



Granite School District Budget

2022-23 District Budget

Granite's Budget Timeline

- ▶ March 4 – last day of legislative general session
- ▶ June 1 – law requires that budget be published online, and budget hearing advertised
- ▶ June 14 – law requires budget hearing and adoption (5:30 PM)
 - ▶ Action taken on 3 items:
 - ▶ Approve the revised 2021-22 budget
 - ▶ Adopt the proposed 2022-23 budget
 - ▶ Set a tax rate for 2022-23
- ▶ August – truth-in-taxation hearing – time & date must be coordinated with SL County Auditor's Office



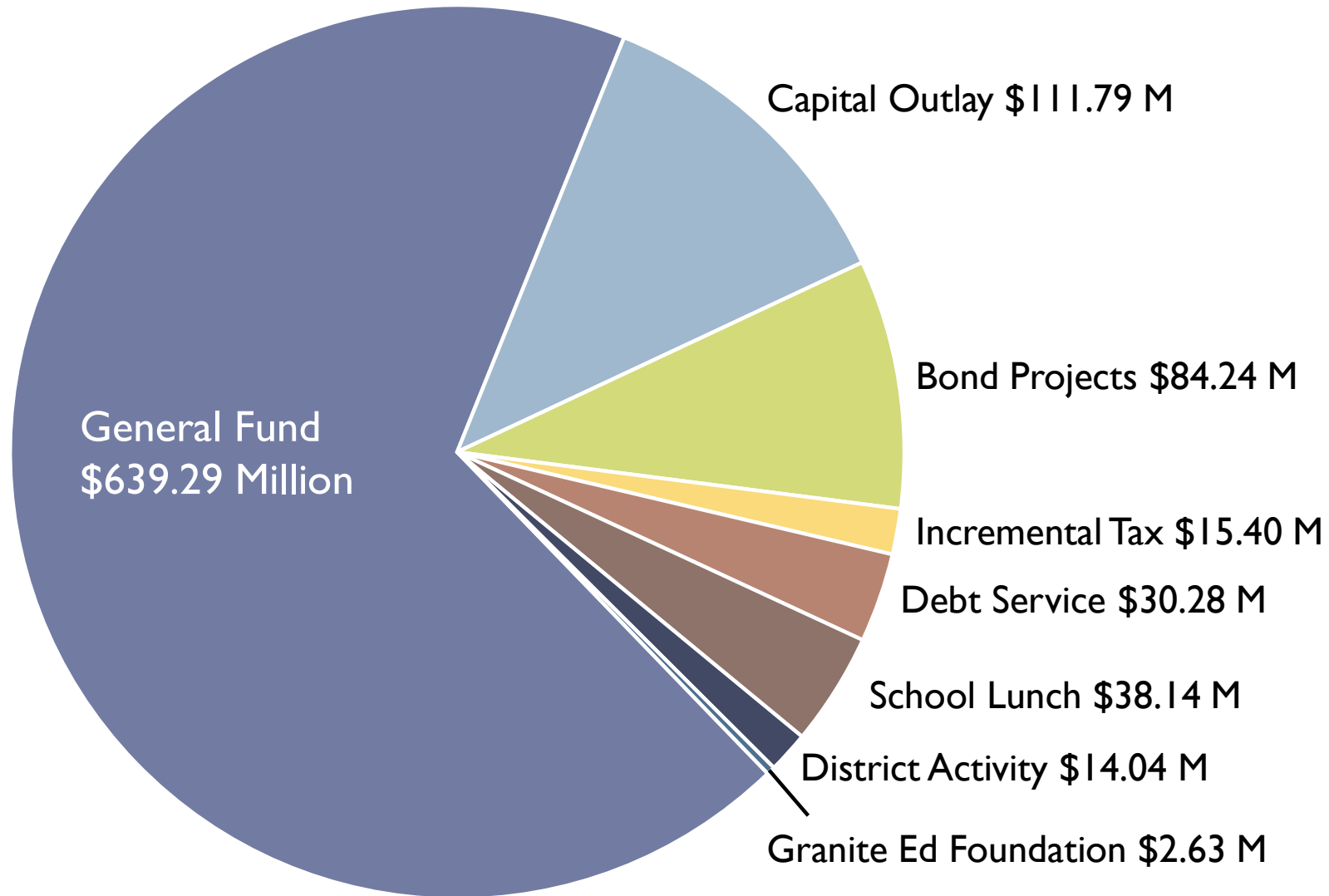
Fund Accounting

- ▶ Funds can be thought of as separate “business segments” of the District.
- ▶ Except for the General Fund, each fund is set up for a specific purpose and tracks revenues and expenditures related only to that purpose.
 - ▶ Capital Outlay & Bond Projects – construction projects
 - ▶ Debt Service – payments on bonds
 - ▶ District Activity – school funds (fees, fundraisers, donations, etc.)
 - ▶ Food Service – school breakfast/lunch
 - ▶ Granite Education Foundation
- ▶ The general fund is for District general maintenance and operation costs (M&O) – nearly all salary/benefits.



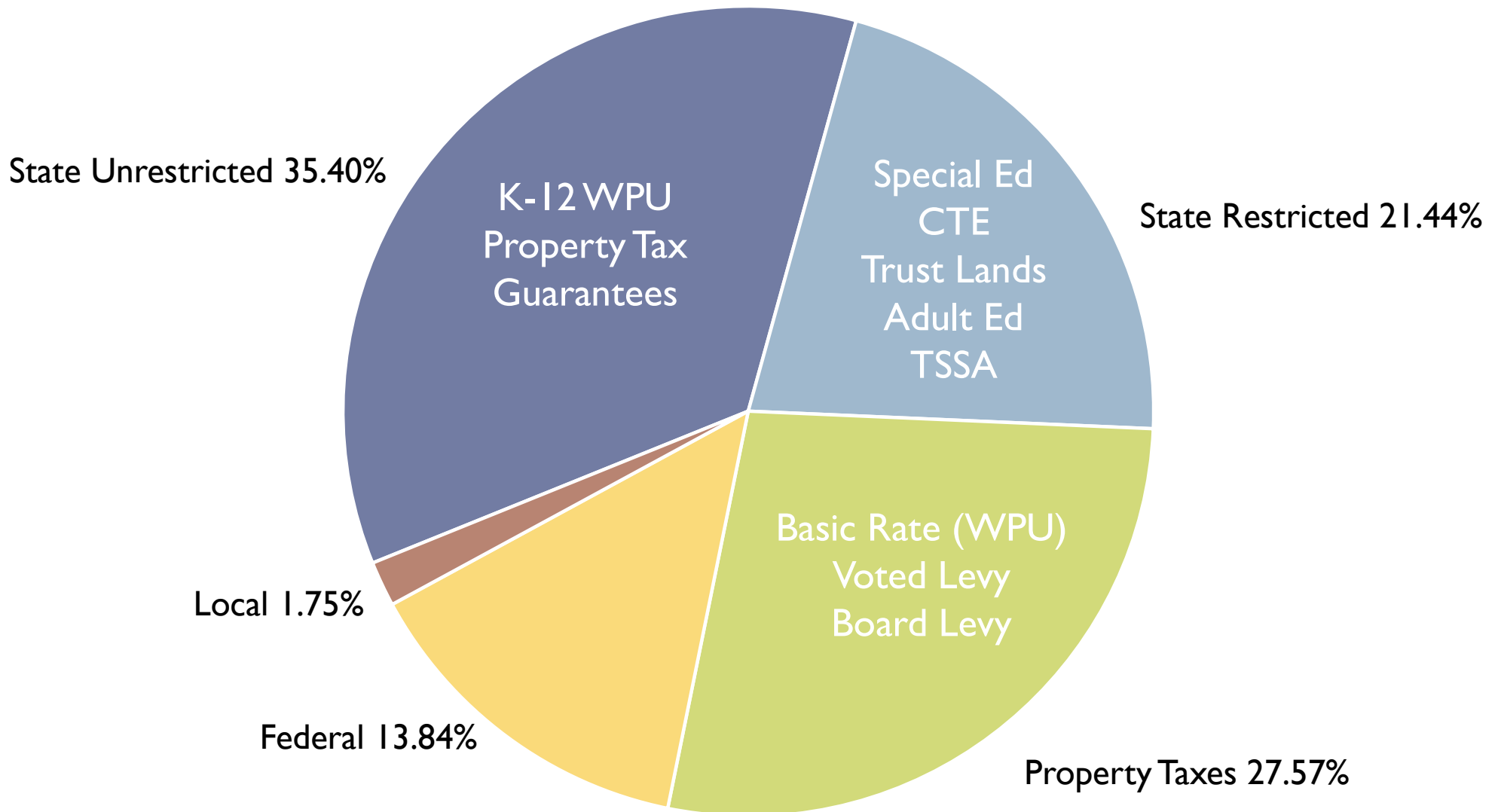
Granite's 2021-22 Budget – All Funds

Total Budget = \$935,879,318



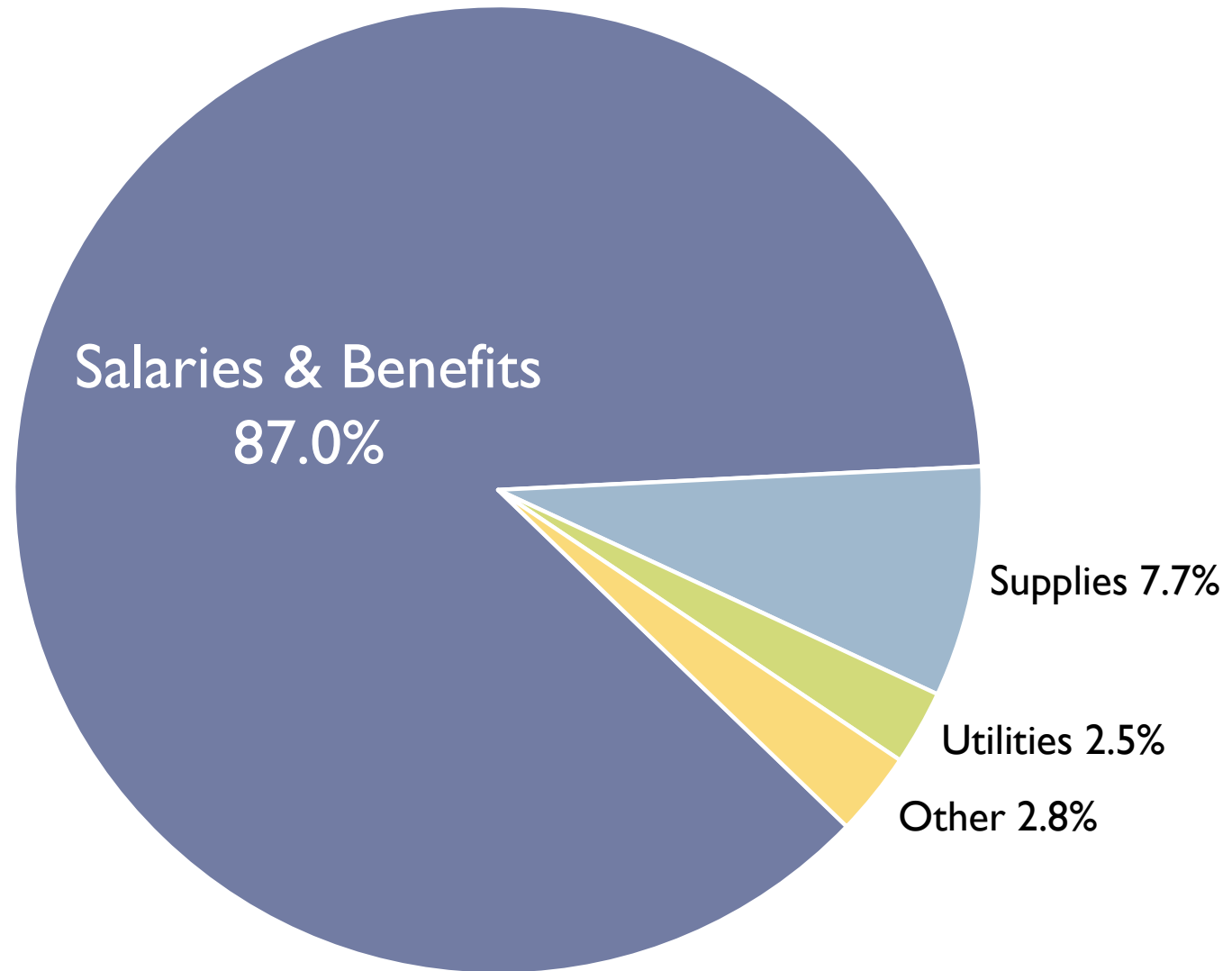
General Fund - Revenue Sources

2021-22



The General Fund – Budget Expenditures

2021-22, by object



2022-23 - New Restricted
(Categorical) Funding

2022-23 New Restricted Funding

- ▶ **Flexible Educator Directed Professional Hours (HB 396)**
 - ▶ Funds to be used to provide for “paid professional hours” to educators (includes general ed & SPED teachers, counselors, school administrators, school specialists, student support, school psychologists, speech language pathologists, and audiologists).
 - ▶ Educator driven – the educator creates a plan in consultation with their principal
 - ▶ Granite’s preliminary allocation - \$6,086,653 (adjusted based on November 15 educator counts)
 - ▶ Plans are being developed for this program to be rolled out in the 2022-23 school year



2022-23 New Restricted Funding

- ▶ **Public Education Capital & Technology Funding (HB 475)**
 - ▶ Funds to be used to “support students and schools through **one-time** priorities. . . including student safety, technology, instructional materials, and capital facility improvements”.
 - ▶ Granite’s allocation - \$6,657,798
 - ▶ Potential uses:
 - ▶ Cover a portion of the costs of Westlake Jr. reconstruction
 - ▶ Cover digital curriculum adoptions (increased costs)



2022-23 New Restricted Funding

▶ Full-day Kindergarten (HB 193)

- ▶ Granite has already been receiving Optional Enhanced Kindergarten (OEK) funding; this funding is in addition.
- ▶ Granite's FY23 allocations:
 - ▶ OEK – 3,754,747 (an increase of 172,820 from FY22)
 - ▶ New FDK – 2,720,000
- ▶ Between the two funding sources, Granite should be able to provide over 100 full-day kindergarten classes in 2022-23.



2022-23 New Restricted Funding

▶ Students At-Risk Add-on (SB 2)

- ▶ “Add-on” weighted pupil units for at-risk students:
 - ▶ Economically disadvantaged student: weighting increased from .05 to .075 in FY23 (target weighting of .3)
 - ▶ English language learner: weighting increased from .025 to .0325 in FY23 (target weighting of .1)
 - ▶ Granite’s FY23 allocation: 12,273,127.49 (an increase of **4,352,791**)
 - ▶ Funds used to “improve the academic performance of students who are at-risk”
- ▶ Plans to add additional counselors and social workers in our schools in FY23.



2022-23 New Restricted Funding

▶ Teacher & Student Success Act

▶ School Plans

- ▶ Each school creates a plan for expenditure of allocated funds
 - List of proposed expenditures
 - How expenditures fit into the school's plan
 - How the school will measure success
 - Input from School Community Council

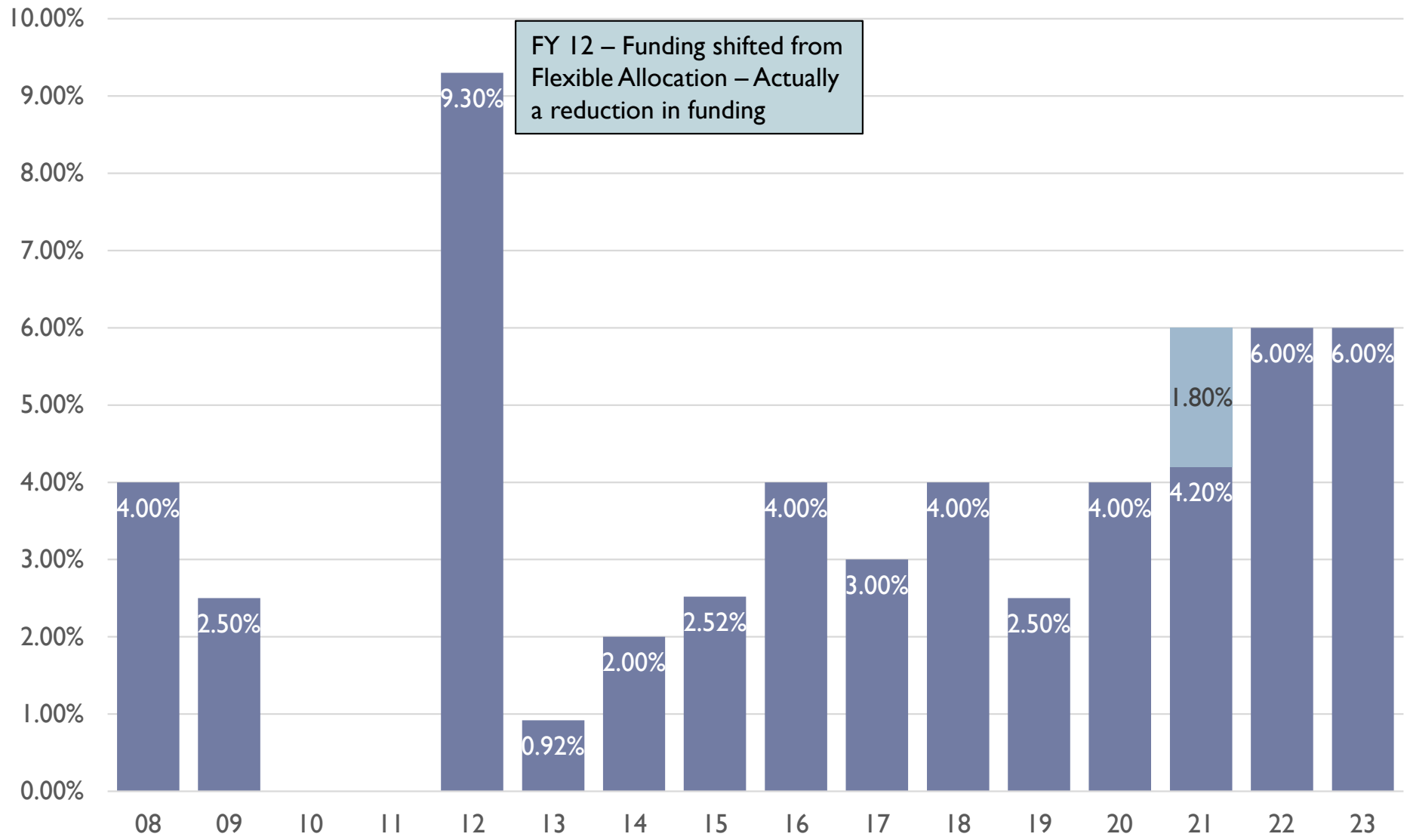
▶ Classroom Teacher Salaries

- ▶ Allowance in law for 25% of the allocation to be used for increases to salary & benefits for certified school staff.
- ▶ Granite's FY23 Allocation: 13,725,012 (increase of 1,955,901)



2022-23 - General Fund

State Funding – Changes in WPU Value




General Fund Budget – FY 23

New Funding Sources:

| Description | Amount |
|--|---------------------|
| State funding (WPU increase 6.0%) | 15,773,441 |
| Tax levy guarantees | 3,805,182 |
| Property tax new growth | 1,196,954 |
| Students at-risk funding ¹ | 2,395,346 |
| Teacher and Student Success Act ² | 488,975 |
| Total new funding sources | \$23,659,898 |

¹Granite heavily subsidizes services provided to at-risk students – this amount represents some of these services now being funded with the new at-risk add-on funds.

²The Teacher & Student Success Act allows for 25% of the funding to be used to cover classroom teacher salaries – this amount is 25% of the new funding in FY23.




General Fund Budget – FY 23

Contractual Considerations:

| Description | Amount |
|-------------------------------------|---------------------|
| Step increases (\$8.4 M total) | -\$5,899,730 |
| Estimated employee turnover savings | 1,418,022 |
| Health insurance increases | -1,080,801 |
| Total | -\$5,562,509 |

Required Cost Increases:

| Description | Amount |
|---------------------------|-------------------|
| CTE Maintenance of Effort | -\$608,236 |
| Total | -\$608,236 |



General Fund Budget – FY 23

Other Ongoing Budget Items:

| Description | Amount |
|---|---------------------|
| Curriculum software adoptions | -\$760,000 |
| Textbook fee replacement funds | -600,000 |
| Transportation (increased cost fuel, repairs, etc.) | -439,400 |
| School resource officers | -200,000 |
| Effective teachers in high-poverty schools prog. | -250,000 |
| Morale Funding (build increase into budget) | -130,000 |
| Other Miscellaneous Items | -264,596 |
| Total | -\$2,643,996 |



General Fund Budget – FY 23

Recruitment & Retention of Employees:

| Description | Amount |
|--------------------------------|---------------|
| COLA (4.25% proposed increase) | -\$14,829,478 |
| Total | -\$14,829,478 |



General Fund Budget – FY 23

Ongoing Budget Summary:

| Description | Amount |
|---------------------------------|-----------------|
| New funding sources | \$23,659,898 |
| Contractual considerations | -5,562,509 |
| Required cost increases | -608,236 |
| Other budget items | -2,643,996 |
| Employee retention – 4.25% COLA | -14,829,478 |
| | \$15,679 |



Curriculum Software Adoptions

- ▶ The change from traditional textbooks to digital curriculum has had an increased budget impact recently.
- ▶ Normally a 5-6 year replacement cycle.
- ▶ Granite has fund balance assigned for textbook adoptions - the “piggy bank” to cover adoptions.
 - ▶ Balance at the end of FY21: \$5,360,061
- ▶ As adoptions occur, they are expended over the life of the curriculum, funds are paid to the vendor upfront.
- ▶ During the past six fiscal years, we’ve budgeted for and contributed \$1.42 million annually to textbooks.



Curriculum Software Adoptions

- ▶ The past contribution was set at an amount to keep our “piggy bank” above \$0 in all years, based on expected costs.
- ▶ Recent K-5 math adoption during FY22 was a 62% cost increase over the previous adoption 6 years ago.
 - ▶ Impacts the projections for the 6-8 and 9-12 math curriculum happening in FY23
 - ▶ Inflationary 3% per year increase added in for future projections
- ▶ Based on the changes and plans for future adoptions, the required annual contribution per year **increased** from \$1.42 million to \$3.84 million, an increase of \$2.42 million.
- ▶ FY23:
 - ▶ \$760k of the increase covered with ongoing funds
 - ▶ \$1.6 million covered with one-time funds (and will need to tackle with ongoing funds in FY24 and beyond)





Property Taxes & School Construction

Long-Term Funding Strategies Studied in 2017

PROJECTIONS BASED ON A \$250,000 HOME VALUE



SINGLE TAX INCREASE



A single property tax increase that would immediately raise capital funding levels.

A home valued at \$250,000 would see an annual tax increase of \$259.88.

SERIES OF BONDS



A series of school building bonds put to voters every 4 to 5 years over a 20 to 30-year period.

Annual tax impact is dependent on the size of financed bonds.

HYBRID OF BOTH MODELS



An initial 10-year, \$261 million bond put to voters, after which the district would maintain tax revenue.

Initial bond tax increase of \$183.43; tax revenue maintained afterward.



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

| 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 | |



Proposed FY23 Property Tax Rates

| Description | FY 22 Rate | FY 23 Adj | FY 23 Shift | FY 23 Rate |
|--------------------------------------|------------|-----------|-------------|------------|
| Rates Subject to Truth in Taxation: | | | | |
| Board Local | .001846 | -.000089 | | .001757 |
| Voted Local | .000978 | -.000047 | | .000931 |
| Capital Local (Regular) | .000555 | -.000027 | | .000528 |
| Capital Local (Moved from Debt) | .001126 | | .00004 | .001166 |
| Rates Exempt from Truth in Taxation: | | | | |
| Basic Levy (Legislature) | .001661 | | | .001661 |
| Charter Levy (Legislature) | .000108 | -.000005 | | .000103 |
| Debt Service (GSD Voters) | .000831 | | -.00004 | .000791 |
| Totals | .007105 | -.000168 | 0 | .006937 |

The shift of .00004 and maintenance of a combined .001957 combined rate between Capital Local and Debt Service will generate an estimated \$43.9 million in FY23 for school construction (Cyprus and Skyline High)

FY23 Tax Rates

- ▶ **Adjustments still coming to rates:**
 - ▶ The Basic Levy and the Charter School Levy will be adjusted to the rates to be established by the Utah Tax Commission
 - ▶ Other levies will be adjusted for changes in the calculation of the certified tax rate - may come from the Utah Tax Commission or the Salt Lake County Auditor's office



Action Required - June 14th Budget Hearing

- ▶ Revise the 2021-2022 budget that will be published online by June 1
- ▶ Adopt the proposed 2023 budget that will be published online by June 1 (final approval after August tax hearing)
- ▶ Set the tax rate to be 0.006937 (subject to changes in the certified tax rates)



Questions?

