

Public Education

Utah Citizens' Counsel Education Committee

Article 3. All Utahns have the right to a public education that ensures literacy, numeracy, critical thinking, character development, and the capability for responsible citizenship to help secure a promising future for Utah in a complex, interdependent, and competitive world.

Introduction

In previous annual reports, UCC has documented the decade-long loss of at least a billion dollars per year in revenues for public education.¹ There are multiple reasons for the loss: (1) the 2008 elimination of Utah's progressive income tax and replacement with a 5% flat tax rate, (2) the 1996 constitutional amendment that allowed funding shifts from public education to higher education, freeing up sales tax revenue, mostly for more spending on transportation; (3) state property tax cuts to the basic school program, and (4) the recession of 2007-2009, which brought declining income tax revenues. Overall, state spending on public education reflects reduced effort per taxpayer--a reduced percent of personal income spent on public education.² The Utah Legislature has failed to ensure that annual funding remains sufficient not only for enrollment growth and inflation but, of more importance, to retain the kind of support that would keep Utah's public education vibrant and robust and our effort per taxpayer among the best in the country.

This year we are turning our attention to the Our Schools Now (OSN) initiative. If the signatures of somewhat over 113,000 registered voters from across the state³ are gathered by April 15, 2018, the initiative to increase income and sales tax revenues for improvements in public education will appear on the 2018 ballot for public vote. For reasons explained below, we believe that such an initiative is long overdue and very much needed.

The Our Schools Now Initiative

If passed into law, the Our Schools Now initiative would raise an estimated \$700 million per year in new dollars for education, 85% of which would go to public education, and 15% to higher education, including Utah's technical colleges.⁴ The initiative is named the Teacher and Student Success Act. For K-12 education, it stipulates that power will be given to each local education agency (LEA, the local school board) to oversee success plans initiated by each elementary, secondary, and charter school within the LEA boundaries. Each local school board will establish the framework and guidelines for school success plans.⁵ Each local board "may allocate up to 25%" of the new money for teacher salary increases and "may allocate up to 40%" under certain conditions.⁶ Then, each school within an LEA will prepare its own plan. The local board will take over a school's plan preparation only for a school that fails to meet State Board of Education overall ratings of A or B, or yearly 1% performance increases.⁷ Each school may spend the new money in a variety of areas, such as professional development, additional support personnel, software, early childhood education, class size reduction, summer-school programs, and educator "stipends" (additional paid days at the usual rate for a given teacher). Local schools are to determine which services will most enhance the performance of their students.

Higher education funding will also be based on meeting performance improvement expectations. Money may be spent to increase services to underserved populations, to respond to workforce needs, to increase degrees and certificates awarded, and for graduate research.

The initiative will raise the new money by increasing the 5% flat income tax rate by .45% (to 5.45%) and the state sales tax rate by .45% (from 4.7% to 5.15%). (The state sales tax rate on food will not change.)⁸ The income tax rate increase does not reveal what rate most individuals actually will pay in income taxes. Given available exemptions (such as the federal income tax exemption and the \$3000+ exemption per person in a family), the median rate for taxpayers was 2.94% in 2015.⁹ Thus, the income tax for most taxpayers will be less than the rate increase suggests.

Reasons to Support the Initiative and Rebuttal of Opposition Arguments

1) *The initiative is focused on improving the future of the state's economy, and the business community is leading the effort.* The Chamber of Commerce and many corporate CEOs state that businesses will benefit from improvement in public education. They debunk the argument that economic growth will be harmed. They believe such an opposition argument is not supported by economics, nor does it recognize the needs of the business community for a prepared workforce in the future.¹⁰

2) *Increased spending on identified areas of underfunding will help reverse the decline in student proficiency on state and national achievement tests.* When Utah students are compared with students in peer states and when scores are disaggregated by ethnic group, Utah does not perform well. Reports that Utah student achievement is at or above national averages seriously misrepresent our flagging performance.¹¹ Furthermore, achievement scores in the U.S. are nothing to be proud of, as they are far behind other developed countries.¹² When teachers are leaving the profession in record numbers and recruitment is an ongoing problem, the failure to have competitive salaries for teachers, robust professional development, better support services, and class size reduction poses a serious threat to the quality of our teaching profession and the performance of our students.

3) *Accountability to achieve improved student performance is built into the initiative, along with flexibility and local control to meet the different needs of different schools.*¹³ Those who criticize the initiative for lack of accountability seem not to have read the initiative and have not indicated what kind of additional accountability they seek. Over time, if other measures of accountability are documented as effective, they can be introduced into the statute as amendments.

4) *The distribution of funds to schools on the basis of student enrollment is the most feasible way to bring new money into all schools without developing complex and cumbersome distribution formulas based on difficult-to-measure individual needs at each school.* Arguments that the distribution is inequitable ignore the fact that Utah is already better at equalizing tax revenues across school districts than most states.¹⁴ Although achievement gaps remain across ethnic groups, if new money is used in all-day kindergarten, or early reading intervention programs for low-income students and non-native English speakers, it will help reduce those inequities.

5) *Every taxpayer shares in the responsibility to ensure better outcomes for Utah's children.* Arguments that parents with many children should pay more or most of the cost of public

education ignore the fact that Utah stands to lose if we are not ensuring that the future generation will thrive and strengthen our economy. Adults with grown children, few children, or no children have as much at stake in what happens to the educational attainments of all children as parents of many children.¹⁵ Although tax exemptions based on the number of children in a family are arguably too generous to large families, this issue needs to be resolved by the Legislature.

6) *The increasingly diverse populations of our schools require that we respond with increased revenues.* Almost 17% of our students are Hispanic,¹⁶ and the percentage is growing. Hundreds of languages are spoken in our schools, and all children must be taught to perform in English. Children with disabilities have individualized needs that often are not met with existing funds. Early childhood programs need expansion. Poverty affects how much parents are able to teach their children at home; so does the health of parents, the demands of double employment, stress levels, and more. The public school system was created to help all children develop into good citizens, tap their own abilities, and learn skills to prepare them for the future. Arguments that better parenting will solve the school's problems are simplistic; they ignore the role of public education and discount the challenges faced by many parents.

A Charge to the Utah Legislature

The OSN initiative is giving Utah voters an opportunity to show that they understand the critical need to increase investment in the future of all our children. The Legislature must not undermine this investment. If the initiative passes, the Legislature retains a key, indeed critical role: It must not see the new money as a way to reduce its own effort. It must maintain funding for enrollment growth, inflation, and for strengthening the professionalism of teachers and the performance of students. The Legislature should be reviewing the millions of dollars in sales tax loopholes for businesses and the income tax subsidies used to attract new businesses. Its review must be transparent and provide evidence that the subsidies are not giveaways to special interests.

High Quality Preschool Programs

Although preschool programs are among those for which funding under the OSN initiative will be available, such programs are competing with many K-12 programs that will have much support in Utah schools. Nonetheless, we want to keep educators and the public focused on the need to develop more high quality preschool programs because research reveals that these programs are among the best ways to help children disadvantaged by poverty and language differences to be at or near grade level when they enter kindergarten. Early social and academic success in grades K-3 is one of the best predictors of future success in school and life.¹⁷

Two developments affecting kindergarten, however, are worth noting. First, the Utah State Board of Education, collaborating with the Utah School Superintendents Association, completed and will now be implementing a uniform, statewide entry-level assessment of all kindergartners.¹⁸ Development of exit-level assessment is underway. Together these assessments will provide much useful data to assess students' progress in kindergarten achievement.

A second development is a Utah law for a kindergarten "supplemental enrichment" program, House Bill (HB) 168, which expands opportunities for extended-day kindergarten in schools where 10% of the students are from intergenerational poverty families or 50% are eligible for free or reduced lunch.¹⁹ Sixty schools have submitted applications for three-year grants, funded

primarily with federal TANF (Temporary Assistance for Needy Family) funds.²⁰ Research clearly supports the value of extended-day and full-day kindergarten for children at risk.²¹ Thus, HB 168 provides at least a modest opportunity for those most at risk to have enriched programs. Measurement of exit outcomes is anticipated after the 2nd year of operation.

The above programs address only kindergarten. Utah still lags far behind other states in scaling up its preschool programs.²² Moreover, full-day and extended-day kindergartens are still underserving children at risk and are not combined with enough high quality preschool opportunities to predict success in significantly narrowing the achievement gap between students who lack enriched early learning experiences and students who have them. Much more funding will be necessary in the coming years when current funding for pilot preschool programs expires.

Commendations

- **Our Schools Now for the courage to launch an initiative petition** after the continuing failure of the Legislature to raise enough revenue for the public schools
- **The Utah State Board of Education for collaboratively developing and starting to implement screening assessments for all children entering and exiting kindergarten**
- **The Utah Legislature for its passage of Representative Lowry Snow's optional enhanced kindergarten bill**

Recommendations

- **Registered voters, the general public, and the media should support the Our Schools Now initiative**, showing the Legislature that Utahns understand the need to invest more in the education of their children.
- **The Legislature, county government, and private corporations should continue to scale up high quality preschool programs** as the most effective educational means over the long term to help disadvantaged students have a better chance to succeed in school.
- **The Legislature should undertake broad-based tax reform.** The value of a fairer system that can raise sufficient revenue to address multiple problems that government can help solve should be examined without a pre-set ideological requirement of revenue neutrality or otherwise.

Endnotes for Article 3 (Public Education)

¹ Previous Utah Citizens' Counsel Public Education Committee reports have documented this revenue loss. See "Standing Up For Utah's Needs" (2014 and 2015) *Utah Citizens' Counsel*, accessed August 17, 2017, <http://www.utahcitizenscounsel.org/past-annual-reports>. See also "Standing Up for Utah's Needs, 2016", 20-21 (Appendix 1 and Appendix 2), *Utah Citizens' Counsel*, accessed August 17, 2017, <http://www.utahcitizenscounsel.org/wp-content/uploads/2016/12/3.PublicEdFinal2016.pdf>. In addition, the Utah Foundation performed a 2016 analysis and reported similar figures. See Benjamin Wood, "Tax Policies Shortchange Utah Schools \$1.2B a Year," *Salt Lake Tribune*, November 29, 2016, A1. As noted in the article, the Utah Foundation reported that Utah's funding effort "was ranked seventh in the nation in the mid-1990s [but]. . . has since dropped to 37th." *Ibid.*, A4. The full report is entitled "Getting By with Less: Two Decades of K-12 Education Revenue and Spending," *Utah Foundation*, November 28, 2016, accessed December 14, 2016, <http://www.utahfoundation.org/reports/getting-less-two-decades-k-12-education-revenue-spending/>. See also "Easing the Burden: Utah Tax Burden Taking Lowest Share of Income in 20 Years," *Utah Foundation*, January 14, 2015, accessed June 10, 2016, http://www.utahfoundation.org/report_category/taxes/.

² See "Standing Up for Utah's Needs, 2014," 14 (Appendix 2), which documented the decline in personal effort over the past 20 years. See also "Individual Income Tax FY 1931-2015," *Utah State Tax Commission*, accessed September 26, 2016, <http://tax.utah.gov/econstats/history>, for the history of income tax rates over the decades.

³ In 26 of the 29 Utah Senate districts, the signature total must reach 10% of the number of registered voters who voted for President of the U.S. in that district in the last presidential election. The cumulative total of all votes cast by Utah registered voters in that same election must also reach 10%. Utah Code Annotated, 20A-7-201(2)(a) (2011).

⁴ "The Teacher and Student Success Act" (Our Schools Now initiative petition), 63J-1-316, accessed August 10, 2017, <https://ourschoolsnow.com/teacher-student-success-act/>.

⁵ *Ibid.*, 53A-17a-304.

⁶ *Ibid.*, 53A-17a-305(1)(a) and (b).

⁷ *Ibid.*, 53A-17a-307.

⁸ Clarification provided by Austin Cox, OSN Campaign Manager, in an email to D. Huefner, August 23, 2017.

⁹ The median rate means that half of the taxpayers paid more than that rate, and half of the taxpayers paid less. 2015 is the most recent year for which tax data are available. See "Tax Year 2015 Full Year Resident Statistics by AGI Class," *Utah State Tax Commission*, accessed August 26, 2017, tax.utah.gov/esu/income-state/state2015.xlsx.

¹⁰ Lane Beattie, chair of the Salt Lake City Chamber of Commerce, is one of many business leaders who are members of the Steering Committee listed on the OSN website and who have spearheaded the need for increased funding to prepare students for the economic needs of the future. Another is Ron Jibson, retired CEO of Questar, whose op-ed in the *Salt Lake Tribune* urged more investment in educating the future workforce to sustain Utah's economic strength and keep employment opportunities in Utah. Ron Jibson, "Modern Society Demands Excellence in Education," *Salt Lake Tribune*, April 23, 2017, Opinion O6.

¹¹ Although Utah science and reading NAEP (National Assessment of Educational Progress) scores trended up in 2015 and exceeded the national average scores, math scores showed no significant difference and writing scores decreased from prior years. Overall, only in the significantly higher 8th grade science scores did 50% of the students reach proficiency or above, "Nation's Report Card," *NAEP*, accessed August 28, 2017, <https://www.nationsreportcard.gov/profiles/stateprofile/overview/UT>. Although the 8th grade science scores are encouraging, overall the scores are nothing to brag about, and none of the achievement scores show how Utah fares compared to its peer states, which would provide more insightful analysis. Furthermore, on ACT achievement tests, only 59% of Utah's graduating seniors in 2016 met the ACT college readiness benchmark in English, 42% in Reading, 35% in Math, and 33% in Science. See "The Condition of College and Career Readiness 2016," *ACT*, accessed August 26, 2017, <https://www.schools.utah.gov/file/7a7a1789-5545-4f06-a52c-04fb726d346a>. Only 23% met all 4 benchmarks. *Ibid.*, "Utah Key Findings," accessed August 28, 2017, http://www.act.org/content/dam/act/unsecured/documents/state45_Utah_Web_Secured.pdf. Moreover, overall scores obscure the discrepant, lower scores achieved by lower income and minority students. Our point is that even relatively good standardized test results mask the risk that too many postsecondary students will not meet the growing need for a sufficiently talented labor pool in the coming years.

¹² Student achievement data from OECD (Organization for Economic Cooperation and Development) in 2015 show the United States 18th in reading, 36th in math, and 23rd in Science among the 44 countries (Hong Kong, Singapore,

Macau and Taiwan are counted as countries). Randomly selected 15-year-olds in the 44 countries were tested using PISA (Program for International Student Assessment). "OECD Data," accessed August 26, 2017, [https://data.oecd.org/education.htm#profile-International student assessment \(PISA\)](https://data.oecd.org/education.htm#profile-International%20student%20assessment%20(PISA)).

¹³ "Teacher and Student Success Act," 53A-17a-306.

¹⁴ Utah's income tax revenues are equalized across school districts based on the same weighted pupil unit (wpu) per student enrolled in Utah schools. Also, the basic state property tax rate was increased in 2015 (first increase to offset inflation since 1996) to help equalize the value of the property tax revenues raised by rich and poor districts. See SB 97, accessed August 28, 2017, <https://le.utah.gov/~2015/bills/static/SB0097.html>. For more explanation, see Morgan Jacobsen, "House Approves \$75 Million Property Tax Increase to Equalize School Funding," *Deseret News*, March 11, 2015, accessed August 26, 2017, <http://www.deseretnews.com/article/865624014/House-approves-75M-property-tax-increase-to-equalize-school-funding.html>.

¹⁵ One of the early expressions of this conviction came from John Dewey in 1907: "What the best and wisest parent wants for his own child, that must the community want for all of its children. Any other ideal for our schools is narrow and unlovely; acted upon, it destroys our democracy.... Only by being true to the full growth of all the individuals who make it up, can society be true to itself." John Dewey, *The School and Social Progress*, (Chicago: University of Chicago Press, 1907), 19-20.

¹⁶ "District Counts and State Totals by Demographics, October 1, 2016," *Utah State Board of Education (USBE)*, accessed August 26, 2017, <https://www.schools.utah.gov/data/datareports>. As of the beginning of the 2016-17 school year, 26 % of students were classified as ethnic minority students (Native American, African American, Asian, Pacific Islander, Multi-race, and Hispanic). Thirty-five percent were classified as low-income and six percent as English language learners.

¹⁷ See "The State of Preschool 2016," *National Institute for Early Education Research (NIEER)* for an executive summary of what is happening across the country, accessed August 26, 2017, http://nieer.org/wp-content/uploads/2017/08/Executive-Summary_8.21.17.pdf. NIEER notes that some research results vary, along with the quality of preschools in the states. See also "The Research on Pre-K," *Center for Public Education*, accessed August 26, 2017, <http://www.Centerforpubliceducation.org/Main-Menu-Pre-kindergarten/Pre-kindergarten>, for an examination of short-term and long-term benefits of pre-K programs.

¹⁸ The new assessment is referred to as KEEP (Kindergarten Entry and Exit Profile). In July 2017, the Utah State Board of Education adopted changes to Rule 277-489, incorporating the mandatory pre- and post-K assessments. Jennifer Thronsdon, USBE, PreK-12 Literacy Coordinator, emails to D. Huefner, May 8, 2017 and August 27, 2017.

¹⁹ Utah Code Annotated, 53A-15-2001-2003 (2017).

²⁰ D. Huefner, Notes from meeting of UCC Public Education Committee members with Jennifer Thronsdon, May 2017. The federal TANF funds are not ongoing and the currently available funds are being depleted.

²¹ One study is "Starting Out Right: Pre-K and Kindergarten at a Glance," *Center for Public Education*, February 2012, accessed September 25, 2016, www.centerforpubliceducation.org/Main-Menu-Organizing-a-school/Starting-Out-Right-Pre-K-and-Kindergarten. As we reported last year, the study found even higher gains for children who attended both pre-K and half-day kindergarten than for those who attended only full-day kindergarten.

²² Utah is still one of only seven states without any state-funded pre-K programs. "The State of Preschool 2016," *NIEER*, accessed August 27, 2017, http://nieer.org/wp-content/uploads/2017/08/Executive-Summary_8.21.17.pdf.