

# **CAPITAL OUTLAY FOUNDATION (*Equalization*)--Challenges and Issues**

August 20, 2019

## **History--**

Legislation goes back to the 1990s

Over time there have been various "tweaks" and "adjustments" to the formula.

## **Original Purpose--**

1. To give state aid to "Property Poor" districts. ALL districts have capital needs. The Legislature allows districts to raise funds for capital needs through a **Local CAPITAL tax Levy**. Property poor districts cannot raise as much per pupil as property rich districts.
2. Encourage local CAPITAL tax effort.

## **QUESTIONS:**

1. Are "Property Poor" districts receiving assistance?
2. Is local CAPITAL tax effort rewarded through the formula?

**CAPTIAL OUTLAY FOUNDATION FUNDING**

Year:	FY 16	FY 17	FY 18	FY 19	FY 20	5 YR TOTAL	% of
Appropriation:	\$27,610,900	\$27,610,900	\$27,610,900	\$27,610,900	\$27,610,900	\$138,054,500	Total
# of Districts:	13	14	15	16	15	19	
1 Alpine	11,635,917	8,952,145	7,944,669	6,738,120	3,520,744	38,791,595	28.10%
2 Beaver	0	0	0	0	0	0	
3 Box Elder	0	0	0	0	0	0	
4 Cache	779,242	2,282,764	2,709,514	3,453,690	3,377,132	12,602,342	9.13%
5 Carbon	0	0	0	0	0	0	
6 Daggett	50,000	50,000	50,000	50,000	50,000	250,000	0.18%
7 Davis	3,159,352	3,656,459	4,365,784	4,131,598	5,652,796	20,965,989	15.19%
8 Duchesne	0	0	0	0	0	0	
9 Emery	0	0	0	0	0	0	
10 Garfield	50,000	100,000	100,000	100,000	100,000	450,000	0.33%
11 Grand	0	0	0	0	0	0	
12 Granite	0	0	0	0	0	0	
13 Iron	0	0	0	0	0	0	
14 Jordan	0	0	0	0	0	0	
15 Juab	0	0	0	0	0	0	
16 Kane	0	0	0	0	0	0	
17 Millard	0	0	0	0	0	0	
18 Morgan	0	0	0	0	0	0	
19 Nebo	8,367,893	8,397,878	8,377,166	8,622,578	8,231,663	41,997,178	30.42%
20 No. Sanpete	0	0	89,779	164,852	168,948	423,579	0.31%
21 No. Summit	50,000	0	0	0	0	50,000	0.04%
22 Park City	0	0	0	0	0	0	
23 Piute	200,000	100,000	100,000	100,000	100,000	600,000	0.43%
24 Rich	50,000	50,000	50,000	50,000	50,000	250,000	0.18%
25 San Juan	0	0	308,836	149,594	384,690	843,120	0.61%
26 Sevier	0	0	0	44,028	116,142	160,170	0.12%
27 So. Sanpete	1,001,800	1,131,493	1,285,529	1,522,772	1,524,870	6,466,464	4.68%
28 So. Summit	0	0	0	0	0	0	
29 Tintic	200,000	200,000	200,000	200,000	200,000	1,000,000	0.72%
30 Tooele	1,966,696	1,298,132	1,461,166	1,687,200	4,033,914	10,447,108	7.57%
31 Uintah	0	0	0	0	0	0	
32 Wasatch	0	0	0	0	0	0	
33 Washington	0	0	0	0	0	0	
34 Wayne	100,000	100,000	100,000	100,000	100,000	500,000	0.36%
35 Weber	0	632,826	0	0	0	632,826	0.46%
36 Salt Lake	0	0	0	0	0	0	
37 Ogden	0	659,203	468,456	0	0	1,127,659	0.82%
38 Provo	0	0	0	496,468	0	496,468	0.36%
39 Logan	0	0	0	0	0	0	
40 Murray	0	0	0	0	0	0	
41 Canyons	0	0	0	0	0	0	
	\$27,610,900	\$27,610,900	\$27,610,899	\$27,610,900	\$27,610,900	\$138,054,499	100.00%

Note: Three districts received 74% of the funds or a \$101,754,762.00

**ASSESSED VALUE PER ADM**

	School Year 2017-18 ADM	Tax Year 2017 Taxable Value	Tax Year 2017 Value/Student
1 So. Sanpete	3,228.211	549,999,843	170,373
2 Nebo	32,611.578	7,274,999,044	223,080
3 Cache	17,734.161	4,177,472,101	235,561
4 Tooele	15,983.722	4,176,751,964	261,313
5 Tintic	240.061	63,513,994	264,574
6 No. Sanpete	2,420.322	655,961,638	271,022
7 Sevier	4,509.589	1,286,343,719	285,246
8 Alpine	78,279.472	22,404,189,503	286,208
9 Davis	71,359.861	20,438,391,365	286,413
10 San Juan	2,852.856	819,187,279	287,146
11 Weber	31,832.494	9,512,304,662	298,824
12 Morgan	3,065.217	1,034,881,536	337,621
13 Provo	15,820.539	5,424,302,232	342,865
14 Juab	2,456.283	864,989,001	352,154
15 Jordan	53,307.050	19,302,468,249	362,100
16 Box Elder	11,548.422	4,271,822,008	369,905
17 Ogden	11,619.828	4,301,052,442	370,148
18 Granite	64,608.622	25,105,484,384	388,578
19 Piute	273.539	114,050,569	416,945
	<b>AVERAGE</b>		<b>420,165</b>
20 Logan	5,536.883	2,359,283,364	426,103
21 Iron	9,091.994	3,881,404,867	426,904
22 Washington	29,754.494	13,506,322,783	453,925
23 Duchesne	5,032.828	2,605,364,926	517,674
24 Carbon	3,341.689	1,748,316,941	523,184
25 Murray	6,332.928	3,564,485,062	562,849
26 Canyons	33,643.961	19,680,215,452	584,955
27 Wasatch	6,822.883	4,551,341,605	667,070
28 Garfield	913.361	622,232,180	681,255
29 Uintah	6,897.444	4,890,371,633	709,012
30 Wayne	437.389	314,771,732	719,661
31 Beaver	1,531.583	1,298,626,897	847,898
32 Millard	2,810.722	2,478,832,897	881,920
33 Emery	2,142.389	1,988,956,355	928,383
34 Kane	1,238.033	1,234,977,328	997,532
35 Salt Lake	22,580.228	23,929,910,882	1,059,773
36 Grand	1,439.194	1,536,873,614	1,067,871
37 No. Summit	1,040.306	1,128,629,108	1,084,902
38 So. Summit	1,634.067	1,775,101,862	1,086,309
39 Rich	489.083	837,154,531	1,711,681
40 Daggett	165.911	289,465,221	1,744,701
41 Park City	4,724.061	14,061,738,665	2,976,621

# FY 2019-20 CAPITAL OUTLAY FOUNDATION

## COMPARISONS OF 19 "POOREST" DISTRICTS

"Poor" Rank	Capital Effort		Debt Levy		Combined		Enroll- ment Growth Funds					
	Rank of "Poorest" Districts	Rank of "Poorest" Districts	Rank of "Poorest" Districts	Rank of "Poorest" Districts	Capital Effort & Debt Levy Rank of "Poorest" Districts	Capital Effort & Debt Levy Rank of "Poorest" Districts						
	\$\$	\$\$	\$\$	\$\$	\$\$	\$\$						
So. Sanpete	1	1,524,870	San Juan	2	384,690	Nebo	1	8,231,663	So. Sanpete	1	1,524,870	29,142
Nebo	2	8,231,663	Juab	4	0	Cache	2	3,377,132	Nebo	2	8,231,663	320,822
Cache	3	3,377,132	Box Elder	5	0	So. Sanpete	3	1,524,870	Tooele	3	4,033,914	765,299
Tooele	4	4,033,914	Ogden	7	0	Tooele	4	4,033,914	Morgan	5	0	62,788
Tintic	5	200,000	<b>JORDAN</b>	<b>8</b>	<b>0</b>	Alpine	5	3,520,744	Juab	7	0	45,944
No. Sanpete	6	168,948	Morgan	9	0	Davis	7	5,652,796	Cache	8	3,377,132	339,725
Sevier	7	116,142	So. Sanpete	12	1,524,870	Piute	8	100,000	Ogden	9	0	0
Alpine	8	3,520,744	Tintic	14	200,000	Morgan	9	0	Box Elder	10	0	112,629
Davis	9	5,652,796	Tooele	15	4,033,914	Provo	12	0	Alpine	12	3,520,744	1,165,933
San Juan	10	384,690	Provo	16	0	Sevier	13	116,142	Provo	13	0	0
<b>WEBER</b>	<b>11</b>	<b>0</b>	Sevier	17	116,142	No. Sanpete	14	168,948	Sevier	14	116,142	4,726
Morgan	12	0	<b>WEBER</b>	<b>18</b>	<b>0</b>	Ogden	18	0	Davis	16	5,652,796	625,892
Provo	13	0	Nebo	19	8,231,663	<b>WEBER</b>	<b>19</b>	<b>0</b>	Tintic	18	200,000	0
Juab	14	0	Granite	28	0	Tintic	20	200,000	<b>JORDAN</b>	<b>19</b>	<b>0</b>	<b>667,110</b>
<b>JORDAN</b>	<b>15</b>	<b>0</b>	No. Sanpete	29	168,948	Juab	21	0	San Juan	21	384,690	0
Box Elder	16	0	Davis	32	5,652,796	Box Elder	24	0	<b>WEBER</b>	<b>22</b>	<b>0</b>	<b>259,125</b>
Ogden	17	0	Alpine	34	3,520,744	Granite	28	0	No. Sanpete	24	168,948	24,679
Granite	18	0	Cache	37	3,377,132	<b>JORDAN</b>	<b>29</b>	<b>0</b>	Piute	26	100,000	0
Piute	19	100,000	Piute	41	100,000	San Juan	34	384,690	Granite	33	0	0

## **CONCLUSION--Challenges and Issues**

### **QUESTIONS:**

1. Are "Property Poor" districts helped? [Answer: Yes and No]
2. Is local CAPITAL tax effort rewarded through the formula? [Answer: No]
3. Can a "Property Poor" district make changes to their local CAPITAL tax effort and receive funds? [Answer: No]
4. Why do so few districts receive funds? [Answer: Formula flaws]
5. Why are the debt service levies of local districts used to distribute state capital dollars? [Answer: ??]

### **Other Issues:**

1. What can be done to allow more districts to receive funds?
2. All districts have capital needs, should a base amount be given to districts that make a "base" CAPITAL effort?

### **RECOMMENDATIONS:**

Appoint a group of School Business Administrators, along with USBE staff to re-look at the formula and make recommendations.