Public School Funding,

Taking a "Deeper Dive" without hitting your head

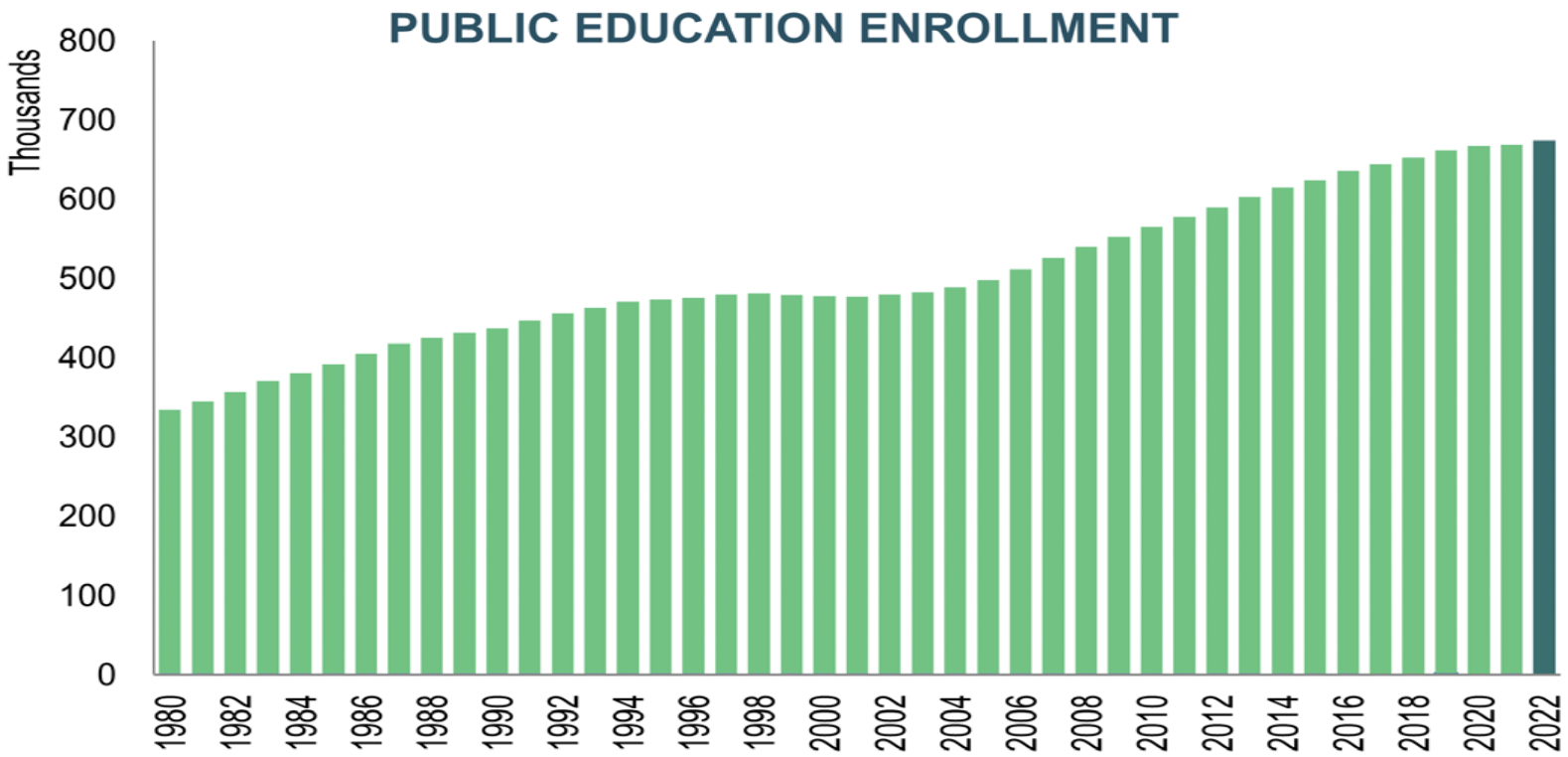
Leon Wilcox – Canyons School District Business Administrator

Meet with your Business Administrator

* Schedule time to meet with your Business Administrator.
  * Understand the overall concepts of the budget.
* Learn at a high level about auxiliary services such as Nutrition Services, Transportation, Information Technology, and Purchasing.

Utah School Finance

WPU Enrollment since 1980



2023 enrollment is 674,650 students or 299 more (0.04%) than the 2022 school year.

Utah School Finance

Fundamental question – Who Should Pay?

User Fee

Only Parents of children in schools

Impact Fee

Owners of new homes and new businesses

District-wide Equalization

All property owners within school district

Statewide Equalization

Taxpayers statewide share cost

Utah School Finance

User Fee

Only Parents of children in schools

~~**Impact Fee**~~

~~Owners of new homes and new businesses~~

District-wide Equalization

All property owners within school district

Statewide Equalization

Taxpayers statewide share cost

A JLC priority is to have the Legislature study Impact Fees.

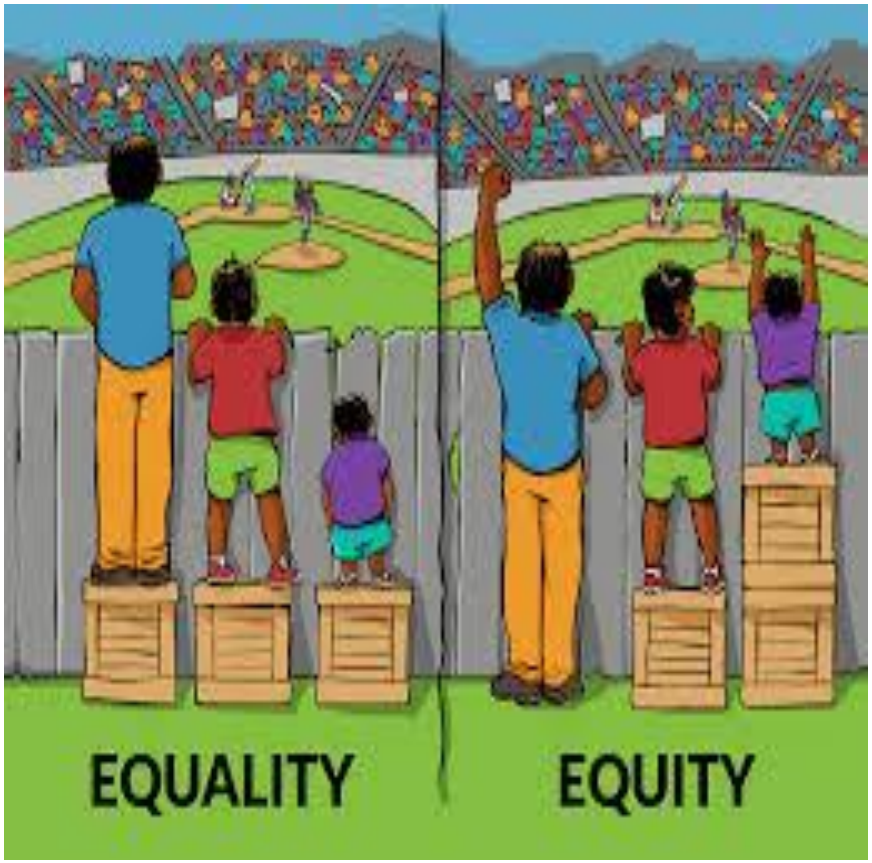
Utah School Finance

MINIMUM SCHOOL PROGRAM -- Origins

- Current Program Created Early 1970's
- Program First Funded 1974
- Reviewed 1990
  - "A Study of the Utah Public School Finance System"
  - Found that "Utah's school finance system provides a high degree of equity."

Utah School Finance

MINIMUM SCHOOL PROGRAM -- Origins

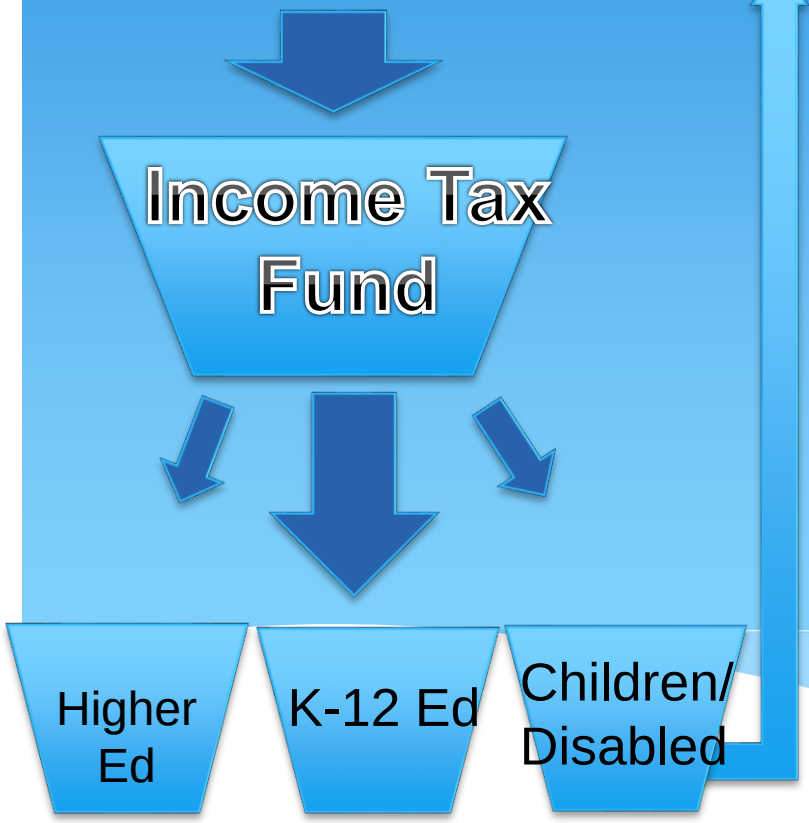


- Equality – Same Funding for All Students
- Equity – Funding Varies Depending on Student Need
- Equalization
  - Process of Distributing Funding to Provide Reasonably Equal Education Opportunity
  - Providing Equity Introduces Complexity into the System
  - State Education Fund Revenue Used to "Equalize" Local Property Tax Revenue

K-12 Education Funding Basics – State Perspective

Revenue Sources – **Legislature**

- Income Tax –
- Trust Land Int & Div
- Other -



Minimum School Program – **Legislature**

- Regular students K-12
- Restricted programs – SPED, CTE, Etc.
- Other funds – Transportation, Land Trust, Teacher and Student Success

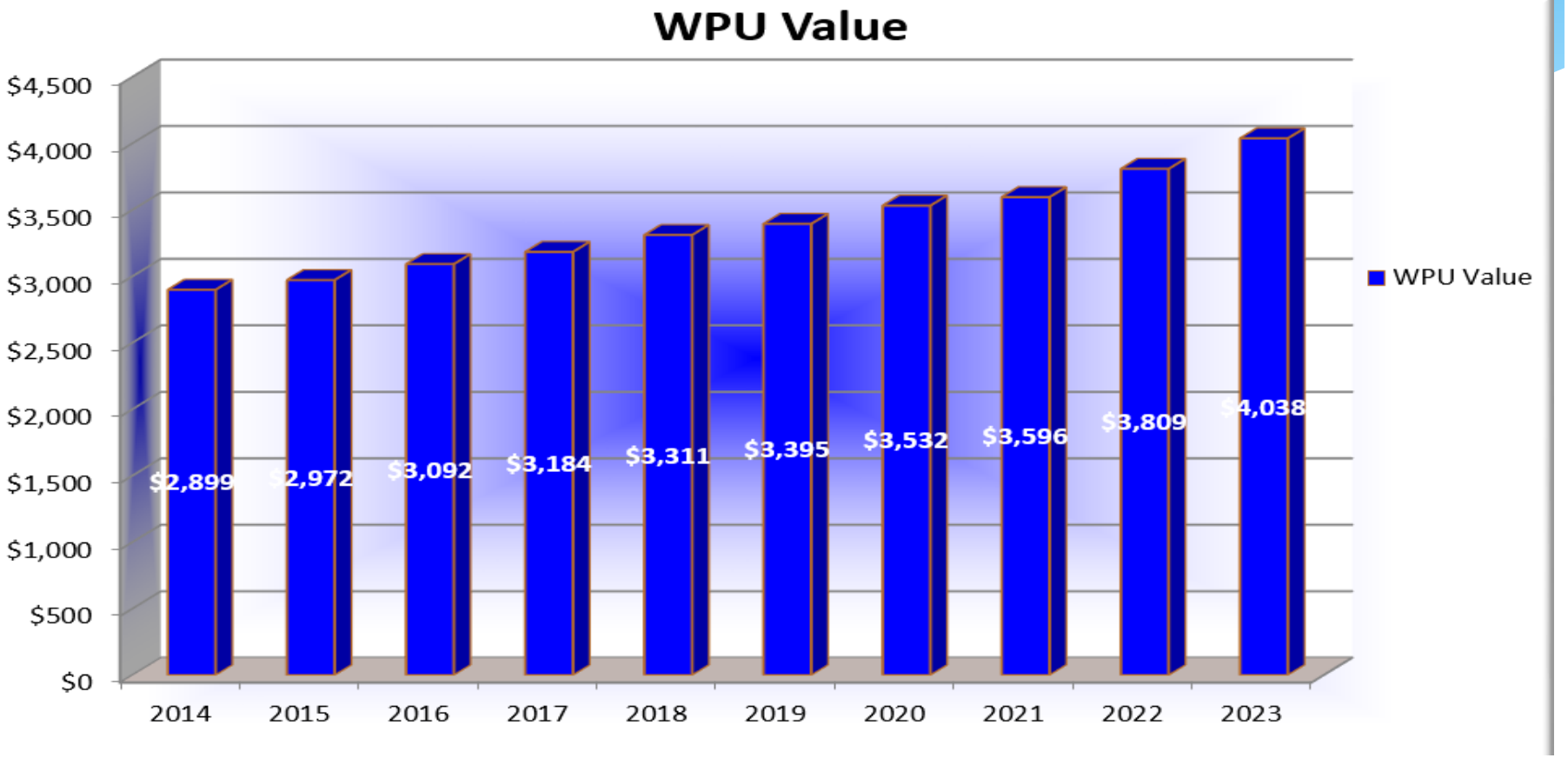
Weighted Pupil Unit – $4,038 Regular

District & School Budgets - **Local Board or School Admin**

- 85-88% of expenses on PEOPLE
- FTE's per student – Hire BEST Qualified rather than $'s available
- Student Allocations for supplies & equipment

Utah School Finance

WPU Increases last 10 years (increase of $1,139)



Thank-you to the citizens of Utah and the State Legislature for funding public education.

Utah School Finance

Basic Levy and WPU Guarantee

- ✓ The Weighted Pupil Unit (WPU) is the weighting given different enrollments
  - Kindergarten Students are .55 units each
  - Grade 1-12 students are 1.0 units each
  - Number is prior year average daily membership (ADM) plus growth as measured on October 1 enrollments.
- ✓ The value of the WPU is $4,038 for next school year.
- ✓ Value of WPU x total WPU's = State Guaranteed funding

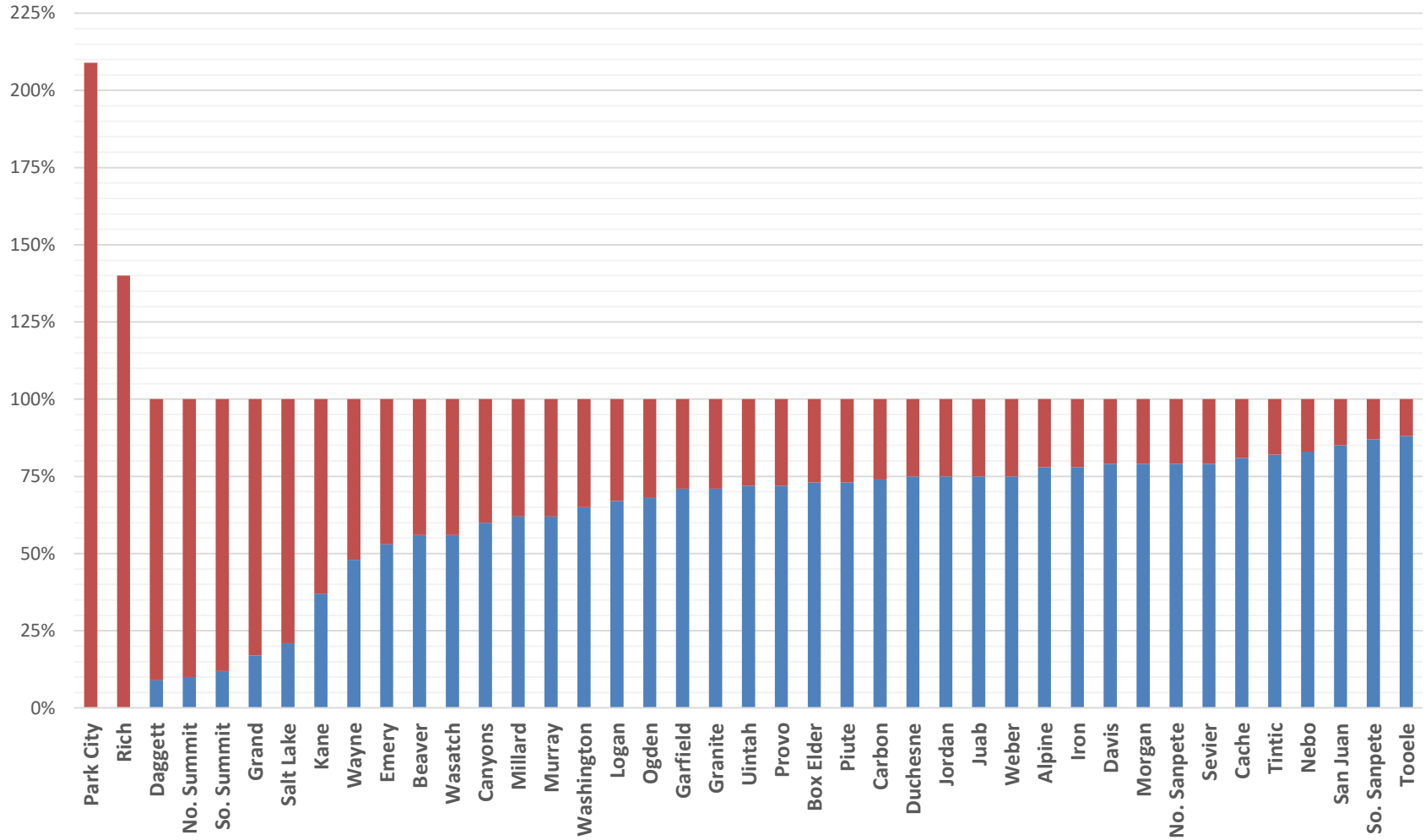
Utah School Finance

Basic Levy and WPU Guarantee

- ✓ $4,038 x 32,000 (CSD WPU's)= $129,216,000 in Guaranteed Funds
- ✓ State Guaranteed Funding – your Basic Levy Tax proceeds = State Funding
- ✓ CSD Basic Levy Proceeds = $46,000,000
- ✓ State Funds- $129,216,000 - $46,000,000= $83,216,000
- ✓ Local = 36% ; State = 64%

- ✓ Guarantee Programs
  - State also guarantees to match taxing efforts for school districts with lower per student assessed valuations.

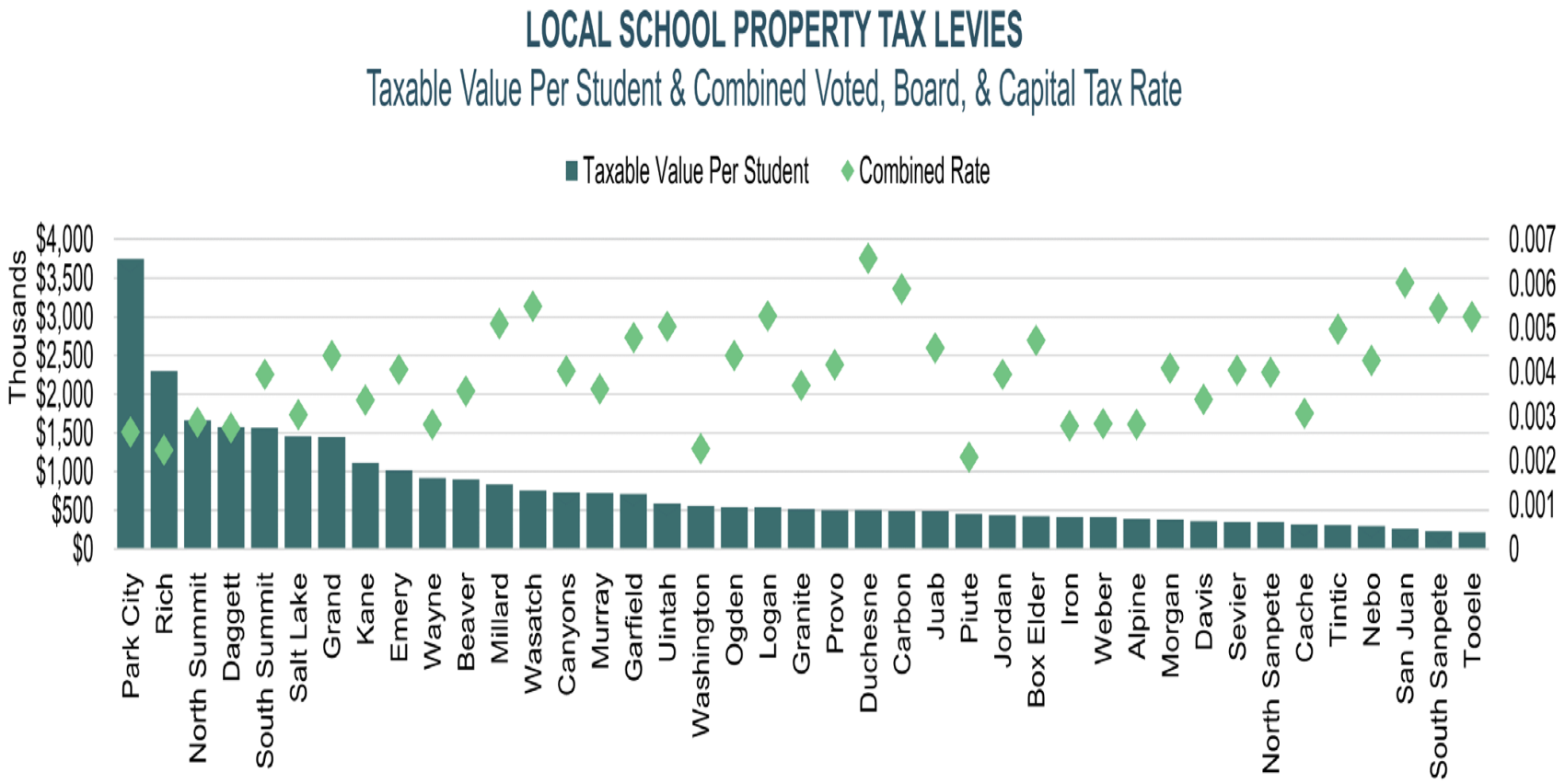
FY 2021-22 Local and State Contributions % to fund the Weighted Pupil Unit
All Utah School Districts



Local contribution (property tax) vs State contribution (income tax)
Note: Funds are re-captured by State for those Districts contributing over 100%.

Utah School Finance

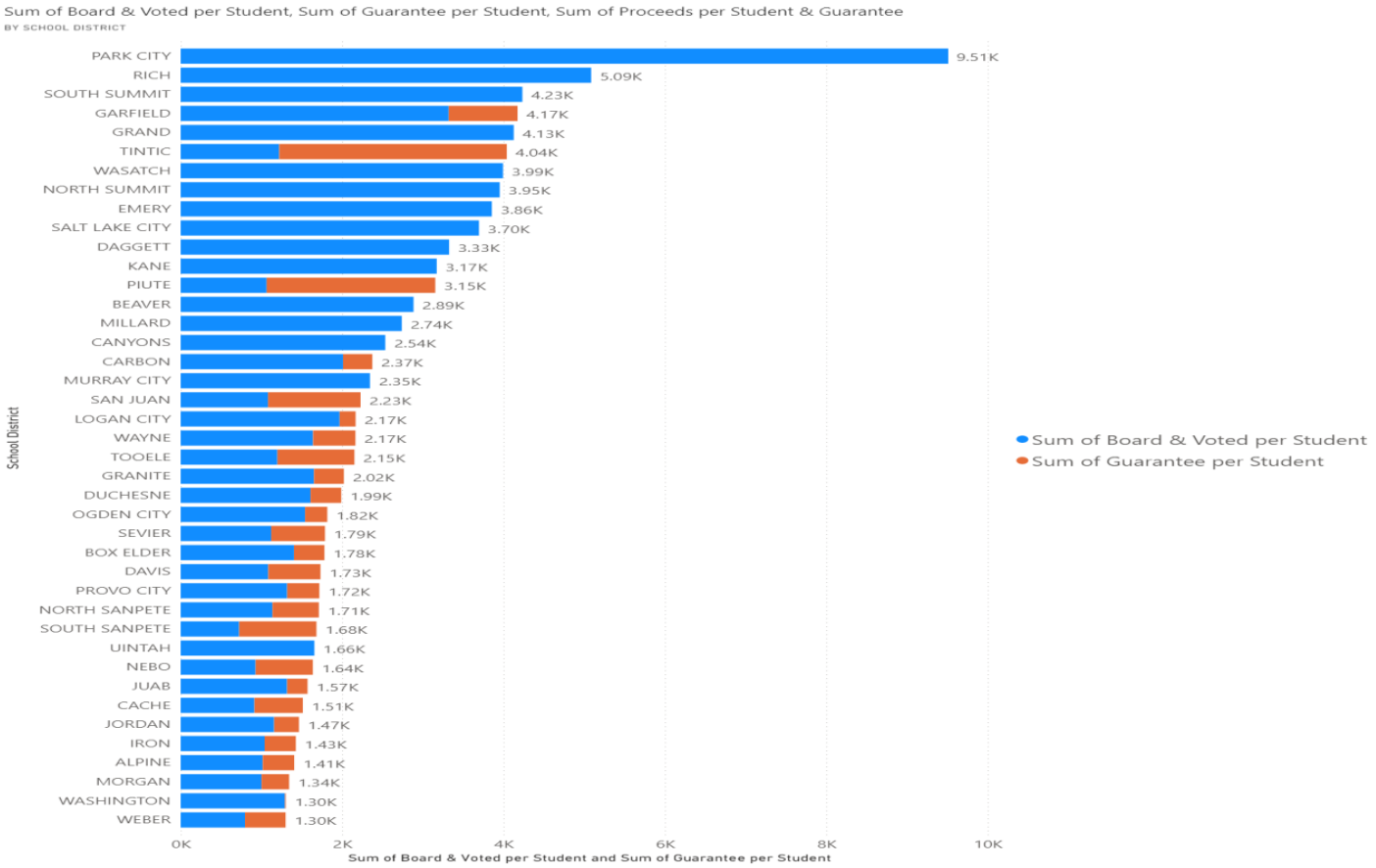
Taxable Value Per Student and Rates For Districts



Utah School Finance State Guarantees

25 districts receive funding.

16 districts do not receive funding.



Utah School Finance

Property Tax – Certified Rate Calculation

Definition – Collect same amount of funding as previous year plus new growth. No inflationary factor in Utah's calculation. To exceed the certified rate requires a Truth-In-Taxation hearing.

Calculation

- Amount budgeted from prior year
- Divided by the Aggregate taxable value of all property in district less redevelopment adjustments
- Add Adjustments for last 3 years prior year collections
- Multiply by 5 year average collection percentage
- Subtract growth
- Equals Certified Rate

Utah School Finance

Property Tax - a few Terms and one Calculation

Market or Assessed Value – Value set by the County Assessor for an individual property; often lags behind actual value of the market; lien date is January 1st and due Nov 30th

Taxable Value – market or assessed value multiplier

- Primary Home is 55% - 45% exemption
- Secondary Home is 100% of market value
- Commercial property is 100% of market value

Example – **$600,000** market value primary residence
$330,000 *taxable value or 55%*

Utah School Finance

Property Value

Certified Tax Rate

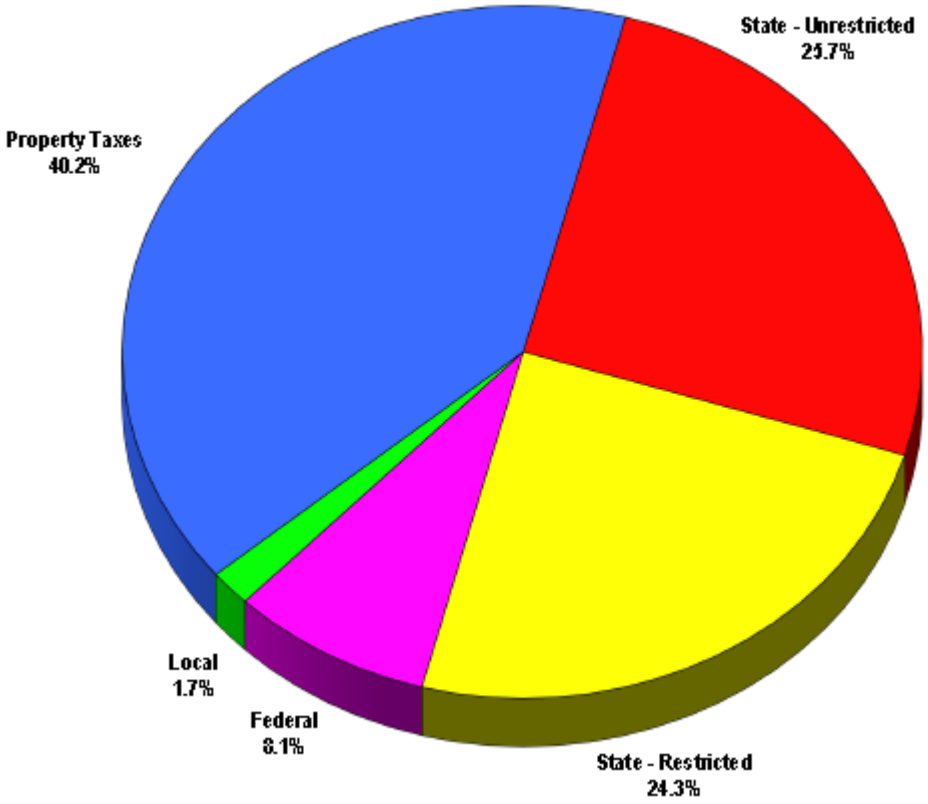
Bring is same amount of revenue as previous year.

Local School District

2023 Canyons School District General Fund

Budget Revenue by Source

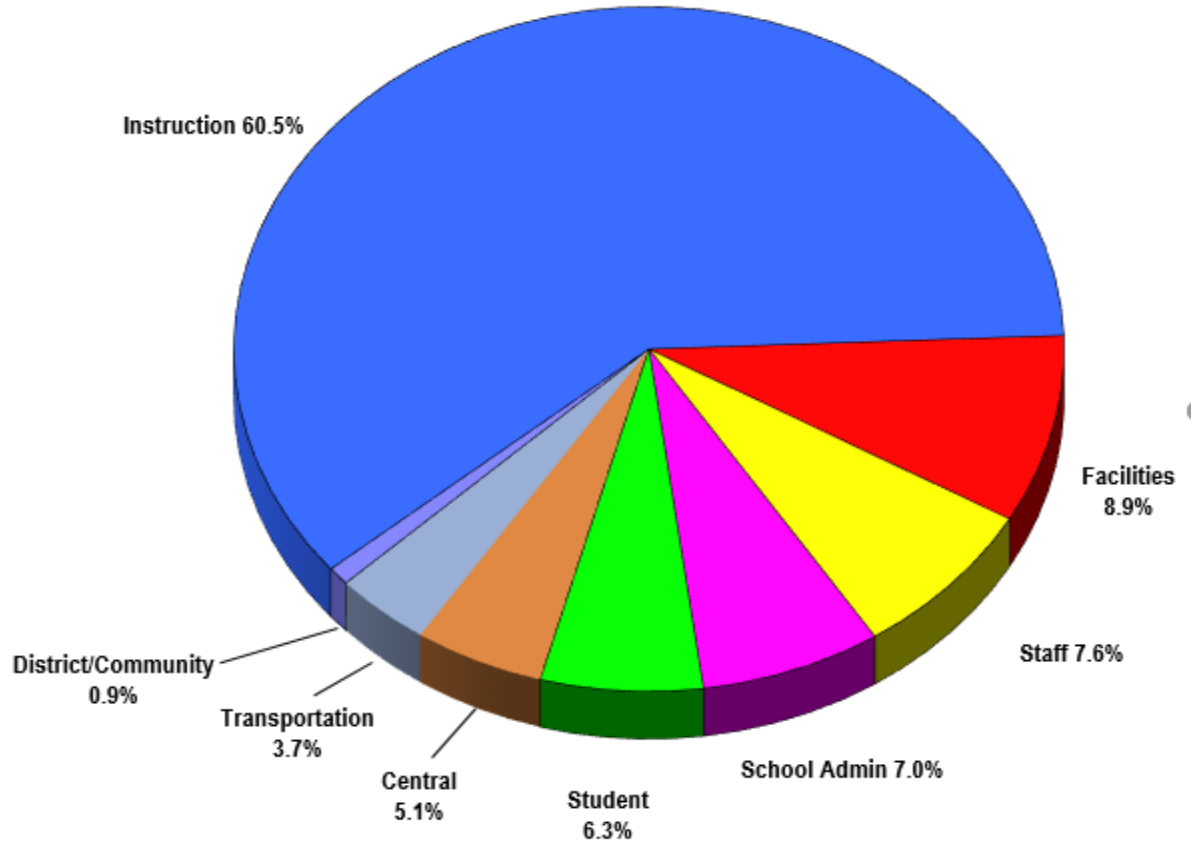
The percentages will vary among school districts based on its taxable values and student populations.



Utah School Finance

2023 Canyons School District General Fund

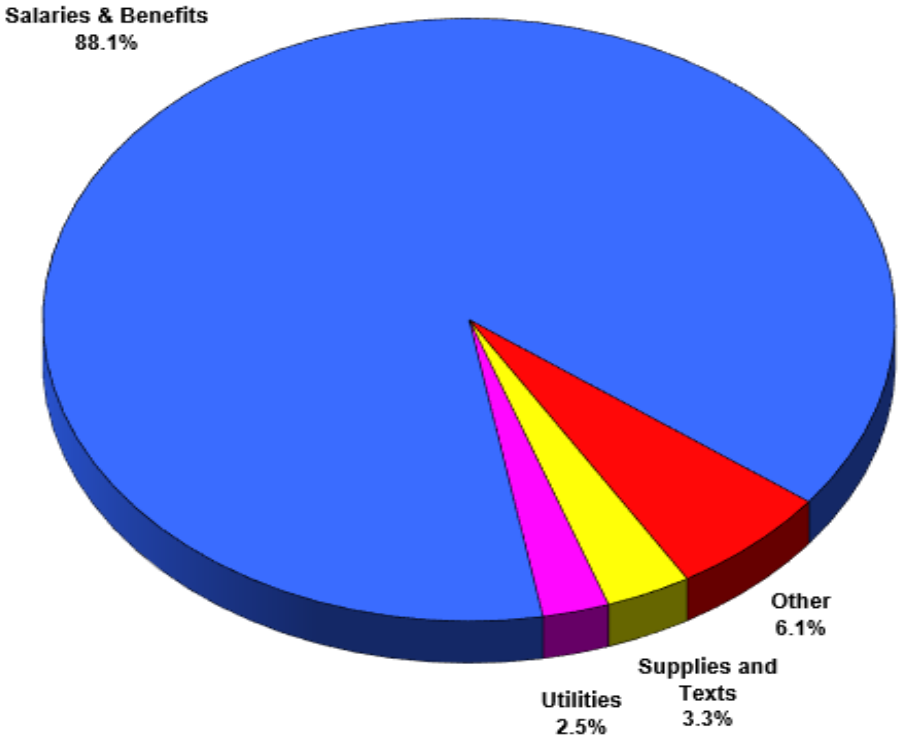
Expenditures by Function(Activity)



Utah School Finance

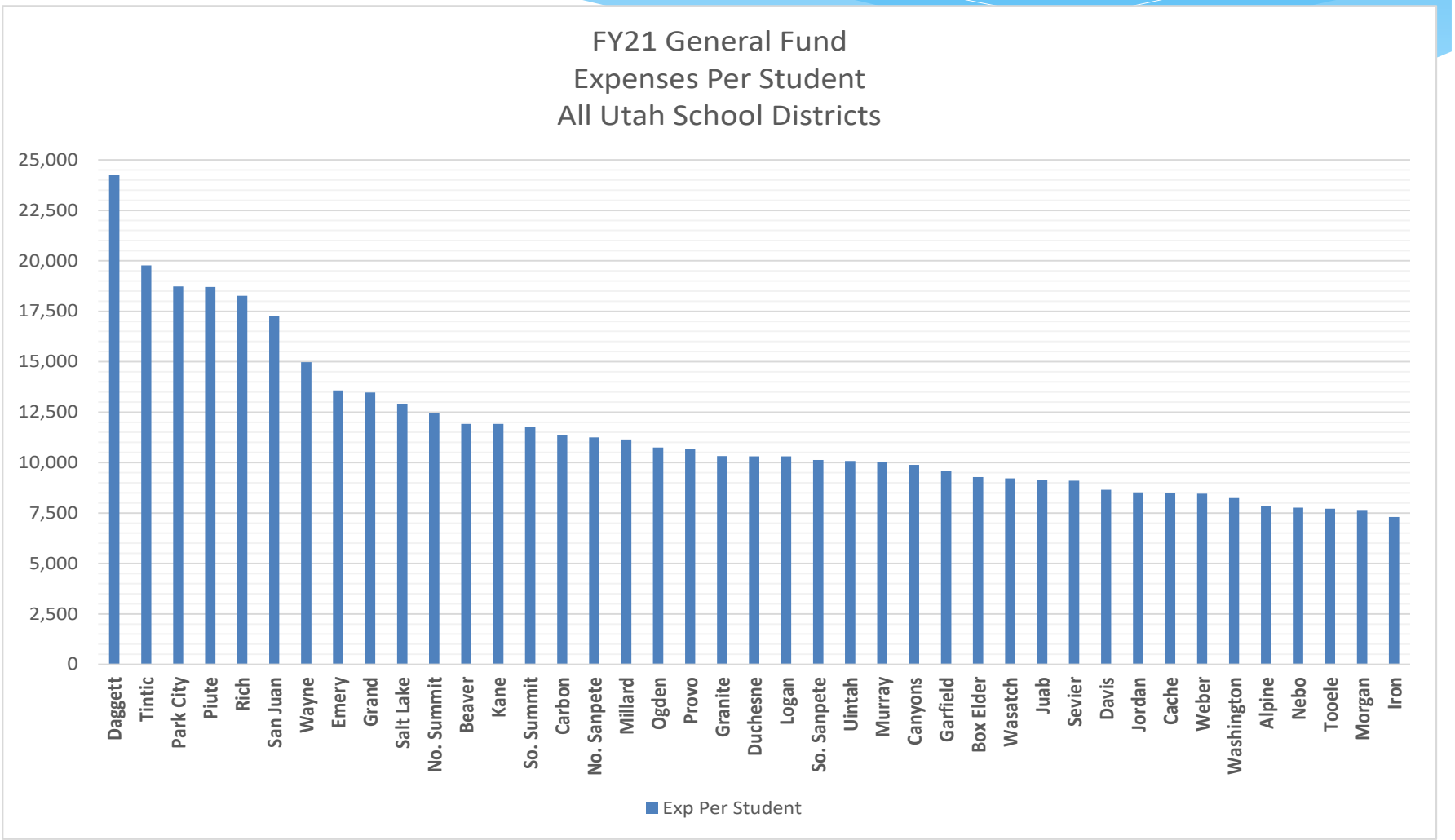
2023 Canyons School District General Fund

Expenditures by Object (detailed item)



Utah School Finance

Expenditures per student



Utah School Finance

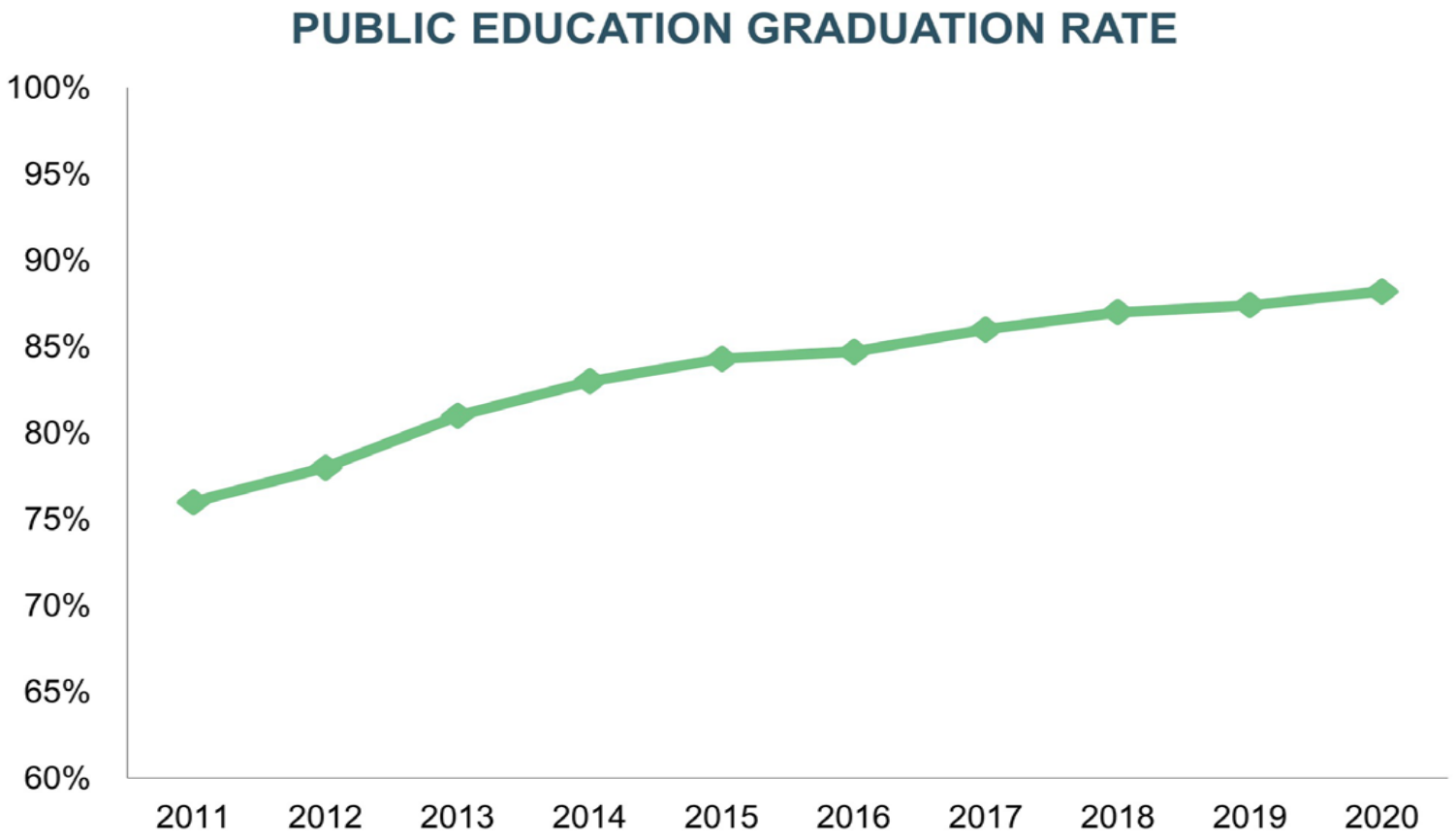
Return on Investment

- National Assessment of Education Programs (NAEP)
  - 8th graders rank first in science
  - 4th graders rank fourth in science
  - 4th and 8th graders rank near top 10 in math and reading
- ACT – Utah students score first in average composite score among the 16 state that require more than 93% of students to take the ACT.
- Advanced Placement – Utah students passage rate ranks 9th in nation at 67%.

Utah School Finance

Return on Investment

Since 2011 graduation rate has increased from 76% to 88%. 2021 was also 88%, The 2022 rate is not available expected to remain the same.



Utah School Finance

Return on Investment

- Public Education is a thirteen-year investment in our students to ensure all graduate college-and-career ready.
- Provides a safe and stable environment for students to develop both academically and emotionally.
- Provides a well-educated work force for the jobs of tomorrow and the future of our State.

Questions?

And

Thanks for all you Do!