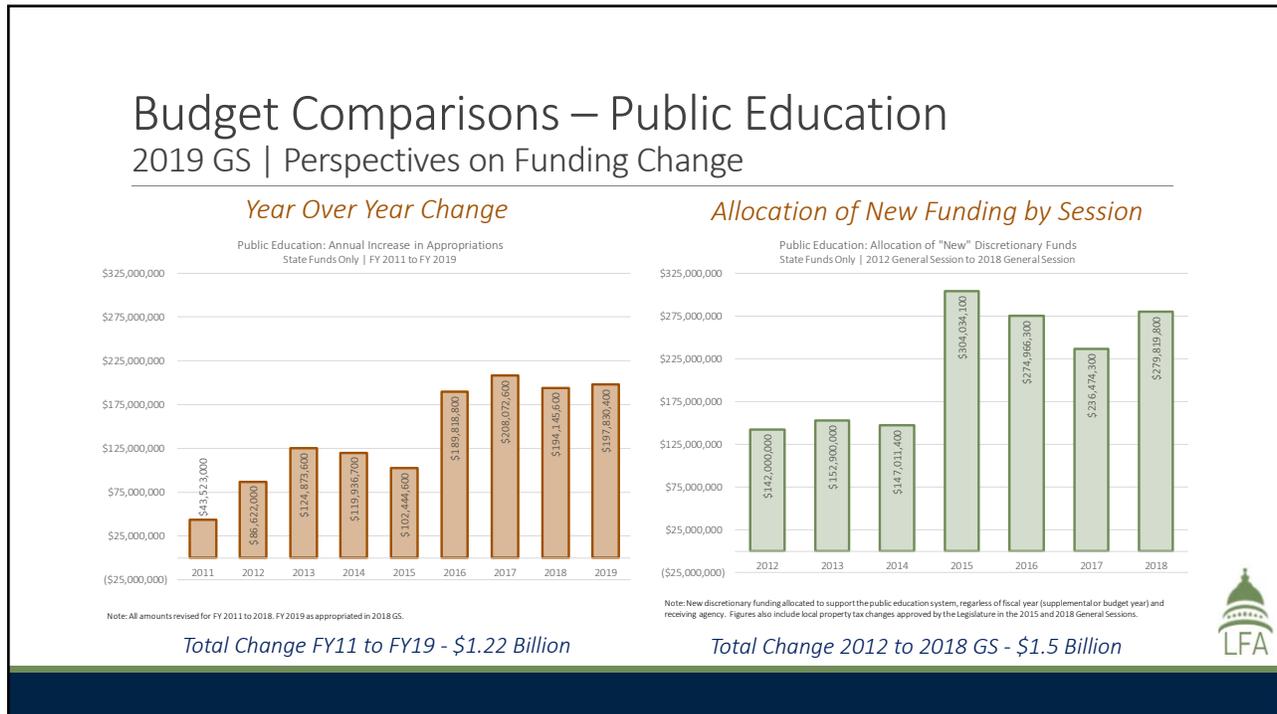
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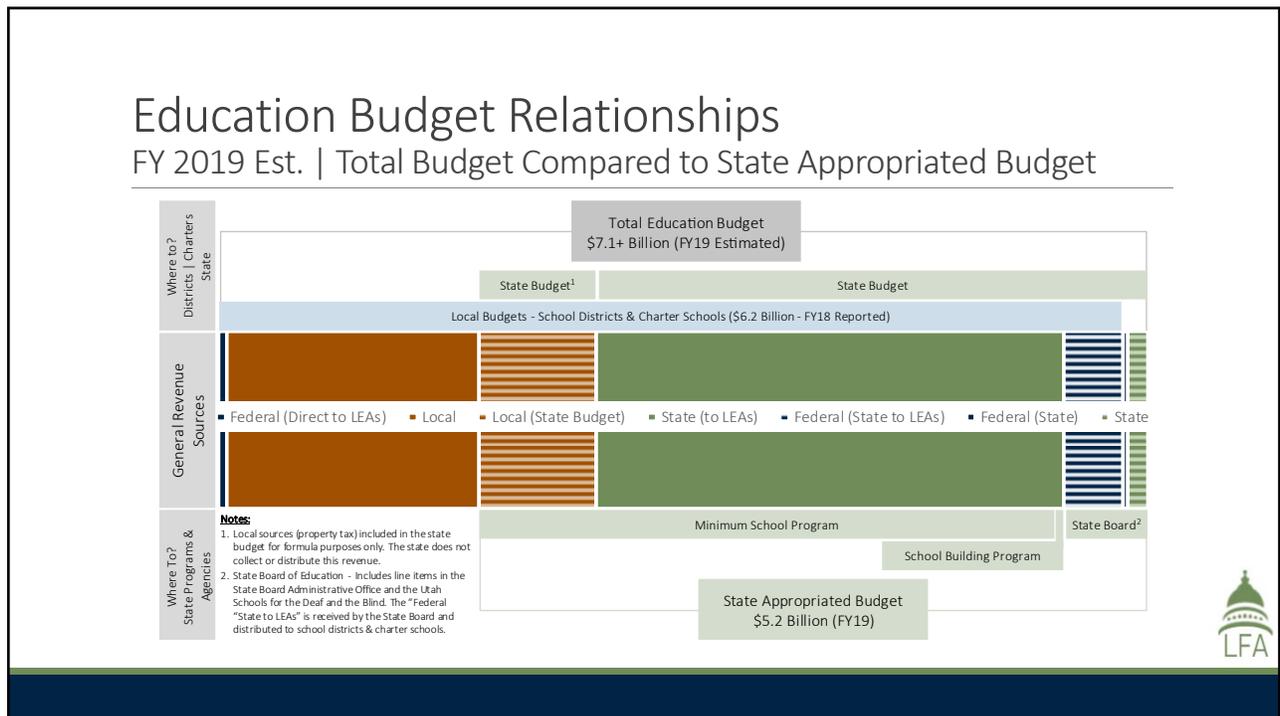
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Education Budget Perspectives

FY 2018 & FY 2019 | Total vs. Local vs. State Budgets



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Public Education Budget – Local Perspective

FY 2018 | Financial Reporting by Local Education Agencies (LEAs)

- State & Federal Funds
 - Education & Uniform School Funds
 - Federal Grants
 - Appropriated to State Board of Education & “Passed Through” to LEAs
- Additional Local & Federal Funds
 - Local Property Tax Revenue
 - Federal Grants Direct to LEAs
- Local Governing Boards Determine Expenditures
 - Budgets Adopted in June
 - State Funds Dispersed Monthly
- Financial Reporting
 - Revenues & Expenditures Annually
 - Due to State Board of Education – Oct. 1
- Annual Financial Report
 - Total Revenues & Expenditures
 - Independent Annual Audit
 - Based on U.S. Department of Education Chart of Accounts
 - Comparability Across States
 - Different Than State Budget Categories
- Annual Program Report
 - Data by Major Program
 - Detail on State Restricted Programs



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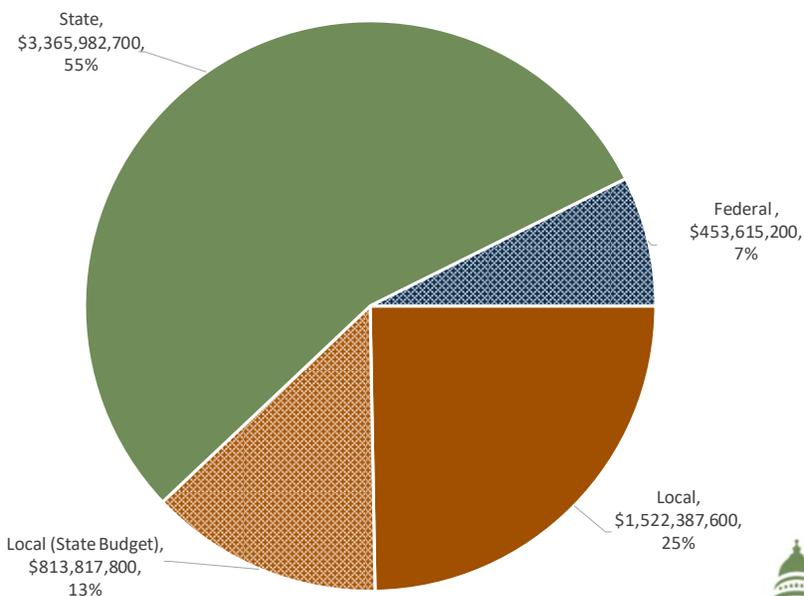
Local Perspective: Revenues

As Reported by School Districts & Charter Schools

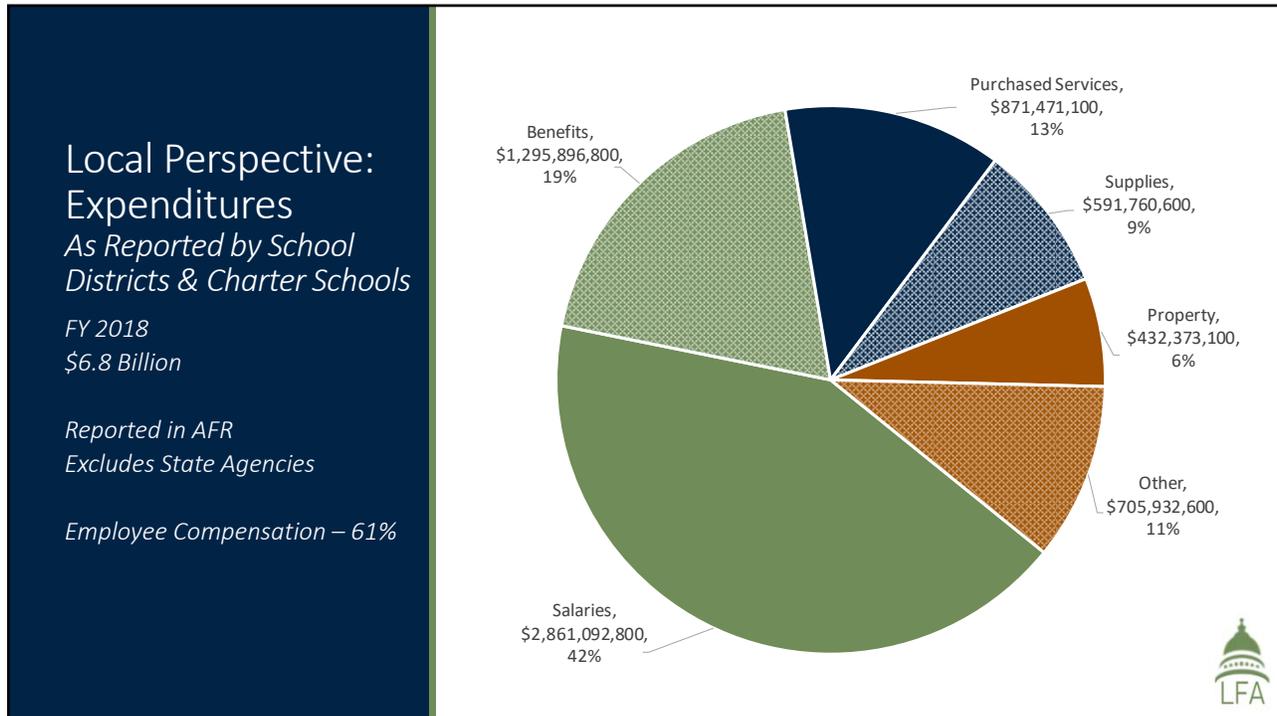
FY 2018
\$6.2 Billion

Reported in AFR
Excludes State Agencies

State Sources – 55%
Local Sources – 38%
Federal Sources – 7%



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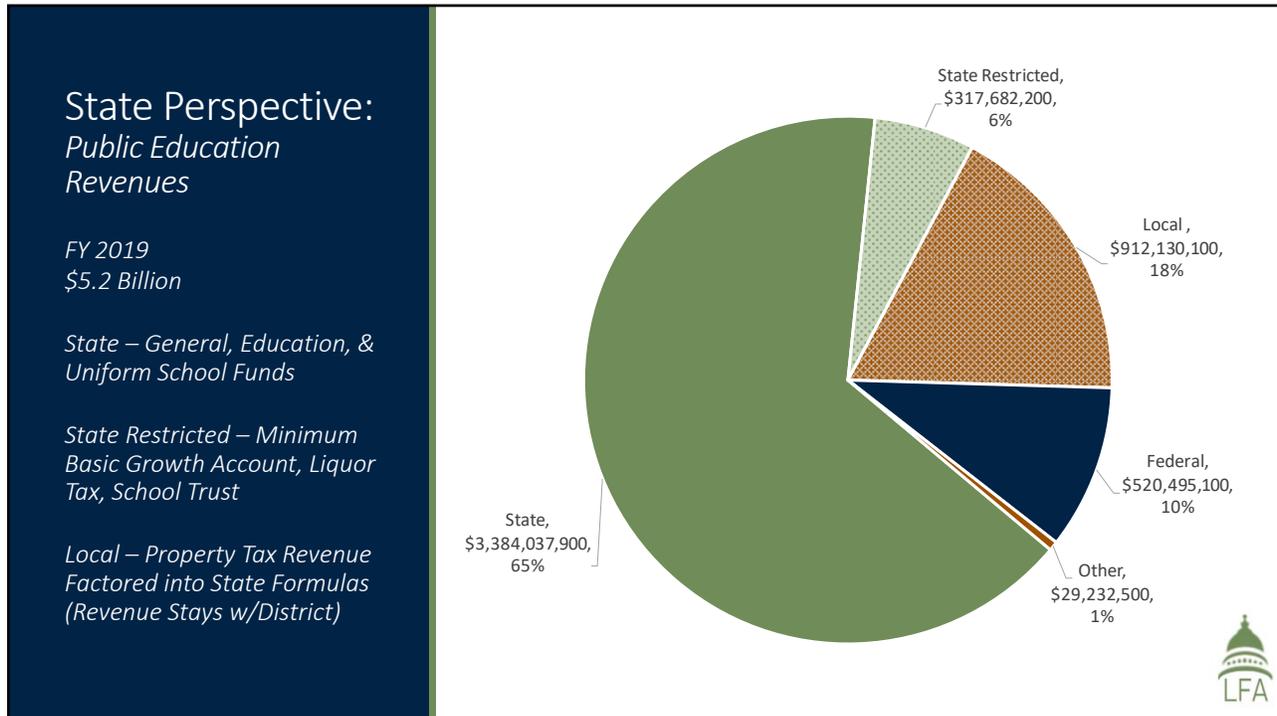
Public Education Budget – State Perspective

FY 2019 | Budget & Financial Reporting by the State

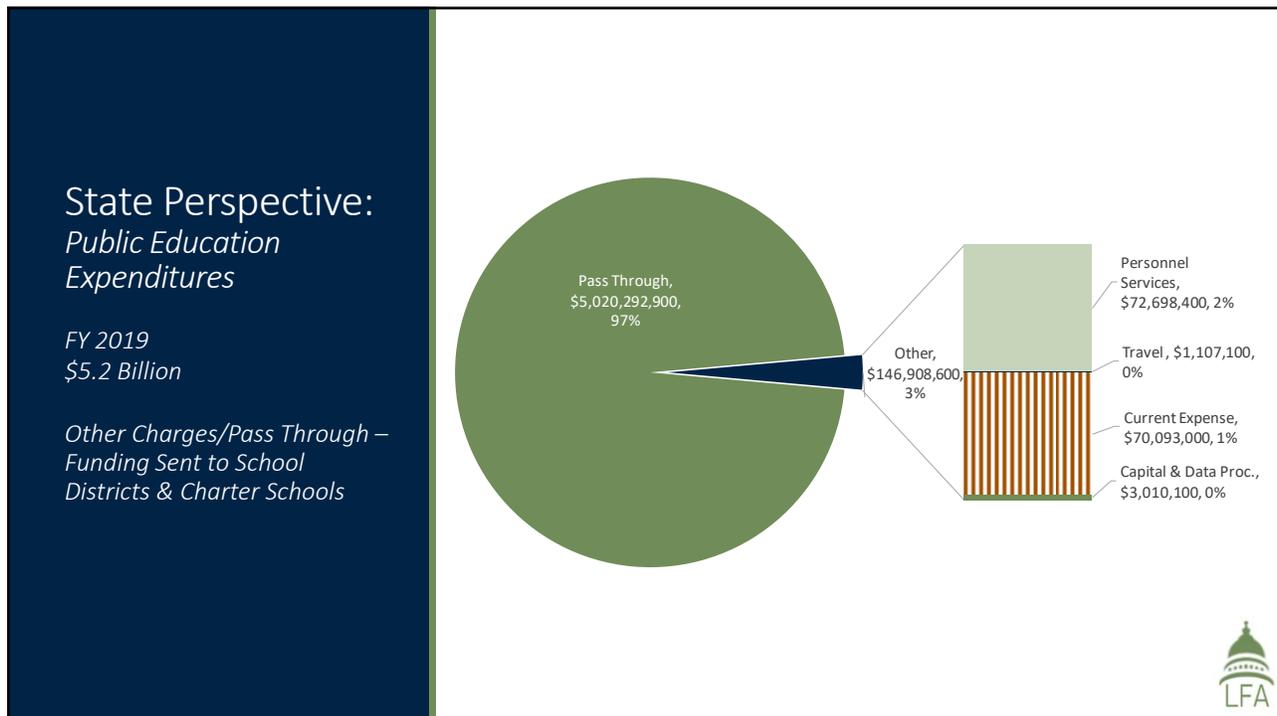
- Legislative Appropriations
 - State General, Education, & Uniform School Funds
 - Federal Funds
 - Restricted Revenues
 - Certain Local Property Tax Revenues
 - Not Collected by State but Used in Formulas
- Appropriated to the State Board of Education
 - Majority “Passed-Through” to Locals – State & Federal Funding
 - Direct Support for State Agencies & Programs
 - State Administrative Office & Utah Schools for the Deaf and the Blind
- Budget Determined by Legislature
 - Approved by Governor
- Financial Reporting – Data Reported Multiple Times Annually
 - Legislative Reports
 - Appropriations Report
 - Compendium of Budget Information
 - State Division of Finance
 - Comprehensive Annual Finance Report (CAFR)
 - Audited by the Office of the State Auditor

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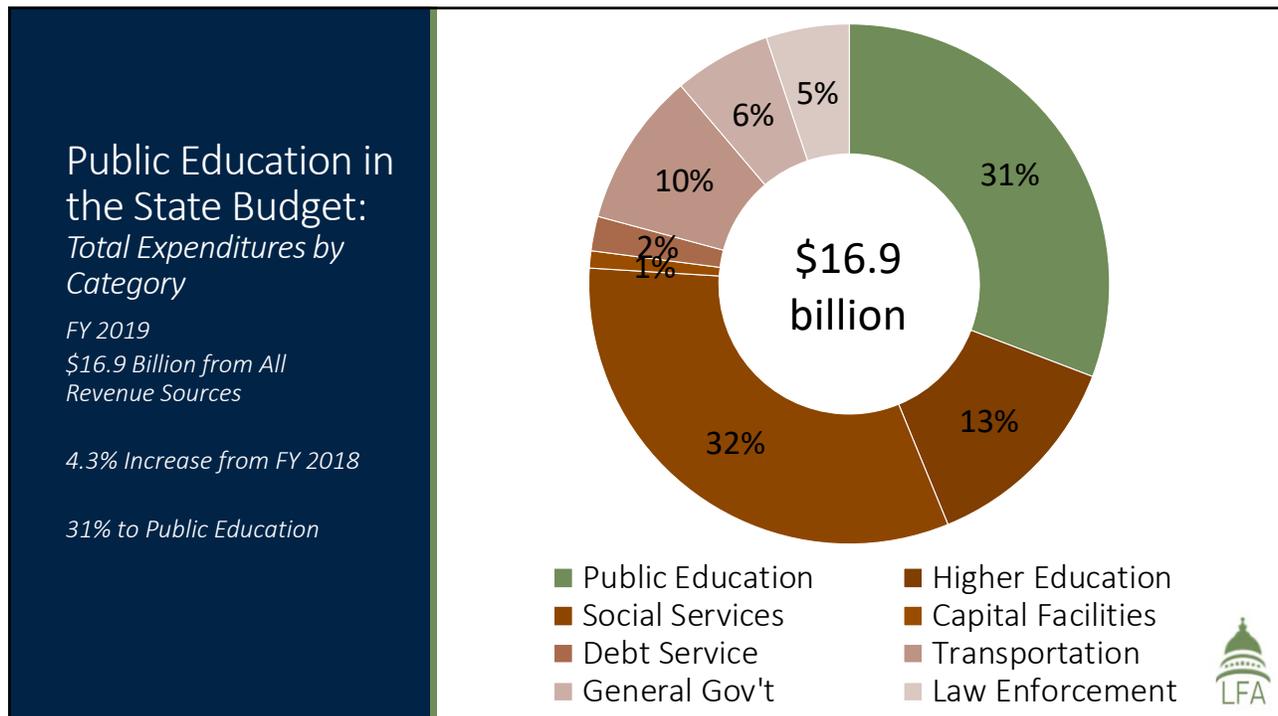
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Education Budget Comparisons

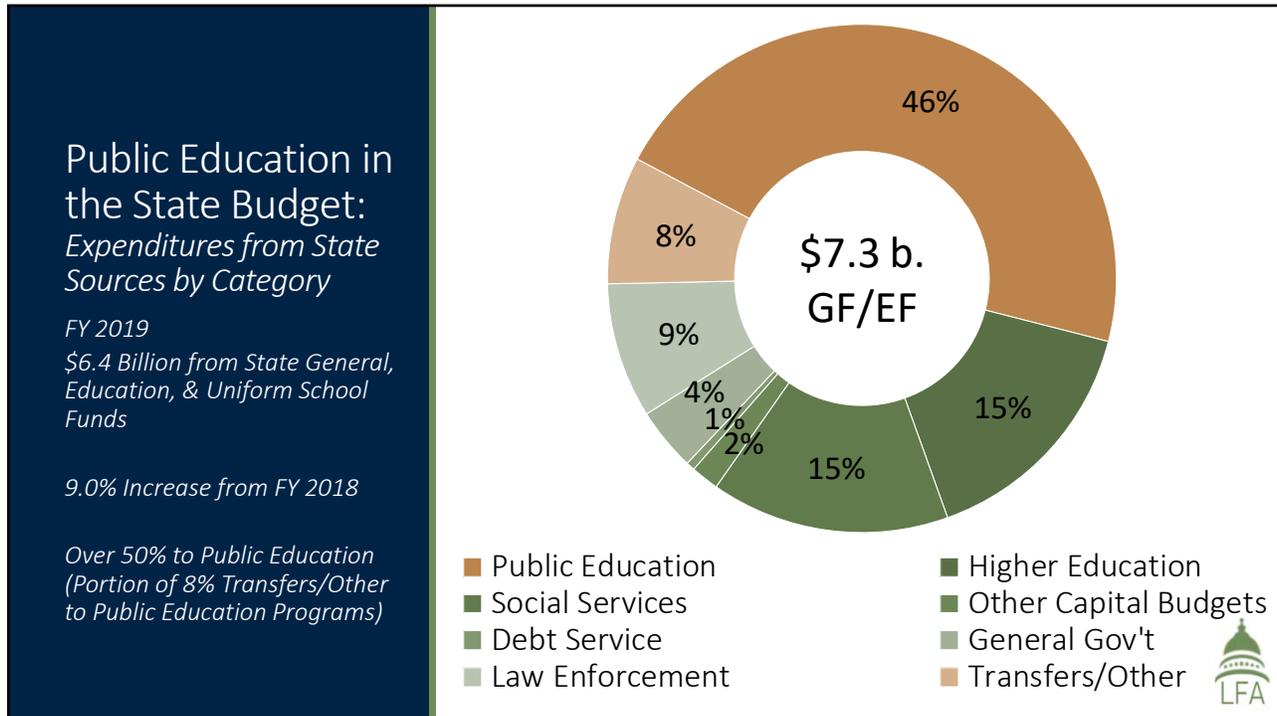
2019 GS | Public Education Budget in the State Budget



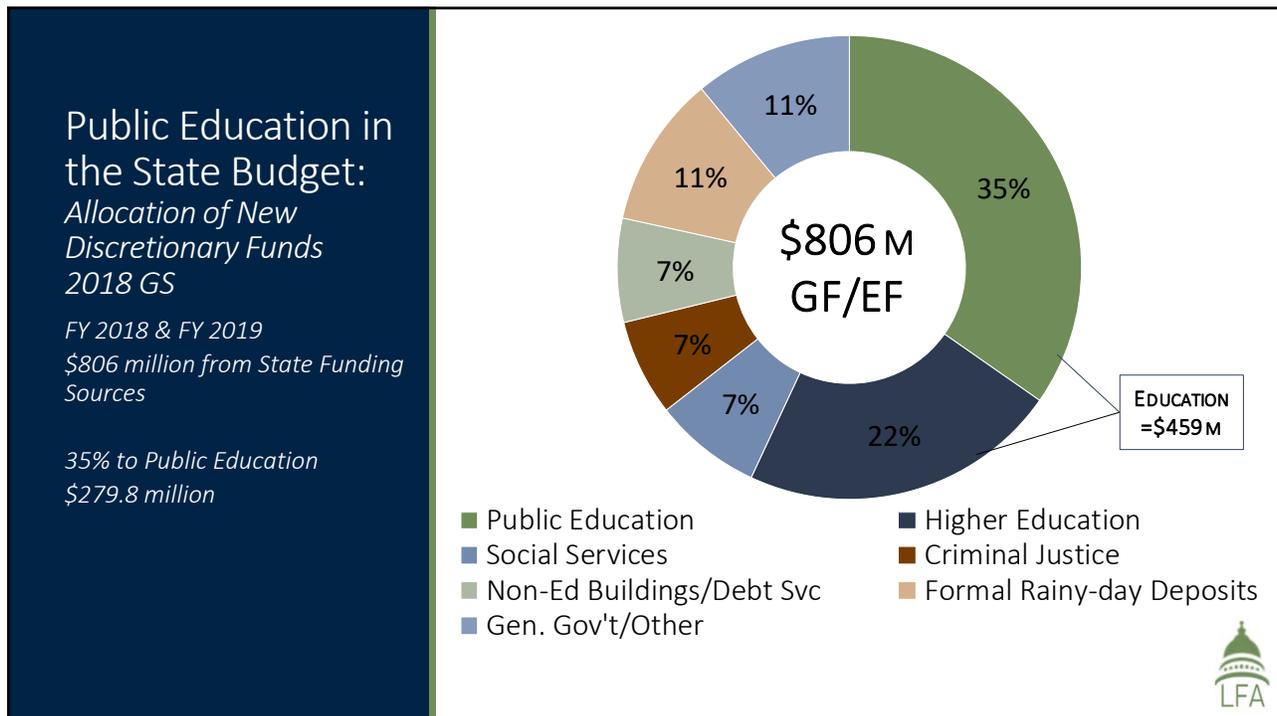
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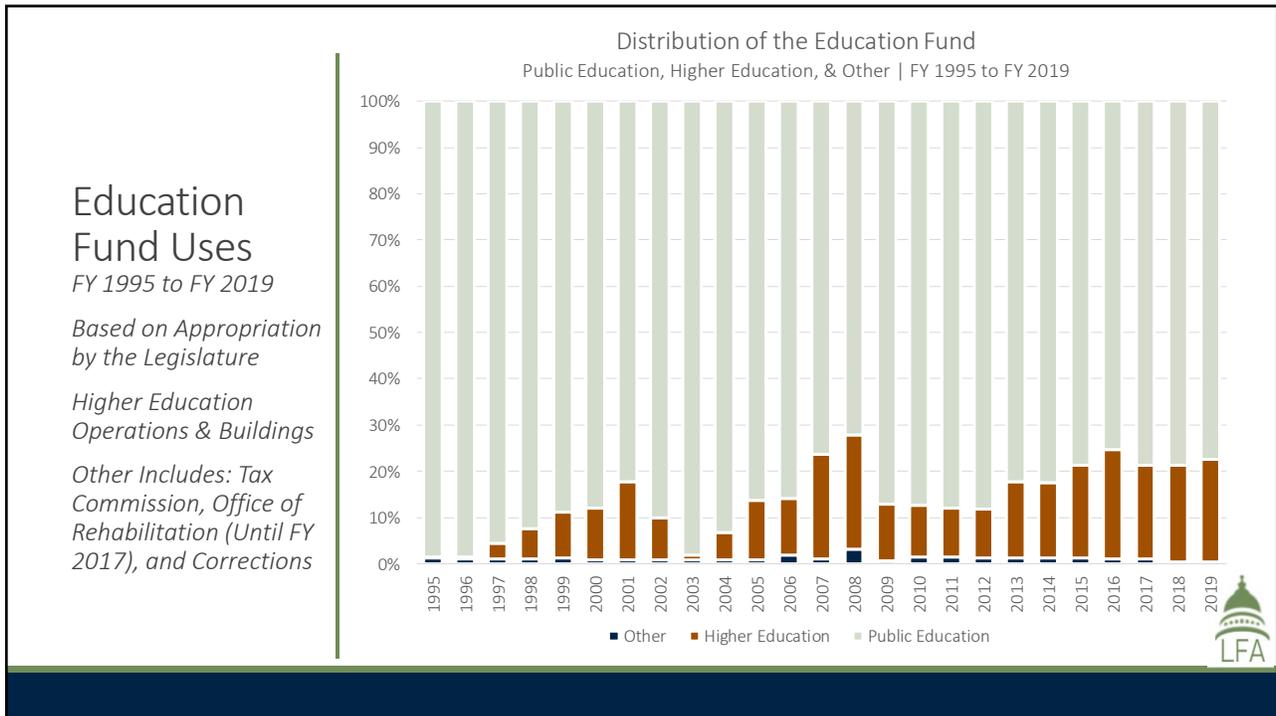
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Education Fund Distribution

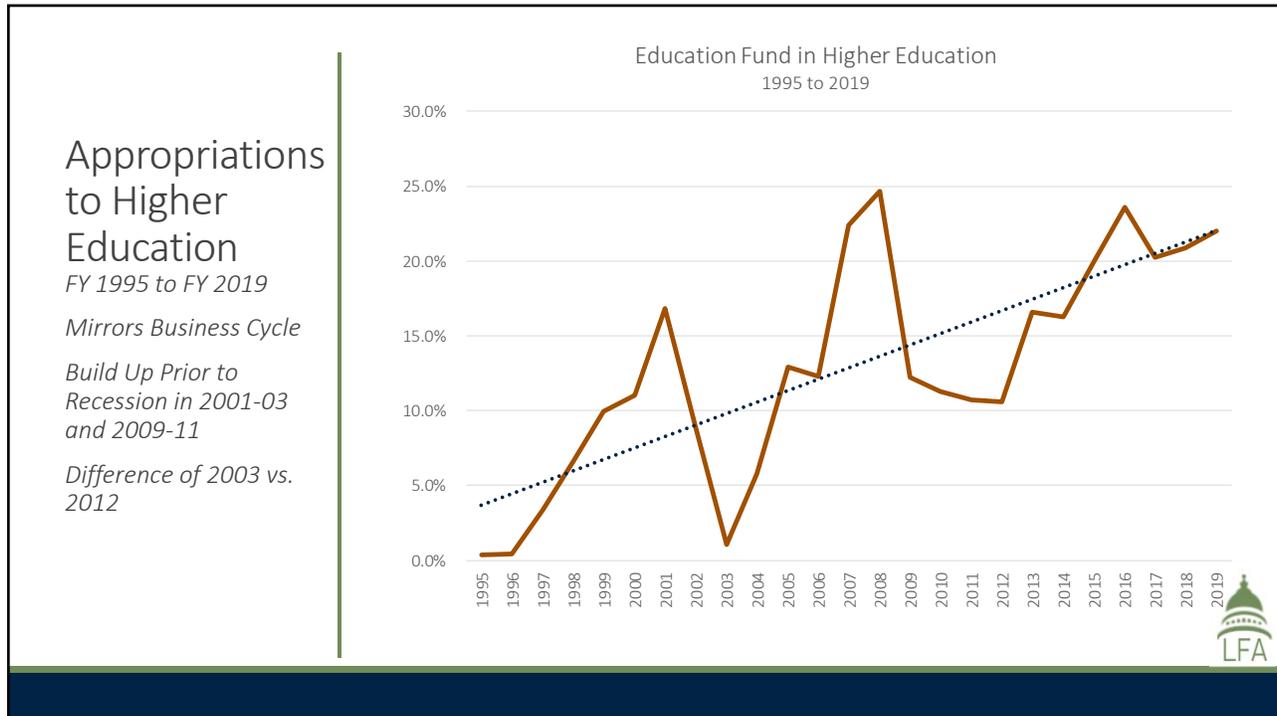
Public & Higher Education | Since 1996 Constitutional Amendment



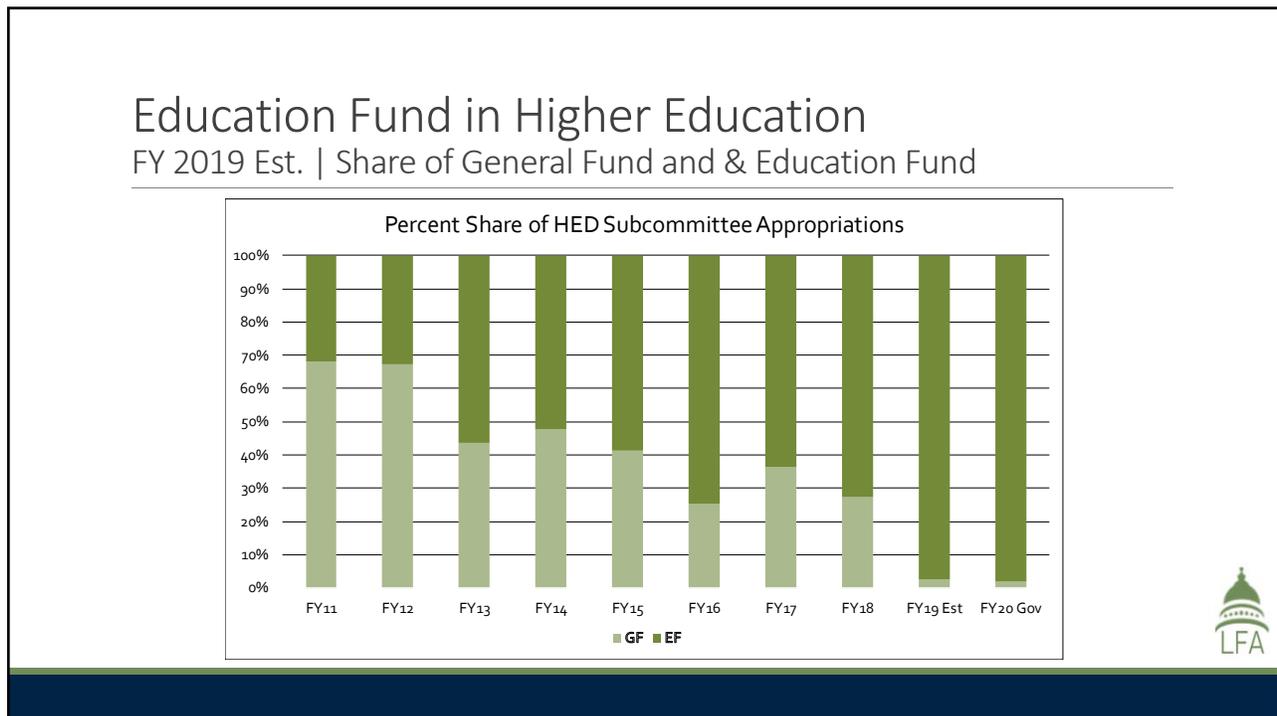
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QUESTIONS?

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