• State level public education governance (Tracy)
• Local level education governance (Nathan)
• Public education funding (Allyson)
Constitutional Components

- Legislature
- State Board of Education
- Public Education System
- Education Fund
Constitutional Powers

- Establish and maintain the Public Education System
- Designate additional schools and programs to be part of the Public Education System
Legislature

- Works under the umbrella of the Utah Constitution
- Passes bills that become Utah statutes
- Statutes often direct State Board of Education to fill in the details of legislation through administrative rule
State Board of Education

Constitutional Powers

- Created in the Constitution
- Has general control and supervision over the public education system
State Board of Education

- Works within the framework of Utah statutes
- Makes administrative rules to generally control and supervise the Public Education System
Public Education System

- Open to all children of the state
- Encompasses all public elementary and secondary schools, plus other schools and programs as designated by the Legislature
- Qualifies for use of Education Fund money
• Education Fund consists of tax revenue gained from intangible property tax and personal and corporate income tax

• Education Fund money is limited in use to support only the systems of public education and higher education
Establish and Maintain Public Education System

General Control and Supervision

Legislature

State Board of Education
Legislature
Designation power

State Board of Education
General Control and Supervision

Public Education System

Education Fund
Limit on use
Local Governance
Legislature (104 elected members)

State Board of Education
(15 elected members)

Local School Boards
(5 or 7 elected members)

Charter School Governing Boards
Legislature (104 elected members)

State Board of Education (15 elected members)

Local School Boards
Charter School Governing Boards
K-12 Public education in Utah is broken into administrative units: school districts and charter schools (Local Education Agencies or LEAs).

The local education agencies can:
- Set curriculum
- Hire employees
- Manage their budgets

Subject to specified reporting requirements:
- Annual financial audit
- Monthly budget report
- Statewide testing
School Districts

• Each local school district is governed by a locally elected school board that is independent of the State Board of Education.

  • School districts are tasked with operating the schools within its district in compliance with the laws and rules created by the Legislature and the State Board of Education.

  • Local school districts set curriculum and school boundaries, conduct hiring, and maintain facilities.

  • Local school districts have the power to purchase property and raise money through local property tax and bonds.
Charter schools are tuition-free, public schools that are open to any state resident.

Charter schools have a governing board (membership is determined by the written charter)

Charters schools are treated like an individual school district.

Except where specifically exempted, charter schools are subject to all of the same laws and rules including:

- Student assessments
- Accountability
- Open and Public Meetings Act
- Government Records Access and Management Act
### School Districts vs Charter Schools

<table>
<thead>
<tr>
<th>Feature</th>
<th>School Districts</th>
<th>Charter Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public School</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>- Open to anyone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Receives Public Funds</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>- Accountable to the Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sets Curriculum</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Locally Elected Board</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>School Transportation Funding</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Bond Issuance (generally)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Can Levy Property Taxes</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Publicly Adopted Budget</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>State Laws Apply</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Special Education</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>- Assessments and Accountability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- School Fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Compulsory Attendance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Utah has approximately 659,000 students

• 41 school districts (880 schools, K-12)
  • The four largest school districts in Utah are Alpine (79,748), Davis (72,263), Granite (64,281) and Jordan (54,865)

• There are six school districts with fewer than 1,000 students (Garfield, Rich, Wayne, Piute, Tintic, and Daggett)

• Roughly 100 charter schools serving approximately 78,000 students
Utah has 49,386 English learner students.

Utah’s student population includes 77,931 students with a defined disability.

Utah’s public education graduation rates have increased from 81% in 2013 to 87% in 2018. Dropout rates have decreased from 16% to 11% over this same time period.
<table>
<thead>
<tr>
<th>State</th>
<th>City schools</th>
<th>Suburban schools</th>
<th>Town schools</th>
<th>Rural schools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utah</td>
<td>16.0%</td>
<td>62.9%</td>
<td>10.8%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Arizona</td>
<td>48.6%</td>
<td>31.3%</td>
<td>10.3%</td>
<td>9.8%</td>
</tr>
<tr>
<td>Colorado</td>
<td>38.5%</td>
<td>39.0%</td>
<td>9.0%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Nevada</td>
<td>50.4%</td>
<td>36.0%</td>
<td>7.5%</td>
<td>6.1%</td>
</tr>
<tr>
<td>U.S. averages</td>
<td>30.2%</td>
<td>39.7%</td>
<td>11.3%</td>
<td>18.7%</td>
</tr>
</tbody>
</table>

Public Education Funding
Components of Public Education Funding

- **Revenue** (where the money comes from)
- **Distribution** (how the money is allocated)
- **Expenditures** (how the money is spent)
Fiscal Year 2018 Public Education
Revenue Sources

- **Federal**
  - $453.6 million

- **State**
  - $3.37 billion

- **Local**
  - $2.46 billion

**Total:** $6.2 billion

- Primarily Education Fund
  - Pooled statewide and distributed by the Legislature

- Primarily local property tax that stay in the district that levies the tax

- Primarily used for School Nutrition Programs, Special Education, and Funding through Elementary and Secondary Education Act
Statutory Basis – Section 53F-2-103

• “All children of the state are entitled to reasonably equal educational opportunities regardless of their place of residence in the state and of the economic situation of their respective school districts”

• “Establishment of an educational system is primarily a state function, school districts should be required to participate on a partnership basis in the payment of a reasonable portion of the cost of a minimum program”

• “Each locality should be empowered to provide educational facilities and opportunities beyond the minimum program and accordingly provide a method whereby that latitude of action is permitted and encouraged”
State Appropriated Public Education Programs

Fiscal Year 2019 State Appropriated Public Education Budget
The Minimum School Program

- Largest budget program appropriated by the Legislature
- $4.4 billion appropriated budget for fiscal year 2019
- Includes:
  - The Basic School Program
  - The Related to Basic Program
  - Voted & Board Local Levy Guarantee Programs
- Does not include:
  - School Building Program
  - Utah Schools for the Deaf and the Blind
  - Other State Board of Education functions, like Initiative Programs
The Basic School Program

- Utah’s Foundation Program
- Guarantees each district or charter school a level of funding based on:
  - number of students
  - characteristics of the students and the LEA
  - value of the Weighted Pupil Unit (WPU)
- WPU Value
  - $3,395 in FY 2019
Determination of the Cost of an LEA's Basic School Program

Determination of the value of Weighted Pupil Unit (WPU)

Determination of number of WPUs in an LEA:
- # of students in grades 1-12
- # of kindergarten students
- Special education add-on
- Career and technical education add-on
- Other unrestricted and restricted programs

Determination of cost of the basic program in LEA

Value of the WPU X Number of WPUs = LEA Cost of the Basic Program

State guarantees a district will receive this amount, through a combination of property tax and income tax.
Determination of State Contribution to an LEA

**Hypothetical School District**

FY 2019 value of the WPU: $3,395
Total Assessed Value: $4,000,000,000
Basic Rate: 0.00169
WPUs: 10,000

**Guaranteed Basic Program Revenue for District**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of the WPU \times Number of WPUs</td>
<td>$3,395 \times 10,000 = $33,950,000</td>
</tr>
</tbody>
</table>

**Locally Funded Amount**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Rate \times Total Assessed Value</td>
<td>0.00169 \times $4,000,000,000 = $6,760,000</td>
</tr>
</tbody>
</table>

**State Income Tax Funded Amount**

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guaranteed Revenue for Basic Program - Revenue Received from Basic Rate</td>
<td>$33,950,000 - $6,760,000 = $27,190,000</td>
</tr>
</tbody>
</table>
Example: 3 Hypothetical School Districts

- Same Number of WPUs
- Same WPU Value
- Same Basic Rate
- Different Taxable Value

Distribution – the Basic Program

District A

District B

District C

Local Property Tax Revenue:

State Revenue:

WPU Cost

Recapture
The Related to Basic School Program

- Revenue from state income tax (no local contributions)
- Money set aside for specific programs
  - Transportation
  - Adult education
  - At-risk students
  - Enhancement for accelerated students
- School districts and charter schools qualify for program funds based on program criteria and must spend funds on allowed program uses.
• State administrative office
• School building programs
• Initiative programs, i.e.:
  • UPSTART
  • School Turnaround
  • Carson Smith Scholarship
• Utah Schools for the Deaf and the Blind
Establishment of a “rate floor” of .0016, assuming the value of existing property continues to increase
  • Additional revenue dedicated to the voted and board local levy guarantee programs

Establishment of a “weighted pupil unit value rate” or “WPU value rate”
  • Minimum basic rate generates additional revenue to partially fund the cost to increase the value of the weighted pupil unit
Rate Floor

Basic Rate – Prior to Setting a Rate Floor

If... Then...
- Increase: Taxable Assessed Value
- Stays Constant: Revenue
- Decrease: Basic Rate

Basic Rate – Rate Floor of .0016

If... Then...
- Increase: Taxable Assessed Value
- Stays Constant: Revenue
- Decrease: Basic Rate
Legislature determines the percent increase in the value of the weighted pupil unit (WPU).

Based on the new WPU value and expected enrollment, Legislature determines the total cost to increase the value of the WPU.

The total cost to increase the value of the WPU is multiplied by the share of the basic program funded by the school districts in the prior year to determine the WPU value amount.

State Tax Commission determines a tax rate that, when levied on the taxable assessed value statewide, will yield an amount of revenue equal to the WPU value amount.

\[ 	ext{WPU Value Amount} = \frac{\text{Prior year local school district property tax share of the cost of the basic program (15\%)} \times \text{WPU Value Amount}}{\text{Statewide taxable assessed value}} \]
Select Hot Topic Issues

• Assessments and Accountability
• Local vs. State Control
• State Board Membership
• Equalization
• Education Fund: Public Ed and Higher Ed
• School Safety and Student Mental Health
Thank you!

Please feel free to contact any member of the education team with questions

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