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# FY22 VOTED AND BOARD LOCAL LEVY PROGRAMS

## FORMULA REVIEW

# APPROPRIATED FUNDS FY22

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<b>FY22 Appropriation</b>	Board	Voted	
Total Local Levy	328,724,400	575,502,500	
Est. Local Proceeds	251,524,600	401,318,400	652,843,000
State Local Levy	77,199,800	174,184,100	
SB97 funds	12,219,700	44,030,300	56,250,000
EPU - LLGA	41,646,424	58,437,001	100,083,425
Reg State Board Local Le	23,333,676	71,716,799	95,050,475

# STEP ONE: GATHERING DATA

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- For FY22 Legislative Estimates, the following data sources are used:
  - Board and Voted rates from tax years 2016-2020—will include 2021 rates for at the FY22 MidYear Update in the Fall
  - The Hold Harmless guarantee rate used for FY22 will be the highest rate amongst the 6 relevant years (2016-2021). Regular Board is capped at 4 increments—Regular Voted at 16.
- Total WPU (less foreign exchange WPU)
- Total Adjusted Assessed Valuations (adjusted for BOE and RDA)
- 3 Year Average Collections (board and voted) from Motor Vehicles, Redemptions and Misc.

## STEP TWO: CALCULATE BASE GUARANTEE

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- Calculate the initial guarantee per weighted pupil unit as governed by 53F-2-601
- $.011962 * \text{prior year WPU value} + .0005 * \text{prior year WPU value}$
- For FY22, the base guarantee is \$44.81 per WPU

# STEP THREE: ASSESS TOTAL GUARANTEE VALUE AND TOTAL PROJECTED LOCAL PROCEEDS

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- The total amount of funding (state and local) that the state guarantees/projects a district will receive in a given fiscal year. How is this calculated? Simple.
- Base Guarantee (\$44.81) multiplied by hold-harmless increments (implement cap, if applicable) multiplied by total WPU = total guarantee. Example:  $\$44.81 * (.0004/.0001) * 100,000 \text{ WPUs} = \$17,924,000$
- Now we determine projected local revenues—(capped rate \* adjusted assessed valuations \* 5 year collection rate) + Projected MV revenue = total estimated local proceeds
- Regular Board and Voted State funding is the difference between projected local proceeds and the total guarantee

# STEP FOUR: PRIORITY FUNDING USING LOCAL LEVY GROWTH

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From Section 601:

- (b)
  - (i) *Subject to future budget constraints and Subsection (2)(c), the Legislature shall annually appropriate money from the Local Levy Growth Account established in Section 53F-9-305 for purposes described in Subsection (2)(b)(ii).*
  - (ii) *The state board shall, for a fiscal year beginning on or after July 1, 2018, and subject to Subsection (2)(c), allocate funds appropriated under Subsection (2)(b)(i) in the following order of priority by increasing:*
    - (A) *by up to four increments the number of voted local levy guaranteed local levy increments above 16;*
    - (B) *by up to 16 increments the number of board local levy guaranteed local levy increments above four; and*
    - (C) *the guaranteed amount described in Subsection (2)(a)(i).*

# LET'S REVIEW THE COST SO FAR FOR FY22

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	Local	State	Total
FY22 Regular Voted/Board	<b>\$ 539,535,930.30</b>	<b>\$ 146,887,752.97</b>	<b>\$ 686,423,683.27</b>
Voted Local Levy	400,552,899.82	121,078,259.97	521,631,159.79
Board Local Levy	138,983,030.48	25,809,493.00	164,792,523.48
20 Increments	<b>\$ 112,421,304.06</b>	<b>\$ 13,364,744.50</b>	<b>\$ 125,786,048.56</b>
Voted Local Levy	-	-	-
Board Local Levy	112,421,304.06	13,364,744.50	125,786,048.56
<b>Total</b>	<b>\$ 651,957,234.36</b>	<b>\$ 160,252,497.47</b>	<b>\$ 812,209,731.83</b>
Equity Pupil Tax Rate - Local Levy Growth Account		100,083,425.00	
Funds to Increase Guarantee Amt		86,718,680.50	
SB142 Funds to Increase Guarantee		4,412,747.03	

# STEP 5: THIRD PRIORITY FUNDING AND S.B. 142

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- \$86 million left to disburse from the Local Levy Growth appropriation after first and second priority funding
- These additional funds are disbursed by artificially increased the guarantee rate using a what-if analysis. For FY22, we increased the guarantee rate to \$51.58 in order to disburse the additional \$86 million. But wait...there's more.
- In the 2021 General Legislative Session, Senate Bill 142 was passed and signed. S.B. 142 (also now a part of section 601) states the following:

*(c) If the indexing and growth described in Subsections (3)(a) and (b) result in a cost to the state in a given fiscal year that is less than the amount the Legislature appropriated, the state board shall dedicate the difference to the allocation described in Subsection (2)(b)(ii).*
- After performing an additional, separate what-if analysis, the final guarantee rate per WPU is raised to \$51.91 in order to disburse an additional \$4,412,747.

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**QUESTIONS?**

