



# Granite School District Budget Hearing

June 13, 2023

Brian Ipson, Director of Budget Development

# 2023-24 Budget Process

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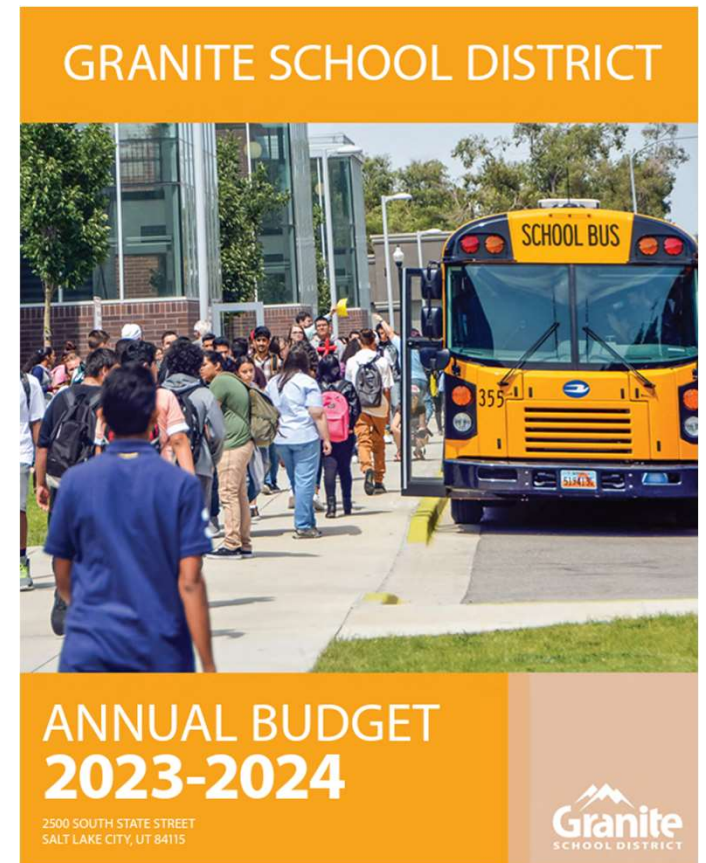
- ▶ **Estimate available revenues:**
  - ▶ Federal – Title Programs, ESSER, IDEA (SPED), Perkins (CTE), FEMA
  - ▶ State – Basic School Program (WPU), LAND Trust, Adult Ed, Teacher & Student Success, Educator Salary Adjustment
  - ▶ Local – Property taxes, interest earnings, local grants, and donations
- ▶ **Estimate expenditures:**
  - ▶ Cost increases due to inflation, contracts, etc.
  - ▶ Consideration of budget requests from schools, district departments, superintendency
  - ▶ Salary & Benefit cost increases – Steps/Lanes, COLA
- ▶ **Each fund's budget is balanced, meaning budgeted expenditures are planned to remain within available revenue and resources.**
- ▶ **Budgets can be amended by board action throughout the year, but typically the budget is formally adjusted one time each fiscal year, in June (at the same time the new year budget is approved)**



# Annual Budget Book

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- ▶ Budget for all funds for which the Board has legal responsibility:
  - ▶ General Fund (M&O)
  - ▶ District Activity: School funds (fees, donations, fundraisers, etc.)
  - ▶ Pass-Through Tax: Taxes for redevelopment & charter schools
  - ▶ Granite Education Foundation
  - ▶ Capital Outlay / Bond Projects: Construction projects
  - ▶ Debt Service: Payment of bonds
  - ▶ School Lunch: Breakfast & lunch

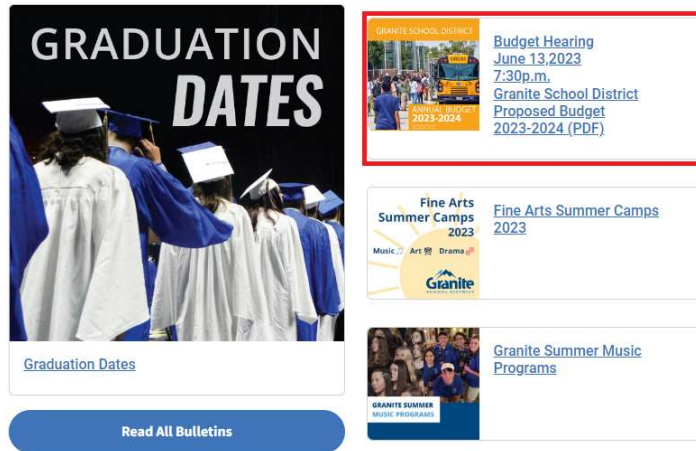


# Where is the GSD budget published?

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- ▶ [www.graniteschools.org](http://www.graniteschools.org) – Bulletin Link:

## Bulletins



GRADUATION DATES

Budget Hearing  
June 13, 2023  
7:30p.m.  
Granite School District  
Proposed Budget  
2023-2024 (PDF)

Fine Arts  
Summer Camps  
2023  
Music Art Drama

Granite

Granite Summer Music Programs

Read All Bulletins

- ▶ **Budget Development Webpage:**  
**Budget Development**

The Budget Development Office constructs and monitors the district's annual budget under the direction of the Superintendent and the Board of Education.

## Annual Budget

[Granite School District Proposed Budget - 2023-24 \(PDF\)](#)

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# Key Budget Dates

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- ▶ March 3 – last day of legislative general session
- ▶ May 30 – Proposed budget published online, available for review
- ▶ May 31 – Budget hearing advertised in Salt Lake Tribune & Deseret News w/ instructions to access proposed budget
- ▶ By June 30 – budget hearing & adoption of budget
  - ▶ Action to be taken on 3 items tonight:
    - ▶ Approve the revised 2022-23 budget
    - ▶ Adopt the 2023-24 budget and set tentative property tax rates for 2023-24
    - ▶ Authorize a Truth-in-Taxation Hearing to be held August 1<sup>st</sup>
- ▶ August – Truth-in-Taxation Hearing held to approve final property tax rates
  - ▶ Time and date coordinated with SL County Auditor's Office



# Legislative Session Highlights

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- ▶ **Weighted Pupil Unit (WPU) 6% increase (HB 2)**
  - ▶ \$13.5 M increase in regular K-12 WPU funding
- ▶ **All-day Kindergarten fully funded (HB 477)**
  - ▶ All full-day K students will generate a full WPU - \$1.4 M increase over prior full-day K funding
- ▶ **Educator Salary Adjustment (HB 215)**
  - ▶ Was \$4,200, increased to \$8,400 (plus benefits) - \$18.6 M increase
- ▶ **Educator Professional Hours - again one-time (HB 2)**
  - ▶ Stipend to educators for professional learning, collaboration, individual planning, etc. (written statement to supervisor) - \$5.9 M total funding
- ▶ **Income tax “earmark” for public ed (SJR 10 / HB 394)**
  - ▶ Removed earmark, subject to voter approval in November 2024
  - ▶ 5 year hold-harmless for public ed funding in event of enrollment declines



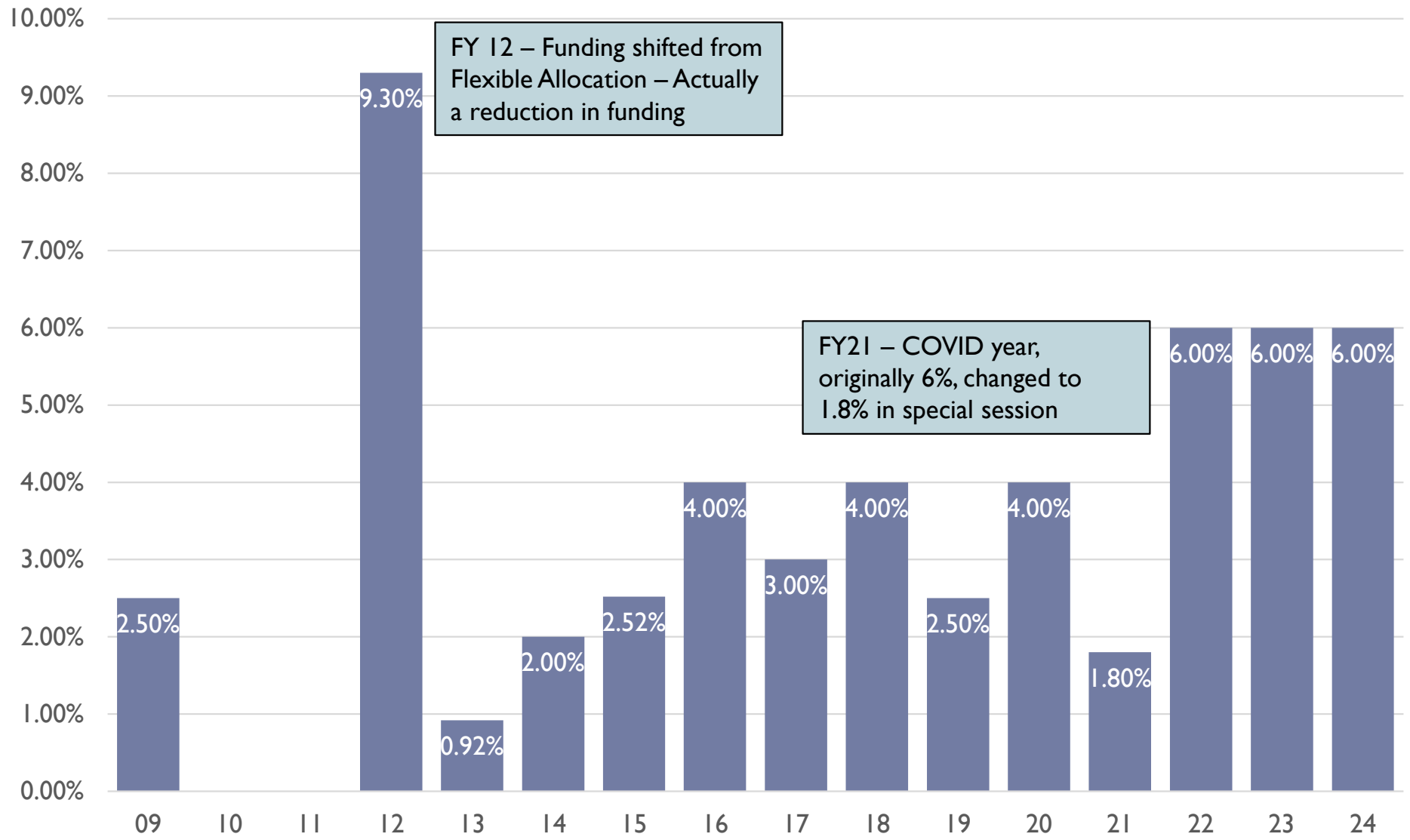
# What is the WPU?

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- ▶ The Weighted Pupil Unit (WPU) is the foundation of Utah's public education funding system. Its value represents the common factor used to distribute education funding to Local Education Agencies (LEAs).
- ▶ Primary Pupil-Count Programs:
  - ▶ Kindergarten, Grades 1-12, and Special Ed Self Contained
- ▶ Add-On Programs:
  - ▶ Special Education
  - ▶ CTE
  - ▶ At-Risk Students
  - ▶ Class Size Reduction



# State Funding – Changes in WPU Value

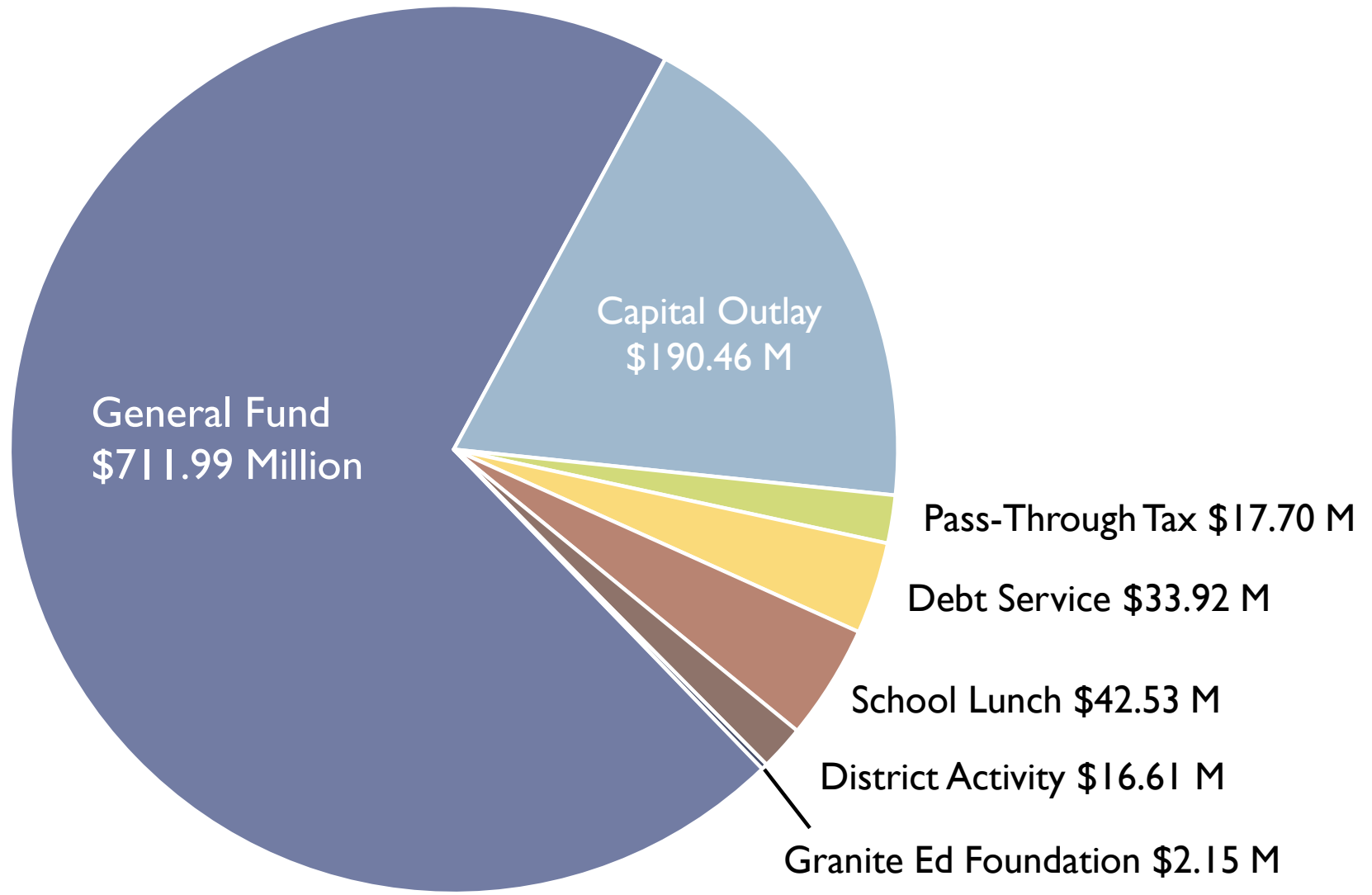




# Granite's 2023-24 Budget – All Funds

Total Budget = \$1,015,357,735

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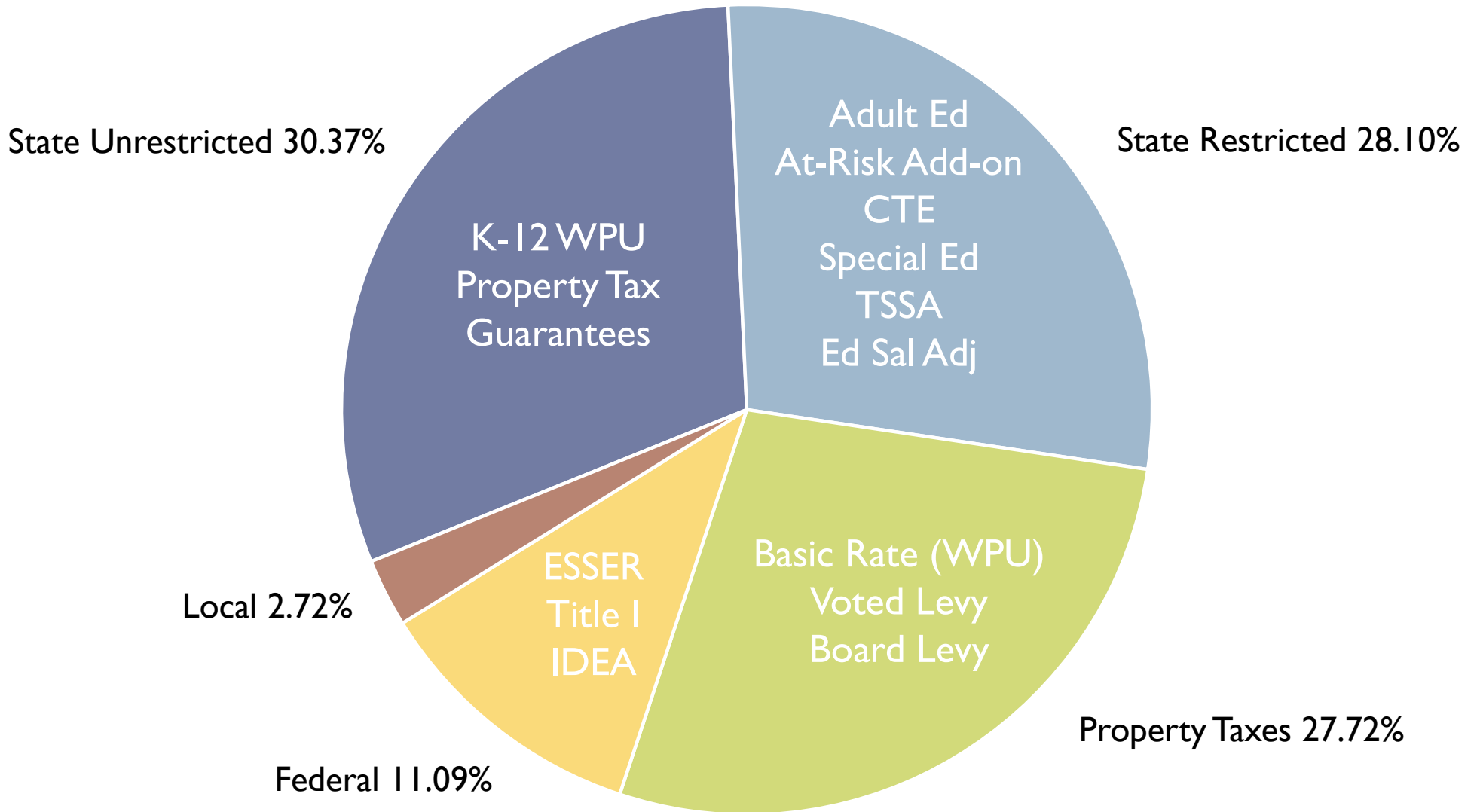


# General Fund

# General Fund - Revenue Sources

2023-24 Total Revenues = \$715,442,117

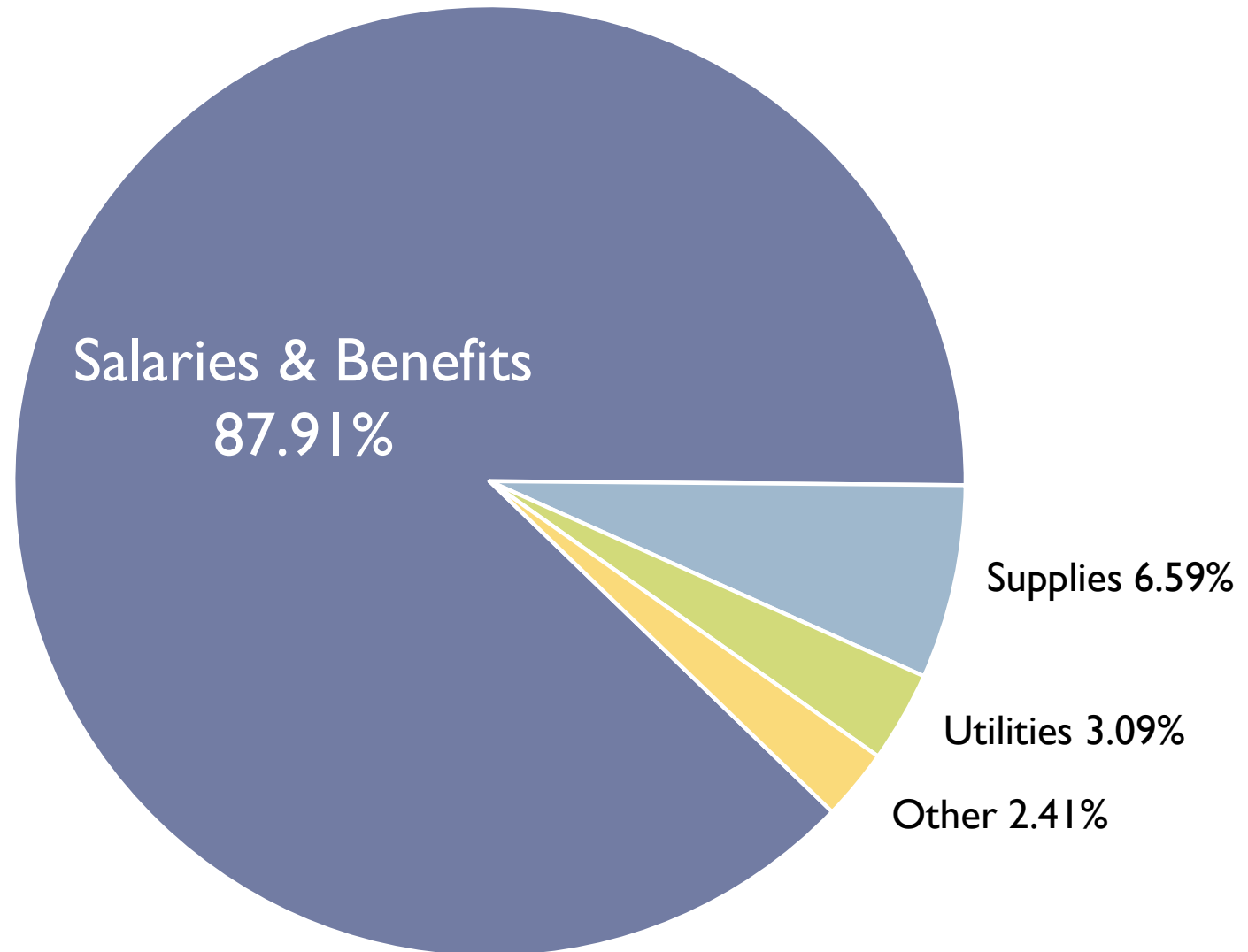
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# The General Fund – Budget Expenditures

2023-24, by object; Total Expenditures = \$711,990,359

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# General Fund Budget – 2023-24

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## New Funding Sources:

Description	Ongoing Budget
State funding (WPU increase 6.0%)	15,863,432
State property tax guarantees	7,093,330
Property tax new growth	1,561,343
Beverley Taylor Sorenson Arts Funding	1,200,000
Teacher and Student Success Act	599,105
Base Budget Reductions	900,000
<b>Total new funding sources</b>	<b>\$27,217,210</b>



# General Fund Budget – 2023-24

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## Budget Savings:

Description	Ongoing Budget
School Closure Savings	1,086,204
Millcreek El	
Spring Lane El	
Twin Peaks El	
<b>Total</b>	<b>\$1,086,204</b>

Includes savings in staff costs (principal, secretaries, custodial, office help, reading specialist, technology coach, etc.) and some utility savings. Savings achieved by adjusting through normal position turnover and transfers.

The total savings were reduced by retained administrative staff (added assistant principals in elementary schools) & custodial staff (coverage of closed schools and other pre-existing needs)

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# General Fund Budget – 2023-24

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## Contractual Considerations:

Description	Ongoing Budget
Step increases (\$9.0 M total)	-\$6,177,163
Estimated employee turnover savings	1,513,189
Health insurance increases*	-3,119,479
<b>Total</b>	<b>-\$7,783,453</b>

*\*Includes the cost of the District covering the 7% employee premium increase*

## Required Cost Increases:

Description	Ongoing Budget
CTE Maintenance of Effort	-\$656,160
<b>Total</b>	<b>-\$656,160</b>

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# General Fund Budget – 2023-24

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## Other Budget Items:

Description	Ongoing Budget
Curriculum Software Adoptions Cost Increases	-\$1,892,400
Utility Cost Increases	-4,053,973
Inflationary Cost Increases	-839,640
Contracted School Resource Officers	-115,000
FTE – BTS Arts (2), Policy & Legal (1), GAAP (1)	-401,646
Other	-633,548
<b>Total</b>	<b>-\$7,936,207</b>





# General Fund Budget – FY 2023-24

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## Recruitment & Retention of Employees:

Description	Ongoing Budget
Teacher & Admin COLA GEA agreement – 2.5% COLA	-\$6,982,206
Middle Manager COLA/Adjustment	-1,543,583
Education Support Professionals (ESP), Secretaries, & Hourly GESPA agreement - \$4 per hour adjustment	-13,603,461
Total	-\$22,129,250

In addition to the 2.5% cost of living adjustment, each certified educator paid on the teacher salary schedule will receive an increase of \$4,200 in 2023-24, funded through a state increase to the Educator Salary Adjustment (*HB 215, 2023 Legislative Session*)

The increases shown above for middle managers, ESPs, secretaries, and hourly positions have become increasingly necessary and will make the District more competitive in hiring these employees.

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# General Fund Budget – FY 2023-24

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## Ongoing Budget Summary:

Description	Ongoing Budget
New funding sources	\$27,217,210
School Closure Savings	1,086,204
Contractual considerations	-7,783,453
Required cost increases	-656,160
Other Budget Items	-7,936,207
Employee Recruitment & Retention	-22,129,250
	<b>-\$10,201,656</b>



# 2023 Property Tax Increase

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- ▶ To fund a portion of the cost of the employee recruitment & retention efforts, the 2023-24 proposed budget includes a property tax increase in the Board Local Levy sufficient to generate \$10.2 million. This increase is estimated at \$61 on an average valued home in the District and is the first such property tax increase proposed for operations since 2018.
- ▶ The proposed budget for 2023-24 was prepared making every effort to ensure the lowest property tax rates to generate sufficient revenues to finance District operations
- ▶ Truth-in-Taxation Hearing: August 1<sup>st</sup>



# General Fund Budget – FY 2023-24

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## Ongoing Budget Summary:

Description	Ongoing Budget
New funding sources	\$27,217,210
School Closure Savings	1,086,204
Contractual considerations	-7,783,453
Required cost increases	-656,160
Other Budget Items	-7,936,207
Employee Recruitment & Retention	-22,129,250
Property Tax Increase	10,201,656
	\$0

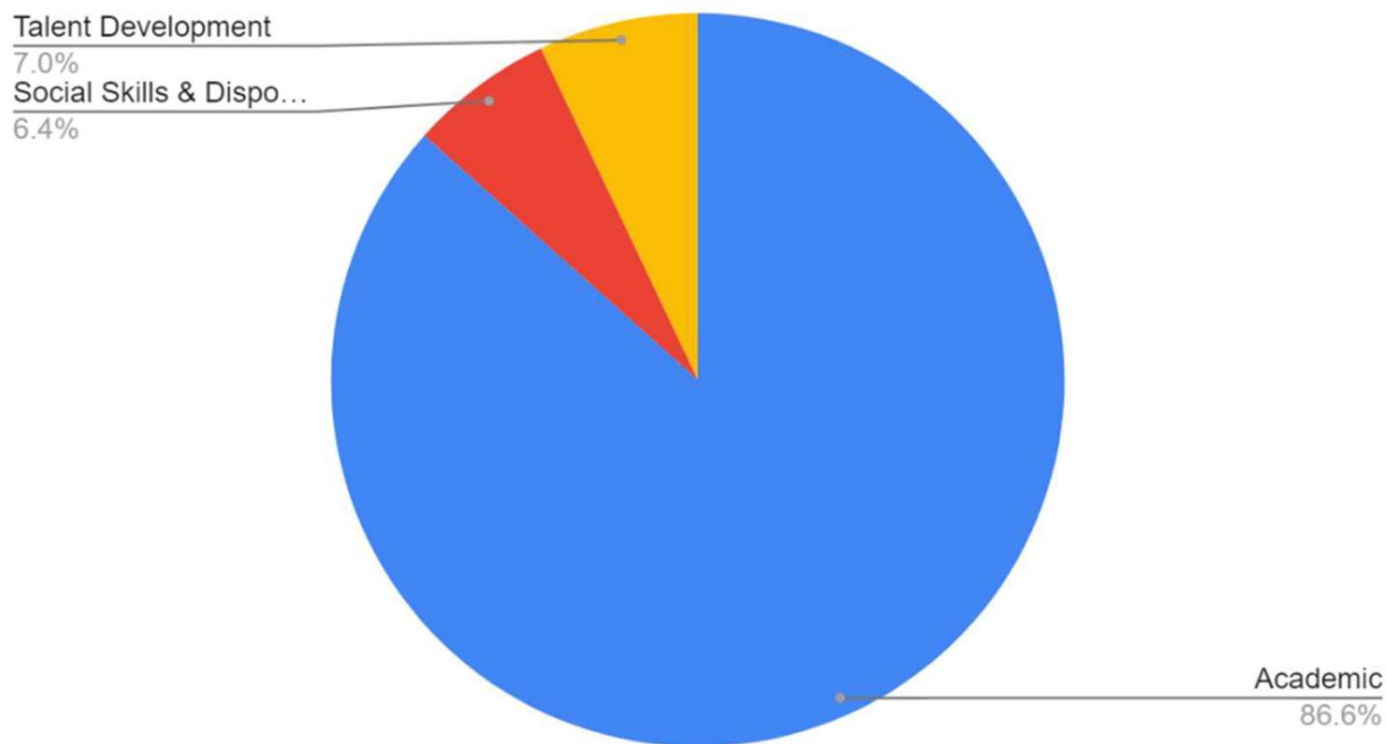


# Prioritization of New Resources

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- ▶ New revenue resources have been prioritized and aligned with the strategic priorities of the District (academic, social skills & dispositions, and talent development):

FY24 Strategic Priority Allocation





# Capital Outlay & Debt Service

# Long-Term Capital Funding Strategies

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- ▶ As the property tax rate for Debt Service goes down, the rate is shifted to the Capital Local Levy.
  - ▶ No shift will occur for 2023-24, as scheduled payments for outstanding bonds are increasing.
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# Debt Service Schedule

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<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2022-23	19,605,000	11,000,182	30,605,182
2023-24	23,850,000	10,055,431	33,905,431
2024-25	24,770,000	8,900,032	33,670,032
2025-26	25,965,000	7,700,331	33,665,331
2026-27	26,890,000	6,442,682	33,332,682
2027-28	28,020,000	5,155,581	33,175,581
2028-29	27,975,000	3,817,768	31,792,768
2029-30	22,905,000	2,457,219	25,362,219
2030-31	19,700,000	1,482,900	21,182,900
2031-32	4,345,000	497,900	4,842,900
2032-33	1,640,000	321,450	1,961,450
2033-34	1,375,000	240,950	1,615,950
2034-35	1,410,000	172,200	1,582,200
2035-36	1,450,000	115,800	1,565,800
2036-37	1,445,000	57,800	1,502,800





# School Construction Made Possible by Voter Approval of November 2017 Bond Election

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Completed Projects	Projects in Progress
Driggs Elementary Renovation	Skyline High School
Evergreen Jr High School Remodel	Cyprus High School
Hunter High School Addition	
Olene Walker Elementary	
Rosecrest Elementary Renovation	
South Kearns Elementary	
Valley Jr High School Remodel	

- ▶ Construction costs for the above projects were paid with bond proceeds through February 2023. Bond proceeds were exhausted at that point and the Capital Outlay Fund will be used to pay remaining costs for the high school rebuilds and future projects.
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# Capital Outlay Fund 2023-24

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## ▶ Revenues:

- ▶ Property Taxes: \$72,274,213
- ▶ Interest & Other Local: \$5,645,548
- ▶ State: \$226,535
- ▶ Federal ESSER: \$25,377,037 (HVAC projects)
- ▶ Federal FEMA: \$17,753,004 (Westlake Jr Rebuild)

## ▶ Expenditures:

- ▶ Equipment (School & District Divisions): \$1,423,500
- ▶ Maintenance: \$2,392,746
- ▶ Police: \$421,327
- ▶ Property Management: \$1,640,640
- ▶ School Projects: \$16,247,083
- ▶ School Rebuilds: \$121,518,012
- ▶ Support Services: \$572,000
- ▶ Transportation: \$1,623,000
- ▶ Technology (Information Systems): \$3,937,283



# Debt Service Fund 2023-24

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## ▶ Revenues:

- ▶ Property Taxes: \$35,023,373
- ▶ Interest: \$200,000

## ▶ Expenditures:

- ▶ Bond Principal Payments: \$23,850,000
- ▶ Bond Interest Payments: \$10,055,431
- ▶ Miscellaneous: \$10,000
- ▶ Transfer to general fund for District tech programs: \$1,500,000  
(allowance in Utah Code 11-14-310)

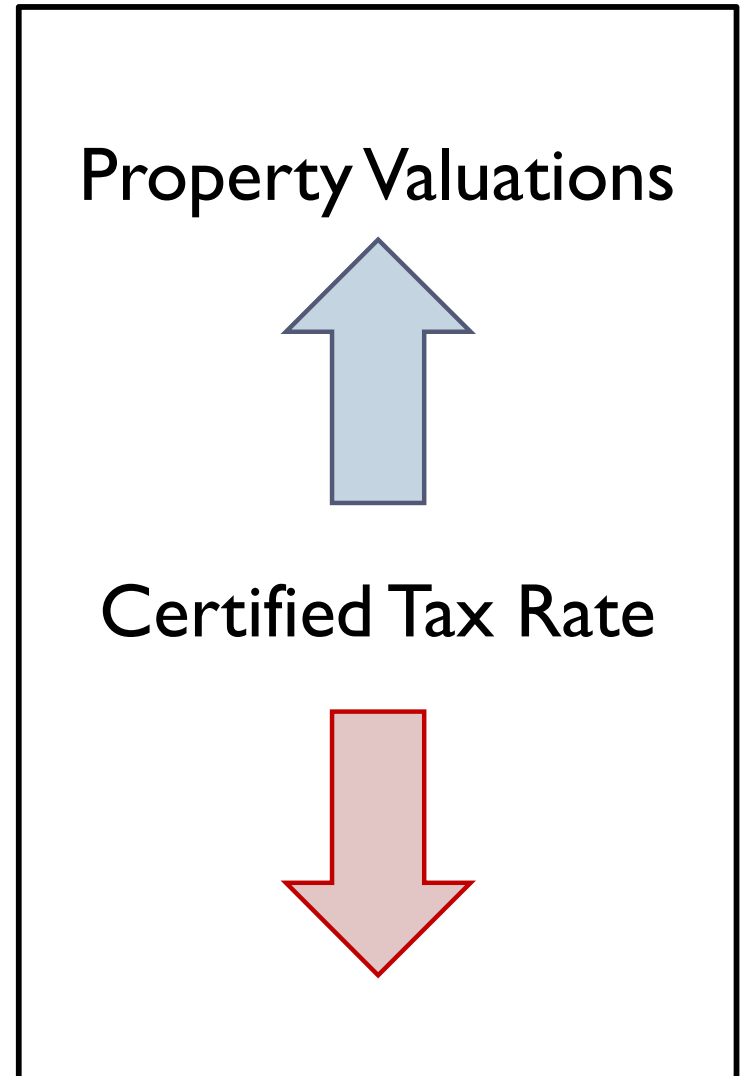


# Property Tax Rates

# Certified Tax Rates

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- ▶ As overall property valuations increase, property tax rates decrease to maintain revenue neutrality from year to year (except for new growth).
  - ▶ This decreased rate is known as the certified tax rate.
- ▶ New growth: Increased valuations due to new property developments do not reduce the property tax rate.



# Estimated FY24 Property Tax Rates

Levy	FY 23 Rate	FY 24 Cert Rt	FY 24 Adjust	FY 24 Rate
State Basic School (Legislature)	.001652	-.000018	-.000226	.001408
Charter School (Legislature)	.000089	-.000001	.000044	.000132
Board Local	.001532	-.000017	.000231	.001746
Voted Local	.000811	-.000009		.000802
Capital Local	.001541	-.000017		.001524
Debt Service (GSD Voters)	.000686		.000057	.000743
<b>Totals</b>	<b>.006311</b>	<b>-.000062</b>	<b>.000106</b>	<b>.006355</b>

The increase to the Board Local Levy will generate an estimated \$10.2 million in additional revenue in FY2024, an estimated \$61 property tax increase to the average home in the District (\$488,400), approximately 5%.

These revenues will be used to fund adjustments to employee compensation and enable the District to fill high-need positions, especially within the ESP and Middle Manager employee groups.

# FY24 Property Tax Revenues

Levy	FY 24 Proposed Rate	FY24 Budgeted Revenues
State Basic School (Legislature)	.001408	\$66,958,758
Charter School	.000132	5,873,014
Board Local	.001746	82,700,657
Voted Local	.000802	38,056,520
Capital Local	.001524	72,274,213
Debt Service (GSD Voters)	.000743	35,023,373
<b>Totals</b>	<b>.006355</b>	<b>\$300,886,535</b>

Rates above are estimated and are still subject to changes in the certified tax rates from the SL County Auditor. The basic and charter school levies will be set by the Tax Commission and are also subject to change.

The budgeted revenues shown above include redemption (prior year tax collections) and fee-in-lieu (motor vehicle age-based fees paid in lieu of property taxes)

# Action Required Tonight

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- ▶ Approve the revised 2022-2023 budget as published
- ▶ Adopt the proposed 2023-2024 budget as published and set the tax rate to 0.006355 subject to the following:
  - ▶ The Basic Levy & Charter School Levy will be adjusted to the rates established by the Utah Tax Commission
  - ▶ Other levies will be adjusted for any changes in the calculation of the certified tax rate as set by the SL County Auditor
- ▶ Authorize a Truth-in-Taxation hearing to be held August 1<sup>st</sup>







# Public Comment & Board Discussion

# Board Recommendation

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- ▶ Approve the revised 2022-2023 budget as published
- ▶ Adopt the proposed 2023-2024 budget as published and set the tax rate to 0.006355 subject to the following:
  - ▶ The Basic Levy & Charter School Levy will be adjusted to the rates established by the Utah Tax Commission
  - ▶ Other levies will be adjusted for any changes in the calculation of the certified tax rate as set by the SL County Auditor
- ▶ Authorize a Truth-in-Taxation hearing to be held August 1<sup>st</sup>

