



Utah Charter School Spending Report: FY 2018 - 2019

Public education is one of the largest recipients of taxpayer dollars in Utah. Funding public education consumed 31% of Utah’s state budget in FY 2019, second only to social services. When higher education is included, education in Utah receives 42% of the state’s annual budget.

Every year, the Utah Taxpayers Association compiles the Utah State Office of Education’s financial and statistical data for each of Utah’s 41 school districts and 112 charter schools and uses this information to compare spending trends between LEAs (local education agencies – district and charter schools).

Utah’s charter schools received \$724,055,599 in revenues in FY 2019 and spent \$698,258,003. ***So where does the money come from and where does it go?***

Charter and Public Education Funding

Individual Income Tax

All of the state’s individual income tax is used for education purposes, including public education and higher education.

Total Fiscal Year 2019 (FY) Collected = \$4,320,042,492

Corporate Franchise Tax

All of the state’s corporate franchise tax is used for education purposes, including public education and higher education.

Total FY 2017 Collected = \$520,917,624

Property Tax

Charter schools are unable to levy a property tax, however they do still receive property taxes, both from the statewide basic levy, and from school districts’ property tax. This is done from the local replacement formula.

TY 2017 State, Local Property Tax Yield = \$1,761,367,411

State Property Tax

Statewide Basic Levy: The Legislature requires all school districts to levy this tax for maintenance and operation (M&O) purposes. The rate is uniform statewide, but the degree to which the amount generated by an LEA falls short of the WPU, (set at \$3,394 in FY 19) state income taxes fills the gap to reach the WPU.

TY 2017 State, Local Property Tax Yield = \$1,761,367,411

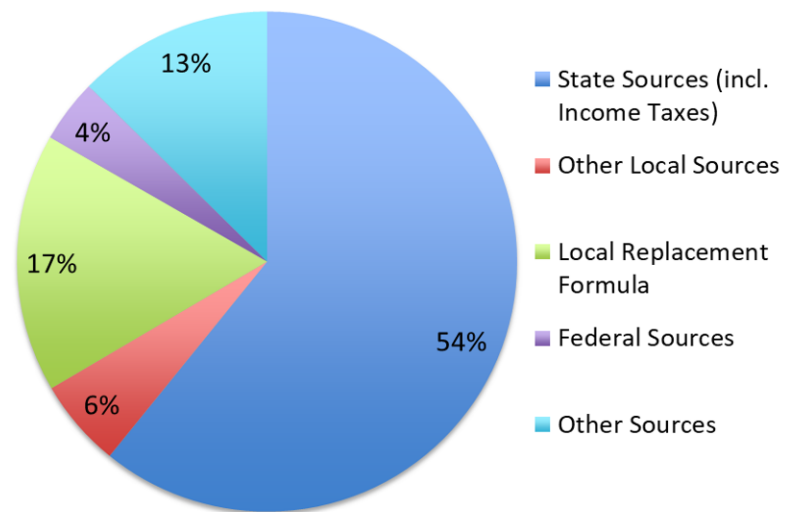
Local Property Tax

Local school districts have the authority to levy property taxes directly to fund district schools. Charter schools, on the other hand, do not have the ability to levy a property tax.

Local Replacement Formula

The local replacement formula is a calculation made to fund charter schools by having a portion of the local property tax follow a student to their incoming charter school.

This amount is set by the Legislature, and is \$2,237, following legislation passed in 2018.



As a student leaves a district school for a charter, 75% of the student’s WPU (including local property taxes), stay with the district. The remaining 25% follows the student to the charter school.

If a local school district is unable to generate \$2,237 from the property tax, state income tax dollars are used to backfill the remaining amount.

FY 2017 Local Replacement Formula Revenue = \$175,367,378

Federal Funding

Some federal money is also contributed to Utah’s LEAs by federal sources, which include funding from No Child Left Behind and special ability programs. The amount below is specific revenue for charter schools.

FY 2019 Charter Federal Sources Yield = \$34,412,460

NOTE: The National Center for Education Statistics, which forms the basis for the Utah uniform chart of accounts, permits LEAs to account for property acquisition and leases of real property in the general fund. While districts and some charter schools have accounted for capital expenses in the capital outlay fund, other charter schools have accounted for it in the general fund. As such, some charter schools O&M expenses as the source data reports them may exceed expected norms of other LEAs.

Utah's FY 2018 – 2019 Public Education Revenues

The following charts show the sources of public education revenue in Utah and where those revenues are allocated according to fund. Some revenue is restricted to a certain fund, meaning that it can only be used for certain purposes.

Beyond the taxes listed on the front page of this report, other sources of education funding include: unclaimed property returned to the state (escheats), school lands trust fund, one-time legislative appropriations, fees and donations, etc.

The first chart shows total dollar amounts of revenue to school districts and charter schools. The second chart shows the total revenues from the first chart as rounded percentages, and the last chart shows total revenue per student.

Education Revenue					
Fund	Local		State	Federal	Total ⁴
	Property ³	Other			
Operations ¹	\$ 1,126,319,899	\$ 461,200,834	\$ 3,485,505,917	\$ 309,906,069	\$ 5,382,932,719
Capital ²	\$ 272,367,003	\$ 67,453,957	\$ 34,411,894	\$ 10,554,459	\$ 384,787,313
Debt	\$ 403,799,104	\$ 48,376,940	\$ -	\$ 2,278,442	\$ 454,454,486
Nutrition	\$ -	\$ 63,043,330	\$ 42,429,632	\$ 129,116,815	\$ 234,589,777
Non K-12	\$ 4,212,227	\$ 3,909,295	\$ 18,141,403	\$ 3,923,862	\$ 30,186,787
Total	\$ 1,806,698,233	\$ 643,984,356	\$ 3,580,488,846	\$ 455,779,647	\$ 6,486,951,082

Revenue Distribution					
Fund	Local		State	Federal	Total
	Property ³	Other			
Operations ¹	21%	9%	65%	6%	100%
Capital ²	71%	18%	9%	3%	100%
Debt	89%	11%	0%	1%	100%
Nutrition	0%	27%	18%	55%	100%
Non K-12 & Other	14%	13%	60%	13%	100%
Total	28%	10%	55%	7%	100%

Revenue per Student					
Fund	Local		State	Federal	Total
	Property ³	Other			
Operations ¹	\$ 1,687.62	\$ 691	\$ 5,222	\$ 464	\$ 8,065
Capital ²	\$ 408	\$ 101	\$ 52	\$ 16	\$ 577
Debt	\$ 605	\$ 72	\$ -	\$ 3	\$ 681
Nutrition	\$ -	\$ 94	\$ 64	\$ 193	\$ 351
Non K-12 & Other	\$ 6	\$ 6	\$ 27	\$ 6	\$ 45
Total	\$ 2,707	\$ 965	\$ 5,365	\$ 683	\$ 9,720

Notes:

1. Includes the general fund and student activities fund.
2. Includes the capital outlay fund and building reserves fund.
3. Includes statewide basic levy and all local levies.
4. This revenue total does not match the expenditure total from the front page because there is an additional revenue category for districts and charter schools, "other financing sources & uses." Additionally, revenues overall do not match expenditures because expenditures for facility construction are incurred immediately, whereas property taxes to retire construction bonds are received over several years. School districts may use revenues to increase reserves or may use existing reserves to increase expenditures.