

# FundEd: Utah Report

## A Detailed Look at Utah's Funding Policies



## Utah



### Funding Basics

#### Formula Type

Utah has a primarily student-based funding formula. It assigns a cost to the education of a student with no special needs or services, called a base amount. It then accounts for the additional cost of educating specific categories through program-specific allocations.

The categories of students generating supplemental funding in Utah include students enrolled in career and technical education programs and students in small and remote schools. Services for students in certain grade levels, students with disabilities, students identified as gifted, and other students needing greater-than-average academic support, including English language learners and low-income students, are funded through program-specific allocations. The state also provides a number of other program-specific allocations.

#### Base Amount

Utah has a fixed base funding amount per student. For FY2018, the per-student base amount was \$3,311.

This means that an average student with no special needs or disadvantages would be funded at that level.

### Local Revenue

#### Expected Local Share

Utah expects its school districts to raise revenue to support their public schools. The amount each district is expected to raise is based on a combination of its property values and a defined share of the amount calculated by the state to be necessary to educate students within that district. The expected tax rate is calculated annually to satisfy a statewide expected local contribution. In FY2018, each district was expected to contribute \$1.596 for every \$1,000 of assessed local property wealth for the purpose of funding its schools.

Each year, the state sets a total statewide local contribution amount and the tax rate that would be required to produce the amount. In FY2018, the total local contribution amount was \$399 million and school districts were required to impose \$1.596 for every \$1,000 of assessed local property wealth. The state provides state aid based on this expected tax rate, less the rate that would raise \$75 million statewide. If the required tax rate, less the rate that would raise \$75 million statewide, raises at least the amount of funding determined by the state as necessary to educate students within that district, the district receives no state aid. If this tax rate generates more funding than is calculated to be necessary for the district, the excess is rebated to the state Department of Education and redirected to aid other districts.

School districts are permitted to impose additional taxes to generate supplemental revenue. (See "Property Tax Floors and Ceilings.") For some of these levies, additional tax effort will be partially matched by the state to guarantee a certain revenue for weighted student count.

## Property Tax Floors and Ceilings

Utah sets a floor and a ceiling for local property tax rates, as well as a level above which voter approval is required. All school districts must levy at least \$1.596 for every \$1,000 in local wealth in FY2018 in order to receive state funding. School districts may levy several additional taxes, the vast majority of which are limited and some of which require voter approval.

Without voter approval, school districts may impose up to \$1.80 for every \$1,000 in assessed wealth (or \$2.50 if the district's total levies were greater than \$1.80 in 2011) for general purposes, \$0.121 for every \$1,000 for a K-3 reading program, \$3.00 for every \$1,000 for capital projects, \$0.30 for every \$1,000 for transportation, and \$2.40 for every \$1,000 for capital outlay. With voter approval, school districts may further impose \$2.00 for every \$1,000 of assessed local property wealth for general purposes and \$2.00 for every \$1,000 of assessed local property wealth to buy school sites, build and furnish schools, or improve school property.

School districts are not limited in the rate they may levy for general obligation debt and to discharge a judgment or order.

## Other Local Taxes for Education

School districts in Utah receive local revenue only from property taxes.

## District Characteristics

### Grade Level

Utah provides different levels of funding for students in different grade levels. It does by providing a greater level of funding for students in certain elementary grades to be used for specific purposes and does provide different amounts of funding for charter school students in different grade levels.

The state appropriates funds to reduce class size in grades K-8. The total appropriation is divided among school districts in proportion to their K-8 enrollment, and it must be used for class size reduction, in accordance with specific guidelines. The state also allocates additional funding, to be distributed on a per-pupil basis for pupils in grades K-3, for reading improvement.

In charter schools only, the state provides different amounts of funding for students in different grade levels. It does so by applying multipliers to the base per-pupil amount for students in three different grade spans: the base amount is multiplied by 0.9 for students in grades 1-6; by 0.99 for students in grades 7-8; and by 1.2 for students in grades 9-12.

### English-Language Learner

Utah provides increased funding for English-language learners (ELLs). It does so through increased funding for at-risk students, including ELLs.

The Utah State Board of Education is required to distribute funding for at-risk students in a way that takes into account, among other factors, the share of students in each district who are ELLs. In FY2018, about \$28 million was appropriated for at-risk students as a whole.

## Poverty

Utah provides increased funding for schools with high concentrations of low-income students. It does so through a program-specific allocation, a part of which is distributed to schools with high-concentrations of low-income students.

The Utah State Board of Education is required to distribute funding for at-risk students in a way that takes into account the share of free or reduced-price lunch (FRL) eligible. In particular, 20% of the state appropriation for this program is directed to schools where at least 75% of students are FRL-eligible. In FY2018, about \$28 million, in total, was appropriated for at-risk students.

## Special Education

Utah funds special education primarily through a block grant, with each district's grant amount based on allocations from a previous year. The state provides special education funding in an amount that is modified from year to year based on the growth in special education enrollment.

The number of students generating the aid is based on the previous-year allocation, to which the state adds an amount equal to the increase in special education enrollment between the previous year and the year before that, multiplied by 1.53. This calculation is subject to three limitations: special education enrollment in either prior year may not exceed 12.8% of total enrollment; the growth rate for special education enrollment cannot exceed the general enrollment growth rate in the district; and regardless of any drop in enrollment, the number of special-education pupils upon which the funding is based cannot be less than the average number of special education students enrolled over the previous five years. Once the number of students to be funded is determined, that number is multiplied by a per-student amount that is determined annually by the state legislature.

The remainder of state special education funding is distributed through specific program-based allocations, including funding for extended-year programs for the severely disabled; students in self-contained special education placements; students in state institutions; students whose education costs exceed \$15,000; partial scholarships for special-needs students in private schools; and stipend funding for special educators working up to two extra weeks before or after the contracted school year.

## Gifted

Utah provides increased funding for gifted and talented students. It does so through multiple program-based allocations.

Districts and charter schools will receive funding for gifted and talented programs, advanced placement (AP) programs and International Baccalaureate (IB) programs, if they have them. An appropriation is divided between these programs according to a formula set by the Utah State Board of Education. In FY2018, the amount appropriated for this purpose was about \$5 million.

Of this total, funding for gifted and talented programs is distributed in proportion to the district's weighted student count compared to the state total. Funding for AP programs is distributed based on the number of students who pass AP exams. Half of funding for IB programs is distributed equally among all authorized IB programs in the state, and the other half is distributed to districts based on exams passed as part of the IB Diploma program.

## Career and Technical Education

Utah provides increased funding for career and technical education (CTE) programs. It does so by inflating districts' student count to generate extra funding.

Utah provides funding through inflating districts' student counts and then provides the state's regular per-student funding on the basis of each district's inflated count rather than its true student population in order to generate funding for specific CTE purposes. Extra student units are allocated to districts in the following amounts: twenty student units for CTE administrative costs, or twenty-five if the district consolidates CTE administrative services with other districts; between ten and twenty-five student units for each high school conducting approved CTE programs in a district; forty student units for each district operating an approved CTE center; and between five and seven student units for each summer CTE agriculture program.

## Sparsity and/or Small Size

Utah provides increased funding for school districts operating small schools, including small schools in remote areas. It does so by inflating the student count to generate extra funding. The state also provides transportation assistance funding for districts transporting small student populations to remote school locations.

Small schools in remote areas (which are defined by student enrollments below 160 for elementary schools and 600 for six-year secondary schools and by the amount of time students must travel to attend them) receive additional pupil units based on a multi-step formula that considers student enrollment and grade levels served.

In addition, small schools which have no more than 5,000 students, receive between sixty and ninety-five additional pupil units, depending on their enrollments.

For a complete list of primary sources, please see the appropriate state page at [funded.edbuild.org](http://funded.edbuild.org)

