

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

Last year's report focused on the Our Schools Now (OSN) initiative petition to increase income and sales tax revenue for improvements in public education. Although the petition looked like it was gathering enough valid signatures to be on the 2018 ballot, a behind-the-scenes effort to forge a compromise with the Legislature emerged, and the OSN team decided to withdraw the signature-gathering effort and adopt the compromise. We focus below on the compromise and the resultant proposal for a gas tax increase that will be on the ballot in lieu of the income and sales tax increase in the initiative. We also return to our former focus on the need to scale up efforts to provide preschool to three- and four-year-olds. Both foci are essential aspects of the educational attainment and future welfare of Utah's youngest generations.

Our Schools Now Compromise

It is fair to say that the Legislature and the Governor were firmly opposed to an income tax increase for public education and kept touting their own ability to increase spending for public education without a tax increase.¹ In trying to keep up with student growth and inflation factors, what they refused to acknowledge publicly was how far behind they had fallen in making up for lost revenue and reduced effort over time. Over the past 20 years or so, millions of dollars of income tax revenues have been siphoned off for higher education, property tax cuts have harmed the basic school program, and revenue from the 5% flat income tax has generated less than expected.² A report by the legislative fiscal analyst, requested by legislators during negotiations with OSN, showed that, after adjusting budgets for inflation and enrollment growth, funding for K-12 education, on a per student basis, has not grown in 20 years,³ despite increasingly critical needs to address achievement gaps, increased numbers of dual language learners, high teacher attrition rates, inadequate teacher salaries and support services, and large classroom sizes.

The OSN/legislative compromise has several components. One major component resulted in a five-year freeze on the floor of the basic state property tax rate (not the separate school district levies), so that it cannot be reduced to keep revenues neutral. In other words, freezing the base rate now allows the revenues for public education to rise as the value of real property increases.⁴ These increased revenues will go into a special trust fund for public education program improvements, as will two other, more technical revenue components.⁵ Another major element of the compromise committed the Legislature to placing a question on the 2018 ballot asking voters if they would support an increase in the state gas tax by 10 cents a gallon. Although this increase in gas tax revenues legally must go to improve roads and transportation, the Legislature has promised that millions of dollars previously going to roads from the General Fund would now be freed up to go to education. This transfer of funds would add more than \$100 million to public education revenues annually.⁶

Voter approval of the proposed gas tax increase is an important component of the overall compromise and will help to ensure that the Legislature will keep the rest of its promises intact. The legislative fiscal analyst estimates that the new revenue components collectively could raise approximately \$386 million in new spending for public education by the fifth year (at which point the future of the revenues becomes more uncertain).⁷

As part of the compromise, OSN backers also negotiated for future inclusion of the initiative's program elements in a 2019 bill. Among elements to be preserved is discretion by each school district (and each principal and school, using broad district guidelines) to determine the most effective way to spend the money. Other requirements will be equal per-student distribution of the money, transparency, accountability, and performance improvement--with specific requirements for annual progress measures. Prioritized needs include teacher salary increases in some districts and reduction in teacher turnover in all districts, especially in schools located in low income neighborhoods. Turnover is affected as much by heavy teaching loads and lack of sufficient support as it is by low salaries. Needed supports include social workers, psychologists, nurses, and ongoing training in coping with diverse languages and cultural backgrounds.

Utah remains dead last among all the states in expenditures per student.⁸ As a result, class sizes and teaching loads are among the highest in the country. Overall student achievement in Utah remains below state proficiency goals in literacy, math, and science.⁹ Reducing the achievement gap of ethnic minority students and those for whom English is a second language remains a top priority. Principals will have an important opportunity to direct additional revenue to classrooms and support services to directly help these students achieve proficiency levels.

The proposed gas tax increase, along with the changes to the state property tax and special increases to the per-pupil allocations will provide a steady 5-year source of additional revenue for schools, with a built-in inflationary factor. Absent implementation of the compromise, new money for public education is likely to be limited to keeping up with enrollment growth. The gas tax ballot provision will test whether voters are truly willing to pay more to support program improvements in education, as polls have consistently suggested. Major support for the tax increase is coming solidly from the business community, the Governor, the state Department of Transportation, public and higher education, and legislative leaders.

Preschool Programs

For the past three years, UCC's public education committee has tracked Utah's attempts to improve preschool education for at-risk three- and four-year olds. Utah began implementing pilot preschool programs in 2014 (House Bill 96) and expanded high-quality preschool pilot programs during the 2016 session (Senate Bill 101). In 2018, HB 380 required the Utah State Board of Education (USBE) to develop school readiness assessments. The preschool pilot programs funded by state and private providers have increased the number of preschoolers served and have pushed evaluation efforts, but Utah still lags far behind other states and is one of only seven states without a state-funded preschool (pre-K) program for three- and four-year olds.¹⁰

The Importance of High-Quality Preschool Programs

Utah has long recognized that parents and caregivers are a child's first teachers. A young child's physical, social, emotional, and cognitive development, however, depends on provision of a safe

and supportive environment. Research has documented the harm that poverty, homelessness, and other toxic social/emotional stressors produce on children's brain development and health in the critical years from birth to three and continuing into the preschool years.¹¹ Complicating matters, school readiness skills of preschoolers vary widely, not only because of varying rates of development but also because so many low-income children cannot access the benefits of high-quality early learning programs. Further, an increasing number of three- and four-year olds in Utah live in homes where the first language is not English. These dual language learners (DLL) need skilled teachers and services that align with their culture and first language.¹²

Utah's population projections indicate a 67% increase by 2050. Combined with Utah's high fertility rate and household size, these projections could result in the state continuing to have the highest number of young children per household of any state.¹³ Further, population growth patterns reveal that too many children from racial and ethnic minorities are likely to experience poverty, poor health, and learning delays if we do not intervene.¹⁴ It cannot be emphasized enough that early learning experiences determine whether a child's developing brain architecture provides a strong or weak foundation for all future learning, behavior, and health.¹⁵ Research shows that low-income children enrolled in high-quality preschools are more likely to have increased cognitive function, graduate from high school, experience better overall health, and be less likely to be incarcerated than their peers who lack such opportunities.¹⁶ For every \$1 invested in high-quality preschools, research suggests at least a \$7 dollar return on the public's investment.¹⁷ Children who enter kindergarten healthy and ready to learn can reap these benefits. We can pay now or pay more later--with the resulting far greater suffering and harm to our children and expense to taxpayers.

Early Childhood Education Programs in Utah

Utah's early childhood intervention programs (0-3) and preschool programs (3-5) have been fragmented among multiple providers, lacking common definitions of high-quality care and high-quality preschool. Providers have different funding sources, goals, standards, and curriculum philosophies. In late December 2017, the Utah Education Policy Center and the Division of Workforce Services' Office of Child Care (OCC) completed a state-mandated needs assessment of Utah's services and resources for children ages birth-five.¹⁸ The study examined current service initiatives, highlighting several ongoing preschool programs, including UPSTART,¹⁹ federally funded Head Start and Early Start, and pilot public preschool initiatives. The latter include preschool grants to school districts and Pay for Success' private investments--reimbursable by the state if certain outcomes are obtained. The study revealed many gaps and challenges and the fact that far too few children are reached by these early learning programs.

Utah has yet to develop and implement a uniform statewide preschool assessment based on a common understanding of what constitutes a high-quality preschool. Indeed, there is no requirement that all state-funded preschools meet all of the Utah State Board of Education (USBE) standards for a high-quality preschool.²⁰ And philosophical tensions remain. These disagreements need to be resolved because quality of preschool is critical to effective outcomes. USBE, in response to HB 380, plans to have an assessment ready for implementation in late 2019.²¹ Lacking assessment data and agreed-upon, uniform quality standards, it is next to impossible to determine whether one preschool program is of better quality than another.²² In

other words, it remains difficult to document children's learning outcomes and demonstrate data-driven accountability to state policymakers.

Future Challenges

Utah lacks a comprehensive, statewide pre-K program. Utah's fragmented system, varying quality guidelines, and limited data sets impede development of useful strategic planning tools, coordinated guidelines, and implications for long-term resource allocations. A multidisciplinary group of public and private providers known as Early Childhood Utah (ECU) has been attempting to coordinate their services. We believe, however, that much more leadership is required from the governor's office, the Legislature, and agency heads. House Bill 319, which would have created a formal Commission on Early Childhood Education supported by an advisory council, was not passed in the 2018 legislative session. Such an act is badly needed to strengthen the existing informal network.

Commendations

- Our Schools Now co-chairs Gail Miller (Chairwoman, Larry H. Miller Group), Scott Anderson (CEO, Zion's Bank), and Ron Jibson (retired CEO, Questar) for their **leadership of the OSN initiative and steadfastness in pursuing the need for increased revenues** for public education
- **The Utah Office of Child Care and the Utah Education Policy Center** for their December 2017 report on services and resources for children ages birth-five.
- **United Way's Promise Partnerships** that bring together leaders from business, government, nonprofits, school districts, and higher education to share information and try to improve strategies that directly benefit young children and their families.
- **Voices for Utah Children** for continuing to promote better funding for pre-K and full day Kindergarten expansion.

Recommendations

- **Voters should support the November 2018 ballot resolution to increase the gas tax** by 10 cents per gallon as a critical way for voters to demonstrate their understanding of the need to invest more in the future of public education.
- **The public should hold the Legislature accountable** for the promises it made under the OSN compromise, e.g., full funding of enrollment growth and inflation, legislative support of the gas tax increase, a task force of legislators and educators to work out details of future funding and distribution formulas, and significant increases in public school and higher education funding for the next five years.
- **The Legislature should pass the equivalent of last year's HB 319** to require alignment of goals and standards among early education stakeholders and to promote maximum use of federal, state, local, and private dollars.
- **The USBE should develop an evidence-based statewide pre-K assessment tool** by the 2019-2020 school year that can compare outcomes in high quality preschools to programs of lesser quality.

Endnotes for Article 3 (Public Education)

¹ At the same time that it opposed the income tax increase, the Legislature reduced the personal income tax by .05% to make up for an anticipated increase in the federal income tax as a result of the Trump Administration's federal tax reform act of 2017. (See p. 2 of the withholding tables at <https://tax.utah.gov/forms/pubs/pub-14.pdf>.) This reduction might or might not have helped market the projected OSN income tax increase.

² Previous UCC Public Education Committee reports, 2014-2017, have continued to document these losses. See the reports at www.utahcitizenscounsel.org/past-annual-reports.

³ Summer 2018 phone conversation between Dixie Huefner and Richard Kendell, major OSN Steering Committee member, who was present for the OSN negotiations.

⁴ House Bill 293 set a floor on the state basic rate for the next five years. For about 20 years the state property tax rate had been adjusted downward when necessary to keep revenue relatively neutral as the value of real property rose. The basic levy could not rise unless a school district held "truth in taxation" hearings before trying to capture new revenue, which many districts were reluctant to do politically.

⁵ The agreement with the Legislature to allow revenues to rise as property values increase also provides that the state basic rate will be indexed to the basic per pupil allocation (known as the weighted pupil unit or wpu). This indexing is projected to produce another, smaller annual increase. The special trust fund is also to include monies generated by a 1.5% increase above the annual increases in the wpu. The current value of the wpu is \$3311. So, if the \$3311 wpu value is increased by 3% next year (\$99.03), then an additional 1.5% (\$49.67 per wpu) would go into the special trust fund. These two technical components would generate fewer revenues per year than the two components discussed in the text of this report. Creation of the special trust fund is included in the terms of the agreement between OSN, the Utah Legislature, and Governor Herbert, which are spelled out in an April 16, 2018 letter to Lt. Governor Spencer Cox, signed by OSN leaders Scott Anderson, Rob Jibson, and Gail Miller. A copy of the letter is in the possession of the UCC Public Education Committee.

⁶ The legislative fiscal analyst projects \$40 million for what remains of FY 19, which began on July 1, 2018. The projections increase to over \$100 million in each subsequent fiscal year through FY 2023. Projections resulting from increases in property tax revenues increase at a slower rate but reach \$100 million by FY 2022. Table from the Legislative Fiscal Analyst and provided to the UCC Public Education Committee by Richard Kendell.

⁷ Ibid.

⁸ "State Education Spending Per Pupil," accessed August 29, 2018, <http://www.governing.com/gov-data/education-data/state-education-spending-per-pupil-data.html>. Data are from 2016. *Education Week* also shows Utah in last place in its 2018 Quality Counts report, "Map: Per-Pupil Spending State by State," accessed September 11, 2018, <https://www.edweek.org/ew/collections/quality-counts-2018-state-finance/map-per-pupil-spending-state-by-state.html>. Even when adjusted for regional cost variations, Utah still comes in last at \$7207 per pupil, compared to the average of \$12,526 across the states.

⁹ The past three years of statewide SAGE (Student Assessment of Growth and Excellence) test scores show similar results. The 2016 SAGE proficiency results for grades 3-11 show the percentage of students who are proficient in English language arts, math, and science at below 50% in each subject, with far lower proficiency for those who are economically disadvantaged and English language learners. See "Utah SAGE Statewide Test Results, School Year 2015-2016," *Utah State Board of Education*, accessed September 11, 2018, <https://www.schools.utah.gov/file/c2d00ec1-61cc-4999-8a2e-4ab91700edc1>. The 2017 results dipped slightly in all three areas. "SAGE Results for State, 2017," *Utah State Board of Education*, accessed September 17, 2018, <https://datagateway.schools.utah.gov/Assessment/SAGE/2017>. The percent of those proficient reported in 2018 statewide results also remain below 50%. "SAGE Results for State, 2018" *Utah State Board of Education*, accessed September 17, 2018, <https://datagateway.schools.utah.gov/Assessment/SAGE/2018>. Comparably, the 2017 ACT (American College Testing) scores for all Utah high school graduates showed only 35% reached benchmark scores for college readiness in 3 or 4 of the 4 subjects tested: 58% met the English benchmark, 35% the math benchmark, 43% the reading benchmark, and 34% the science benchmark. "The Condition of College & Career Readiness, 2017 Utah Key Findings," accessed September 13, 2018, <http://www.act.org/content/dam/act/unsecured/documents/cccr2017/Utah-CCCR-2017-Final.pdf>.

¹⁰ "State of Preschool Yearbook 2017," *NIEER*, accessed August 17, 2018, http://nieer.org/wp-content/uploads/2018/04/YB2017_Utah_Release.pdf. It is also worth noting that optional extended-day kindergarten

programs for at-risk students were expanded in 2017 under HB 168 but still serve only a small proportion of at-risk five-year olds.

¹¹ See, e.g., "Invest in a Strong Start for Children: New Brain Research," *The Center for High Impact Philanthropy*, University of Pennsylvania, accessed August 18, 2018, <https://www.impact.upenn.edu/our-analysis/opportunities-to-achieve-impact/early-childhood-toolkit/why-invest/new-brain-research>. See also "Early Childhood Services Study," *Division of Workforce Services' Office of Child Care, and the Utah Education Policy Center* (December 2017), accessed August 15, 2018, <https://jobs.utah.gov/occ/EarlyChildhoodServicesStudy.pdf>, 32. For more detailed abuse and neglect statistics, see also "Child Maltreatment Facts in Utah," *Child Trends*, accessed August 18, 2018, <https://www.childtrends.org/publications/child-maltreatment-facts-in-Utah>.

¹² Dina Castro, Linda Espinosa, and Mariela Paez (2011). "Defining and measuring quality in early childhood practices that promote dual language learners' development and learning." In M. Zaslow, et al. (eds.) *Quality measurement in early childhood settings*, 270 (Baltimore, MD: Brookes).

¹³ Pamela S. Perlich, et al., "Utah's long-term demographic and economic projections summary." Research Brief, *Kem C. Gardner Policy Institute* (July 2017), retrieved at <http://gardner.utah.edu/wp-content/uploads/Projections-Brief-Final.pdf>, 3, as reported in "Early Childhood Services Study," 8.

¹⁴ See "Early Childhood Services Study," 9.

¹⁵ "Brain Architecture," *Center on the Developing Child, Harvard University* accessed August 19, 2018, https://www.developing_child.harvard.edu/science/key-concepts/brain-architecture.

¹⁶ For positive long-term outcomes from the Chicago Parent Center's preschool/K-3 interventions, see Arthur J. Reynolds, Suh-Ruu Ou, and Judy A. Temple, "A Multicomponent, Preschool to Third Grade Preventive Intervention and Educational Attainment at 35 Years of Age," *JAMA Pediatrics*, 2018, accessed August 18, 2018, doi: [10.1001/jamapediatrics.2017.4673](https://doi.org/10.1001/jamapediatrics.2017.4673). An example of positive effects that held steady over elementary grades is NC's high-quality preschool programs that resulted in fewer grade retentions, fewer special education placements through fifth grade, and higher test scores. See Kenneth A. Dodge, et al., "Impact of North Carolina's Early Childhood Programs and Policies on Educational Outcomes in Elementary School," accessed August 18, 2018, doi: [10.1111/cdev.12645](https://doi.org/10.1111/cdev.12645). Other similar research results from earlier studies are found in the 2015-2017 UCC Public Education Committee reports, available at www.utahcitizenscounsel.org/past-annual-reports.

¹⁷ "Invest in a Strong Start for Children," *The Center for High Impact Philanthropy*, University of Pennsylvania, accessed August 18, 2018, <https://impact.upenn.edu>. The Center's 3-minute video at this site even suggests a potential return of up to 16 to 1.

¹⁸ "Early Childhood Services Study." The study encompasses four areas of analysis: family support and safety; health and development; early learning; and economic stability. Our focus is on early learning, but all four areas are clearly interrelated.

¹⁹ UPSTART is a technology-based, online, largely state-funded preschool program. A new state audit shows that the percentage in 2018 of preschoolers from low-income families had dropped to 42% from 71% in 2014. As funding has increased over the past three years, the number of students from families without income restrictions has grown significantly. The audit questioned whether the purpose of the program is still for low-income students and recommended that the Legislature review the program. Marjorie Cortez, "Legislative audit: Is Upstart's focus on low-income students slipping?" *Deseret News*, July 24, 2018, accessed July 24, 2018, <https://www.deseretnews.com/article/900025840/legislative-audit-is-upstarts-focus-on-low-income-students-slipping.html>.

²⁰ High-quality standards have been recodified in state law at Utah Code Annotated 53F-6-304. They include an evidence-based curriculum that is aligned with all of the developmental domains and academic content defined in the USBE Early Childhood Standards. Also included are requirements for ongoing student assessment, pre- and post-assessment, class size limits, ongoing program evaluation and data collection, family engagement, and at least the minimum training for staff to reach the level of child development associate (CDA).

²¹ Email communication from Jennifer Throndsen, USBE PreK Literacy and Library Media Coordinator, to Julie Miller, August 15, 2018. It seems plausible that the USBE's recently implemented kindergarten entrance assessment could provide a starting point for developing an assessment of learning outcomes of 4-year olds exiting preschool programs.

²² Of course, multiple variables are at play in determining causes of outcome differences, such as the demographics of the children in the program, the given preschool curriculum, training and experience levels of the teachers, and overall number of high-quality elements in place.