



UTAH

Description of the Formula

Utah's foundation program is based on Weighted Pupil Units (WPU) plus a guaranteed yield program (called Voted Local Levy and Board Local Levy programs); for FY 2014-15 the state guarantees \$2,972 per WPU except Special Education Add-on and Career and Technical Education at \$2,726 per WPU. Each school district participates in the Basic School Program (all line items of the Minimum School Program funded through Weighted Pupil Units) at the local level by levying a tax rate (called the Basic Tax Rate). For FY 2014-15 that rate is 0.00141. Statewide, the total amount of tax yield for FY 2014-15 is \$296,709,700 of the total \$2,404,364 appropriated to the Basic School Program. Pupil count is Average Daily Membership (ADM); after ten consecutive days of unknown absence, pupils are removed from membership. Districts may vote an additional levy (Voted Leeway) of up to 0.002000 tax rate for any General Fund use; state guarantees up to 0.001600 of that tax rate yield; and for FY 2014-15 the guarantee is \$27.92 per 0.0001 of tax rate, per WPU. Those districts that yield above the guarantee formula keep the funds—there is no recapture. District Boards of Education may also levy Board Local Leeway. A school district can levy up to either 0.001800 or 0.002500, but the state only guarantees up to 0.000400. These funds can be used to fund the school districts' General Fund. The sum of the Voted and Board Local Levy tax rates for the state guarantee, must not exceed a ceiling of 0.002000. Please see Utah State Office of Education [Minimum School Program web site](#).

District-Based Components

Density/Sparsity of Small Schools

Additional WPUs are provided for Necessarily Existent Small Schools—up to 9,357 Weighted Pupil Units (\$28,492,100 in FY 2014-15). The additional WPUs are provided for necessary, existent, small schools below 160 ADM for elementary schools (including Kindergarten at a weighting of 0.55 per ADM); or below 300 ADM for one or two-year secondary schools; or below 450 ADM for three-year secondary schools; or below 550 ADM for four-year secondary schools; or below 600 ADM for six-year secondary schools. See Necessarily Existent Small

Schools description and Administrative Rule R277-445 on the Utah State Office of Education website.

Grade Level Differences

Charter schools receive grade level differential funding through Weighted Pupil Units. In distributing funds under Title 53A, Chapter 17a (Utah Code), Minimum School Program Act for the Basic School Program to charter schools, charter school pupils shall be weighted as follows:

- (i) .55 for kindergarten pupils (same as regular school district Kindergarten);
- (ii) .9 for pupils in grades 1-6;
- (iii) .99 for pupils in grades 7-8; and
- (iv) 1.2 for pupils in grades 9-12.

Weights For District/School Size

Necessarily Existent Small Schools

To assist small schools that are located in remote areas of the state and are therefore expensive to operate. **Eligibility:** Districts must submit on behalf of their schools an application demonstrating that the school meets the criteria specified in law. Charter schools are not “necessarily” existent and so cannot qualify. **Formula:** Per WPU, which is determined by a regression formula based on prior year ADM and school grade span. **Law:** 53A-17a-109; R277-445. **Contact:** Karin McInnis . **Documents:** Application (Excel); Latest Estimated Allocation (Excel); Regression Table (Excel). **Data Source:** Year End Clearinghouse Aggregate Membership (July 7).

Declining Enrollment or Growth

The Basic School Program—all line items funded with Weighted Pupil Units—is funded based on prior year ADM (as of the end of the school year reported on July 15) plus growth (as of the October 1 Count of enrollments). If there is a decline in enrollment, there is no negative growth charged to the school district or charter school so that it has one year to deal with the effects of reducing personnel and other resources. This “prior year plus growth” process has almost eliminated the need for a contingency fund. Currently the Utah Legislature appropriates specific amounts of carry-forward funds (as a result of underestimating local contributions of collections of local property taxes from the Basic Tax Rate or from the Voted and Board Leeway programs). Carry-forward funds will:

- (1) fund the value of the Weighted Pupil Unit as set by the Legislature for the total WPUs generated by the school districts and charter schools;
- (2) support the state guarantee per weighted pupil unit for the voted local levy program (if local contributions to the voted local levy program or board-approved local levy program are overestimated or underestimated;
- (3) support the state supplement to local property taxes allocated to charter schools;
- (4) for charter school administrative costs if appropriations for charter school administrative costs is insufficient to provide the amount per student prescribed in UCA 53A-17a-108(2)(a) ; or
- (5) support a school district with a loss in student enrollment as provided in UCA 53A-17a-139.

Capital Outlay and/or Debt Service

The full faith and credit of the State of Utah is behind every general obligation bond now issued by Utah school districts. Please see Utah School Bond Guarantee Act. The state also provides \$14,499,700 to school districts FY 2014-15 for the Capital Outlay Foundation Program and the Capital Outlay Enrollment Growth Program. Here is a description of the two programs from the USOE web site. School district general obligation debt is limited to four percent of the fair market value of the school district. Under the “School District Bond Guarantee Act” the State of Utah stands behind every school district General Obligation Bond with full faith and credit—that is, each school district has the AAA rating that the state enjoys—thereby saving schools districts funding as they negotiate interest rates on the G.O. Bonds.

Transportation

State aid for to-and-from school pupil transportation is calculated and distributed to school districts (charter schools do not participate in pupil transportation) based on an allowance for (1) an allowance per mile, (2) an allowance per minute. Currently the average cost per mile is \$1.16; the average cost per minute is \$0.64; and the total annual transportation cost is \$101,145,428. The state funds about 66% or \$68,643,600 at this time. Eighty percent of the total pupil transportation costs are for to-and-from school; 20% is for activity/field trips.

Student-Based Components

Special Education

A foundation program provides weighted categories for children with disabilities.

Purpose: To provide educational services for students with disabilities as required by federal and state law. **Example:** Special Ed personnel, texts, supplies. **Formula:** Per WPU, which is the greater of the average of Special Education (Self Contained and Resource) ADM over the previous 5 years (which establishes the “foundation” below which the current year WPU can never fall) or prior year Special Education ADM plus weighted growth in Special Education ADM. Weighted growth is determined by multiplying Special Education ADM from two years prior by the percentage difference between Special Education ADM two years prior and Special Education ADM for the year prior to that, subject to two constraints: the Special Education ADM values used in calculating the difference cannot exceed the “prevalence” limit of 12.18% of total district ADM for their respective years; and if this measure of growth in Special Education exceeds current year growth in Fall Enrollment, growth in Special Education is set equal to growth in Fall Enrollment. Finally, growth is multiplied by a factor of 1.53. This weight is intended to account for the additional cost of educating a special education student; it is not, however, based specifically on an empirical analysis of the cost of special education relative to “regular” education in Utah. **Law:** 53A-15-301, 302, 303, 303.5, 304, 305, 53A-17a-111; R277-750. **Contact:** Jennifer Howell. **Data:** Membership audit report (September 1); Fall Enrollment audit report (November 1). Below is a description of the Special Education Add On,

Extended Year for the Severely Disabled, Preschool, Self-Contained, and State Programs in Utah.

SPECIAL EDUCATION—EXTENDED YEAR FOR SEVERELY DISABLED

To provide a longer school year for those students with disabilities whose IEP teams have determined they need an extended year. Formula: Per WPU, this is derived from aggregate hours of extended year educational service. Law: 53A-17a-112; R277-750, 751. Contact: Jennifer Howell. Data: Special survey administered by Emily Bytheway (September 30).

SPECIAL EDUCATION—PRESCHOOL

To provide preschool educational services for children with disabilities from ages 3 through 5 as required by federal law. Formula: Per WPU, this equals special education preschool enrollment (aged 3 through 5 excluding 5-year-old special education students enrolled in Kindergarten) as of December 1 multiplied by 1.46. Overall state growth in this program cannot exceed 8% annually, so funds remaining after the allocation have equaled the growth limit are prorated among districts experiencing growth in excess of eight percent. Law: 53A-17a-112; R277-750. Contact: Jennifer Howell. Data: Clearinghouse file (December 15) -- S2 record.

SPECIAL EDUCATION—SELF CONTAINED

To compensate for the higher cost of providing more extensive educational services to students who are in a self-contained setting (enrolled in special education for 180 minutes or more each day). Unlike resource students, self-contained students do not generate a “regular” WPU. Formula: Per WPU, this equals Self Contained ADM from two years prior. Law: 53A-17a-111; R277-750. Contact: Jennifer Howell. Data: Membership audit report (September 1).

SPECIAL EDUCATION—STATE PROGRAMS

To support districts and charter schools in serving special education students whose extensive needs cost the district more than \$15,000 per student. Formula: 100% through RFP process. If the total amount approved exceeds the appropriation, grants are prorated. Distribution: One lump sum upon approval by State Director of Special Education. Law: 53A-17a-112; R277-750.

Pupil Weights for Special Education Programs

Students with disabilities are funded with a base plus growth dollar amount averaging ADM over the prior five years. Below is a description of the Special Education Add On, Extended Year for the Severely Disabled, Preschool, Self-Contained, and State Programs in Utah.

Pupil Weights For At-Risk, Low Income, Compensatory

The State Board of Education shall appropriate \$1.2 million from the appropriation (FY15: \$24,376,400) for Enhancement for At-Risk Students for a gang prevention and intervention program designed to help students at-risk for gang involvement stay in school.

Money for the gang prevention and intervention program shall be distributed to school districts and charter schools through a request for proposals process.

In establishing a distribution formula, the State Board of Education shall use the following criteria:

- low performance on U-PASS tests;
- poverty;
- mobility; and
- limited English proficiency.

A school district or charter school shall use money distributed under this section to improve the academic achievement of students who are at risk of academic failure. (UCA 53A-17a-166)

English Language Learners

N/A

Gifted and Talented Education

A categorical appropriation is provided for gifted and talented students; for 2010-11 the amount is \$2,619,314. Each school district and charter school receives its share of funds in the proportion of its number or WPU's for Kindergarten through grade twelve and necessarily existent small schools.

Revenue and Expenditure Information

State Mandates Restricting Revenue or Expenditure Increases

The State Appropriations and Tax Limitation Act UCA 63J-3 limits the amount that the Legislature may appropriate by using a statutory formula that includes factors such as population and inflation. During the 2007 General Session, the Legislature may, for the first time, be restricted by the appropriations limit. This would mean that the Legislature would budget not to the amount of revenues the state receives, but to some lesser amount based on the statutory formula.

63J-3-20J, Utah Code:

- (1) There is established a state appropriations limit for each fiscal year beginning after June 30, 1988.
- (2) For each of these fiscal years, the annual legislative appropriations for this state, its agencies, departments, and institutions may not exceed that sum determined by applying the formula $B * P * (I/100)$ in which:
 - (a) "B" equals the base year real per capita appropriations for the state, its agencies, departments, and institutions;
 - (b) "P" equals the most recent fiscal year's population; and
 - (c) "I" equals the most recent fiscal year's inflation index adjusted to reflect fiscal year 1989 as having an index value of 100.
- (3) The revenues specified in Section 63J-3-205 are not subject to the limitation in this section.

Property Assessment Ratios Used/Legal Standards for Property Assessment

All property is assessed at 100% of assessed valuation; primary homeowners receive a 45% exemption.

Measure of Local Ability to Support Schools

Assessed valuation per student.

School District Budget and Tax Rate Procedures/Sources of Local Revenue

All 41 school districts in Utah are fiscally independent. They may levy up to 13 different property taxes; see “Description of the Formula” above. Search the USOE School Finance and Statistics web site under “Taxation” for more information.

State Support for Nonpublic Schools

Does not apply.