

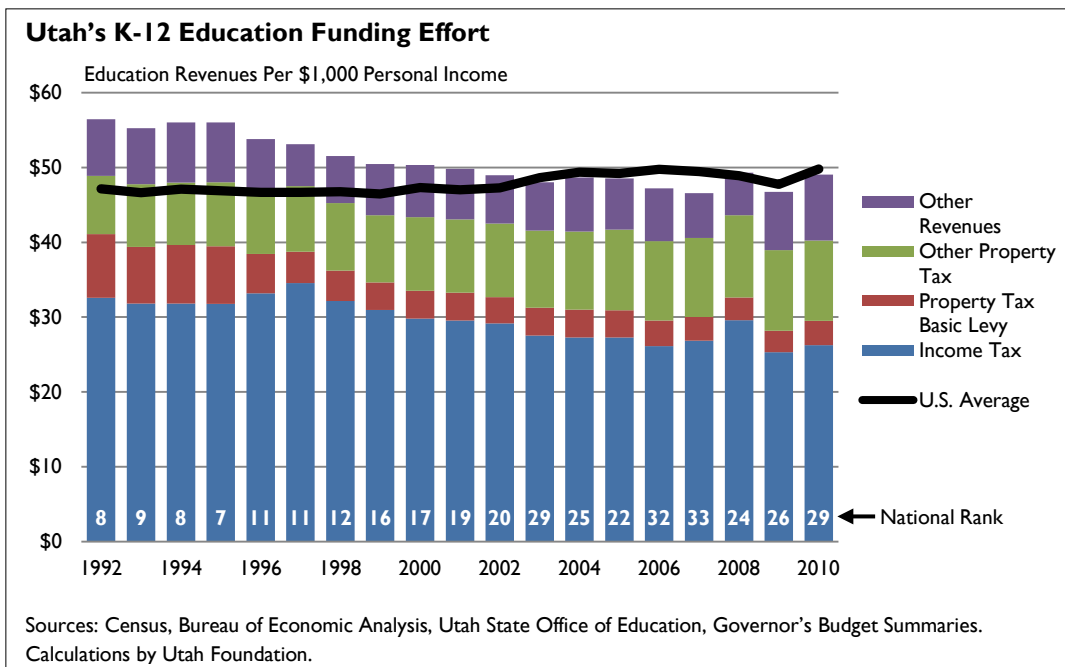
PRIORITY ISSUE #2: K-12 EDUCATION

Each gubernatorial election year since 2004, Utah Foundation organizes the Utah Priorities Project in partnership with the Hinckley Institute of Politics. The project is designed to engage the public and political candidates in serious dialogue on the most important issues facing our state. It begins with survey work that establishes what voters view as the top ten issues for the election year. This month, Utah Foundation releases a series of policy briefs of each of the top ten issues. In 2012, voters listed K-12 Education as the 2nd most important priority in the election year.

Utah voters have ranked K-12 education as one of their top three concerns in each of the Utah Priorities Project surveys dating back to 2004. When asked follow-up questions, voters list the top three issues within K-12 education as funding, student preparation for college and career, and teacher quality. Other significant concerns were class size, curriculum, and teacher pay.¹

Funding Issues

K-12 education funding is a perennial concern for Utahns. Each year, when national rankings for per-pupil funding are released, Utah's status as last in the nation becomes a news item. Utah has held this ranking since 1988. Despite the long-time position as last in per-pupil funding, it was once the case that Utah's funding effort for schools was quite high. This apparent contradiction was labeled "Utah's education paradox" by Utah Foundation in the 1990s. The best measure of funding effort is education revenues per



\$1,000 of statewide personal income. In essence, this measure shows the proportion of Utah's collective income that is dedicated to funding K-12 schools. A high effort meant that Utahns, through their elected officials, were taxing themselves at high rates to provide education funding. The paradox of high education taxes but low per-pupil funding was the result of Utah's very high birthrate and the large population of children in schools.

Many in state politics believe Utah's education paradox still exists, and it

is often cited as a reason that funding cannot improve—implying that there is no capacity to increase funding, because Utah taxpayers are already shouldering a heavy burden and can't afford more. As the figure above shows, this is no longer the case. Utah's K-12 education funding effort was ranked in the top ten nationally in the early 1990s but fell to below the national average by 2003 and now stands at 29th in the nation (the most recent data for ranking are from 2010).

The decline in funding effort resulted from three major forces: large property tax cuts in the mid-1990s, reduced reliance on the state-mandated "basic levy"—a property tax controlled by the Legislature for funding equalization purposes, and shifts of income tax revenue to other budgetary needs after the constitutional earmark of income taxes for K-12 education was relaxed by voters in 1996.² That earmarking change allowed income taxes to be shared with higher education, but as income tax revenue was added to the higher education budget, general fund monies were taken away and used for other budget priorities. The result of these forces is that Utah no longer has low per-pupil funding but high funding effort. Both measures now rank low against the national average.

Academic Achievement

It is commonly believed that Utah students perform better than national averages on standardized tests, even with the funding challenges and the related issue of large class sizes. On some tests, this is true, and on some, Utah's ranking has slipped below the middle of states. In 1992, Utah ranked among the top 15 states in the National Assessment of Education Progress (NAEP) math and reading exams for 4th and 8th grade students. Utah's scores mostly improved in the 1990s and 2000s, but other states improved at greater rates, causing Utah's rankings to slip (see the figure below). By 2009, Utah's 4th graders were ranked 27th in math and 30th in reading. However, the math ranking jumped significantly to 19th in 2011. Utah's 8th graders also showed a similar trend, with math and reading rankings falling and then recovering some in the most recent several years. Not shown in the table are writing scores, which have been well below national averages. A bright spot for Utah is science, with 4th and 8th graders consistently ranking in the top 20 states, and Utah 8th graders reaching an impressive 6th highest in the nation in 2011.³

Comparisons to national averages can be useful, especially in reviewing trends over time. However, Utah is not a typical U.S. state. Utah has much lower ethnic diversity, far lower poverty, and a moderately strong proportion of college-educated parents. Each of these factors is correlated with achievement on standardized tests. In 2010, Utah Foundation analyzed Utah's performance on NAEP exams compared to economic and demographic peer states as determined by those three factors. The report examined most of the years shown in the table at right and found that among those peer states, Utah usually ranked last or near-last. Many of Utah's demographic and economic peer states rank very high on these exams, but they also have levels of funding that would be extremely difficult for Utah to achieve with its high student population and relatively small economy.

Recent Budgetary and Policy Developments

In the wake of the Great Recession, education funding has been a challenge in most states. Utah's public education funding through the state budget was reduced in fiscal years 2009 and 2010 by roughly 9%, while the overall operating budget saw reductions of 14%. This has been particularly challenging as a wave of growth in Utah's school-age population continues to swell Utah classrooms. The current budget is the first in four years to fund that growth, along with a small increment for increased costs, as Utah's economy is improving and tax revenues are growing again.⁴

One significant policy development has been the adoption of the Common Core Standards, a set of standards developed by states to set high expectations for learning benchmarks by grade. The standards are generally considered more rigorous than Utah's existing core standards, and reaching a strong level of achievement with these standards will be a challenge. Utah's State Board of Education adopted the standards in 2010 but has come under fire from activists who fear that the standards will lead to greater federal government influence over Utah's education system. The State Board withdrew this summer from a coalition developing tests to fit the Common Core. That withdrawal does not necessarily negate the adoption of the standards, and new tests will need to be selected to fit the new standards in the near future. A related development is the implementation of computer adaptive testing, which will more clearly assess individual students' strengths and learning needs. This year, the Legislature appropriated funds to expand a successful pilot project to most schools in the state.

Looking Forward

The Prosperity 2020 movement and the Governor's Education Excellence Commission have adopted a goal that 66% of Utahns have postsecondary education, ranging from certificates to college degrees, by 2020. This goal is in response to research showing Utah will soon need that proportion of workers with such credentials.⁵ These efforts seem to be developing bipartisan consensus.

This brief was written by Utah Foundation President Stephen Hershey Kroes. Contact him at (801) 355-1400 or by email at steve@utahfoundation.org.

National Assessment of Educational Progress: Utah's Scores and National Rankings, 1992-2011

	4th Grade		8th Grade	
	Score	Rank	Score	Rank
Math				
2011	243	19	283	26
2009	240	27	284	25
2007	239	28	281	30
2005	239	24	279	29
2003	235	28	281	18
2000	227	18	274	19
1996	227	12	277	12
1992	224	12	274	10
Reading				
2011	220	30	267	20
2009	219	30	266	20
2007	221	28	262	29
2005	221	20	262	28
2003	219	25	264	25
2002	222	12	263	24
1998	216	17	263	16
1994	217	15	--	--
1992	220	15	--	--
Science				
2011	--	--	161	6
2009	154	19	158	8
2005	155	15	154	18
2000	154	14	154	12
1996	--	--	156	11

Source: National Center for Educational Statistics, The Nation's Report Card.

¹ Utah Foundation Research Report #706, "The 2012 Utah Priorities Survey: The Top Issues and Concerns of Utah Voters for the 2012 Election," March 2012.

² Utah Foundation Research Report #674, "Paradox Lost: Utah's Public Education Funding Effort No Longer Surpasses the Nation," April 2006.

³ National Center for Education Statistics: <http://nces.ed.gov/nationsreportcard/states/>

⁴ Governor's Budget Summaries: <http://www.governor.utah.gov/budget/archived.html>

⁵ "Projections of Jobs and Education Requirements Through 2018," Center on Education and the Workforce, Georgetown University, June 2010. <http://cew.georgetown.edu/jobs2018/>. Also see <http://www.prosperity2020.com>.

The mission of Utah Foundation is to promote a thriving economy, a well-prepared workforce, and a high quality of life for Utahns by performing thorough, well-supported research that helps policymakers, business and community leaders, and citizens better understand complex issues and providing practical, well-reasoned recommendations for policy change.