



UTAH STATE LEGISLATURE

STATE CAPITOL • SALT LAKE CITY, UTAH 84114
WWW.LE.UTAH.GOV



Utah Legislature to Consider Legislation to Protect, Stabilize and Grow Education Funding

Salt Lake City – The Utah Legislature will consider legislation later today that will protect, stabilize and expand K-12 public education funding in Utah. The two bills comprising the proposal, S.J.R. 9 and H.B. 357, also support services for children and individuals with disabilities. Implementation of the proposal is subject to voter approval in the November 2020 general election.

S.J.R. 9 Proposal to Amend Utah Constitution - Use of Tax Revenue allows the legislature to use income tax revenue to fund critical programs for children and for individuals with disabilities.

H.B. 357 Public Education Funding Stabilization creates a protected base by moving Minimum School Program funding to a constitutionally protected account for K-12 education. Under current Utah law, there is no requirement to factor student enrollment growth or inflation into state education funding. H.B. 357 ensures education funding adjusts automatically based on enrollment growth and inflation.

The legislation also establishes a reserve account to stabilize public education funding during economic downturns. Funding beyond these measures will be appropriated through the annual legislative appropriations process. One-time funding will remain available for public education needs when revenue is available.

“I’m glad to see that our education community is coalescing behind these pieces of legislation,” said Gov. Gary R Herbert. “These solutions provide the opportunity to substantially and consistently increase education funding each year, while simultaneously giving the legislature the flexibility they need to fund core functions of government.”

If approved by voters in the November 2020 election, the proposal would amend the Utah Constitution to allow the use of some income tax revenue to support services for children and for individuals with disabilities, including social services that supplement educational needs and support student physical and mental health. Also, \$75 million will be placed in the education stabilization account, and approximately \$3.6 billion of K-12 education funding will be moved to the Uniform School Fund, which is constitutionally dedicated to K-12 education.

Additionally, in the current year budget, the legislature is increasing the weighted pupil unit (WPU) by 6 percent and putting \$200,000 in ongoing funding to the T.H. Bell Teaching Scholarship to retain teachers.

“A main focus of the legislature is education funding and how to improve it,” said President Adams. “If the public supports this proposal, Utah’s education funding will have greater protection than it currently does. Excellent education and teacher support are critical to our state’s long-term economic strength and our citizens’ quality of life. We want to protect and secure education funding during growth as well as economic downturns.”

Giving teachers and students a protected source of funding has been and continues to be an important priority for Utah lawmakers. This proposal will provide security and stability over the long-term for Utah’s dedicated teachers and students.

“Education funding is a top priority for Utahns and it’s a top priority for the Utah Legislature,” said Speaker Wilson. “This proposal continues to prioritize education and puts into place additional safeguards to ensure we are prepared to fund future growth and adjust for inflation. We recognize the value of a constitutionally dedicated revenue source to fund education, and this proposal leaves that in place while allowing us to expand the scope of services we can cover with that source.”

Statements of support from the education community:

“This proposal provides us with a much-needed stable funding base that keeps pace with inflation and student population growth. Further, we look forward to continuing to work with the legislature and Governor to build on that base to fulfill the Utah State Board of Education’s goals in the areas of early learning, effective educators and leaders, safe and healthy schools, and personalized learning.”

– Mark Huntsman, chair of the Utah State Board of Education

“The Utah School Boards Association and the Utah School Superintendents Association are grateful for the efforts of the 2020 Utah Legislature to prioritize education funding to support Utah public schools, it’s teachers, and students. This new funding plan ensures money is appropriated for student enrollment growth, inflation adjustments, and serious downturns in the economy. Such efforts reinforce the State’s commitment to a prosperous and optimistic future for all.”

– McKay Jensen, president of the Utah School Boards Association, and Terry E. Shoemaker, executive director of the Utah School Superintendents Association

“Because Utahns support public education, the legislature will give Utah schools the money we need. The legislature still needs to balance a budget and meet a variety of other obligations (building and operating roads, Medicaid, etc.), so they can never meet every funding wish of public education. But the Legislature gives public education as much as they can. Given all that, UAPCS supports SJR9 and HB357.”

– Royce Van Tassell, executive director of the Utah Association of Public Charter Schools

"We firmly believe a well-funded education system will keep our economy strong and our state prosperous. The solution our Legislature has proposed for public education is anticipated to provide stabilized funding, which is an important first step. But there is much more to be done. We are committed to work with the Legislature and Governor now and in the future to build a long-term funding plan for education."

– Our Schools Now

"The Utah Public Employees' Association supports and sees the value of SJR9, and the companion piece of legislation in House Bill 347. They stabilize funding for the Education Fund and the General Fund. Currently, the General Fund increases are not able to keep up with inflation. These proposals smooth the volatility in funding from one fund to another."

– Todd Losser, executive director of Utah Public Employees Association

"Utah PTA supports HB 357 Sub 1. We appreciate the constitutional guarantee found within the Uniform School Fund of funding for the public education system and the promise of funding for the Minimum School Program, enrollment growth, and inflation. We support the creation of the public education economic stabilization fund to support our schools during an economic downturn. We recognize that HB357 Sub 1 and SJR9 must pass together, however we do have concerns with the vagueness of the statement "children and individuals with a disability" and as to what that will mean in the future for items to be funded out of the education fund. Utah PTA would request that more specificity were added to the statement before it goes before a vote of the people in November."

– Parent Teacher Association

"As educators, members of the Utah Education Association are committed to collectively advocating for our students. The move to stabilize public education funding combined with a commitment to add 6% to the WPU demonstrates a strong willingness on the part of the legislature to address the needs of our public schools. We look forward to working together over coming weeks to build consensus, including the constitutional language for the ballot box."

– Heidi Matthews, president of the Utah Education Association

###

State Board of Education Endorses Proposal to Stabilize Public Education Funding

SALT LAKE CITY, Utah — The Utah State Board of Education (USBE) voted today in support of two bills that have significant impacts on public education. House Bill 357 (H.B. 357) and Senate Joint Resolution 9 (S.J.R. 9) aim to protect, grow, and stabilize public education (K-12) funding.

[H.B. 357, 1st Substitute](#) will require moving Minimum School Program funding to a constitutionally protected account for K-12 education, automatically adjust education funding for enrollment growth and inflation, and reserve revenues to meet educational funding commitments during economic downturns.

[S.J.R. 9, 1st Substitute](#) will allow the use of income tax revenue to support services for children and individuals with disabilities.

"We need to address the revenue imbalances in our state," said Utah State Board of Education Vice-Chair, Brittney Cummins, "This proposal keeps revenues at current levels, provides for a strong education base budget and enables growth in education funding even during economic downturns."

"We have an opportunity with this proposal to ensure stability in education funding, which currently relies on historically unstable income tax revenues that lack any sort of safeguards. Additionally, it allows Utah voters to decide," said Utah State Board of Education Chair Mark Huntsman.

If the measures are approved by the Legislature, the Constitutional amendment would only take effect if Utahns approve it during the 2020 general election.

www.schools.utah.gov

I wanted to write to inform you that after multiple days of deliberation, Utah PTA has taken a position on HB 357 Sub 1 Public Education Funding Stabilization and SJR 9 Sub 1 Proposal to Amend Utah Constitution - Use of Tax Revenue

Utah PTA Supports with Comment HB 357 Sub 1 Public Education Funding Stabilization and SJR 9 Sub 1 Proposal to Amend Utah Constitution - Use of Tax Revenue

COMMENT: Utah PTA supports HB 357 Sub 1. We appreciate the constitutional guarantee found within the Uniform School Fund of funding for the public education system and the promise of funding for the Minimum School Program, enrollment growth, and inflation. We support the creation of the public education economic stabilization fund to support our schools during an economic downturn.

We recognize that HB357 Sub 1 and SJR9 must pass together, however we do have concerns with the vagueness of the statement "children and individuals with a disability" and as to what that will mean in the future for items to be funded out of the education fund. Utah PTA would request that more specificity were added to the statement before it goes before a vote of the people in November.

(All references to Utah PTAs position must include this Comment)

Thank you for the work you have done on this important topic. We appreciate your time and efforts on this important element of education funding.



March 4, 2020

Utah State Legislature
320 North State Street
Salt Lake City, UT 84114

Dear members of the Utah State Legislature,

On behalf of Utah's 1,385 mayors and council members, we commend you for your efforts to address the structural imbalance in the state's budget. **Utah is known for its good governance through fiscal responsibility, but that doesn't make tax policy changes any easier.** As an organization, we believe strongly in policy process and **SJR9 Proposal to Amend Utah Constitution—Use of Tax Revenue and HB 357 School District Use of Property Tax Revenue** are the result of extensive public process.

After initial tax reform attempts in the 2019 legislative session, **you created a dedicated task force to study the problem. At these meetings we expressed concerns about the potential ripple effects state tax reform could have on local government budgets and you listened.** Senate Bill 2001, the culmination of the task force's work, **did not adversely affect** local government budgets. With the repeal of SB 2001, **the structural imbalance remains** in search of a solution. We appreciate that **SJR9 and HB 357 also do not create ripple effects** for city and town budgets.

We respect your ability to manage state general funds just as you respect our ability to manage our general funds. **We applaud your continued efforts to solve the structural imbalance and give the citizens of Utah the opportunity to vote on this important tax policy decision.** We look forward to **continued dialogue with you about tax policy.**

Sincerely,

Handwritten signature of Mike Mendenhall in black ink.

Mike Mendenhall
President; Spanish Fork Council Member

Handwritten signature of Mike Caldwell in black ink.

Mike Caldwell
1st Vice President; Ogden Mayor

Handwritten signature of Dawn Ramsey in black ink.

Dawn Ramsey
2nd Vice President; South Jordan Mayor

Handwritten signature of Gary Hill in blue ink.

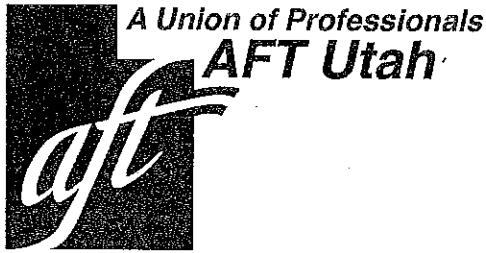
Gary Hill
Utah City Mgmt. Assoc.; Bountiful City Manager

Handwritten signature of Jon Pike in black ink.

Jon Pike
Immed. Past President; St. George Mayor

Handwritten signature of Cameron Diehl in black ink.

Cameron Diehl
Executive Director



2261 South Redwood Road Suite K
Salt Lake City, Utah 84119
(801) 972-1974
Fax: (801)973-1683

The American Federation of Teachers Utah's Support of HB 357 Second Substitute

We appreciate the work that has gone into HB 357 and for Representative Shultz reaching out to our union leaders to discuss the ramifications of this legislation and answer our concerns and questions.

After careful consideration and hours of research, we stand in support of HB 357 Second Substitute *Public Education Funding Stabilization*. We will work closely with law makers, public and higher education stakeholders, and our union brothers and sisters to continue to improve funding for education in Utah. As a union, we are committed to the protection of employees' rights and the welfare of working families. We believe that this bill has merit in many aspects and is a start to ensure that funding for our systems of education will continue well into the future.

Brad Asay

A handwritten signature in black ink that reads 'Brad Asay' in a cursive style.

President
AFT Utah



STATEMENT OF POSITION

For Immediate Release
March 9, 2020

Contact: Jen Somers
UBC Co-chair
(801) 209-0639

ACEC
AT&T
Associated General Contractors
BOMA Utah
CenturyLink
Chevron
IREM, Utah Chapter
NFIB
Rio Tinto/Kennecott
RV Dealers of Utah
Silicon Slopes Common
Used Car Dealers of Utah
Utah Association of Certified
Public Accountants
Utah Association of Realtors
Utah Bankers Association
Utah Beverage Association
Utah Broadcasters Association
Utah's Credit Unions
Utah Farm Bureau Federation
Utah Food Industry Association
Utah Home Builders Association
Utah Manufacturers Association
Utah Mining Association
Utah Optometric Association
Utah Petroleum Association
Utah Petroleum Marketers &
Retailers Association
Utah Rural Electric Association
Utah Pharmacy Association
Utah Powersports Dealers
Association
Utah Restaurant Association
Utah Retail Merchants Association
Utah Rural Electric Association
Utah Taxpayers Association
Utah Tourism Industry Association
Utah Trucking Association

We, the undersigned members of the Utah Business Coalition, support legislative leadership's effort designed to at once address the growing imbalance in the state's tax structure and establish and maintain a stable, predictable funding mechanism for education.

Utah's citizens and by extension its economy require an educated and prepared workforce. We join legislative leadership in recognizing the looming funding strain and its threat to deploying the necessary resources that fuel the lives of Utahns.

We support the incremental changes to the constitutional earmark that remain so clearly aligned with the founding intent of fostering an environment of opportunity for our youth and disadvantaged. We further support the coupling of an education funding system that cultivates stability and predictability.

This is a reasonable and balanced approach to addressing the funding crisis we see on the horizon as a result of historical tax policy design that is diverging from our modern economy.

We urge the public and their elected representatives to support this reasonable and incremental solution.

###



"The Utah Taxpayers Association fully supports the passage of SJR9 and HB357 by the legislature and urges voter support of the Constitutional Amendment to allow for income tax revenue to be used to support children and individuals with disabilities.

After more than a year of debate and deliberations, this solution provides the opportunity for voters to approve a change to the constitution and implement new measures of stability to education funding in the future. The additional rainy day fund established in this legislation will bring greater stability to education funding during future economic recessions. Funding stability is a key factor in protecting taxpayers from the threat of higher tax rates and this innovative structure strikes the right balance for Utah."



For Immediate Release
March 6, 2020

Contact: Dave Davis
801-647-0013

The Utah Retail Merchants Association (URMA) is a trade association that represents both large international and small “mom and pop” retailers that operate throughout the state of Utah. Retailers are one of the largest employers in Utah and account for a significant amount of economic activity and pay significant amounts of state and local taxes. Most importantly retailers are often the heart of our communities and routinely support local causes, charities and non-profits.

Our association supports the efforts of legislative leadership to address the growing structural imbalance in the state’s budget while maintaining a stable and predictable funding mechanism for education. We applaud the legislature for crafting a solution, to this very complex issue, that protects education and also includes submitting a ballot question to the people which will provide an opportunity for every voter’s voice to be heard.

We urge voters to encourage their elected representatives to support this proposal that will both protect education while honoring the voices of their constituents.

Sincerely,

UTAH RETAIL MERCHANTS ASSOCIATION

David M. Davis
President & Chief Legal Officer



For Immediate Release
March 6, 2020

Contact: Dave Davis
801-647-0013

The Utah Food Industry Association (UFIA) is a trade association that represents food retailers, wholesalers and suppliers that operate throughout the state of Utah. Our members operate over 750 retail, manufacturing and distribution centers across the state. In addition, our members account for nearly \$5.4 billion in sales annually and employ over 46,000 Utahns.

Our association supports the efforts of legislative leadership to address the growing structural imbalance in the state's budget while maintaining a stable and predictable funding mechanism for education. We applaud the legislature for crafting a solution, to this very complex issue, that protects education and also includes submitting a ballot question to the people which will provide an opportunity for every voter's voice to be heard.

We urge voters to encourage their elected representatives to support this proposal that will both protect education while honoring the voices of their constituents.

Sincerely,

UTAH FOOD INDUSTRY ASSOCIATION

David M. Davis
President & Chief Legal Officer



March 6, 2020

Dear Representative,

The Utah Association of REALTORS® supports Senate Joint Resolution 9 and House Bill 357 because these bills will guarantee education funding while solving structural imbalances in state tax revenue.

With a constitutional change, these proposals would:

- Increase per pupil education spending each year in line with inflation,
- Automatically fund growth for new students, and
- Provide a \$100 million rainy day fund for education so students receive funding even during an economic downturn.

The bills are important because they help solve imbalances in Utah's tax system without raising taxes or hurting housing affordability. By supporting policies that increase housing affordability, lawmakers provide additional benefits to our children. Research from the MacArthur Foundation shows that housing stability has long-term benefits for students. For example, research finds that:

- Children who live in a crowded household at any time before age 19 are less likely to graduate from high school and have lower educational attainment at age 25.
- Adolescents living in poor quality housing have lower math and reading scores.
- Low-income children who switch schools frequently due to housing instability or homelessness tend to have learning disabilities and behavioral problems and are less likely to graduate from high school.

The Utah Association of REALTORS® asks you to support SJR 9 and HB 357. These bills provide needed education funding while promoting the creation of affordable housing that will also help Utah's children.

Sincerely,

Dave Robison
2020 President
Utah Association of REALTORS®

CALVIN MUSSELMAN

Dear Legislators,

We appreciate your continued dedication and tenacity to address the revenue imbalance in the state budget caused by the constitutional dedication of income tax to education. We are closely following both [SJR 9, Proposal to Amend Utah Constitution - Tax Increase Requirements](#), sponsored by Senator Dan McCay, and [HB 357, Public Education Funding Stabilization](#), sponsored by Representative Robert Spendlove.

While we know that the discussion surrounding these bills is still ongoing and that, accordingly, the details are still subject to change, we are supportive of the concept, the policy direction, and the funding solution the bills propose.

As you know, the Salt Lake Chamber held multiple focus groups over the interim to discuss possible changes to Utah's tax code. As a result of those discussions, we made several significant recommendations. Specifically, we recommend that the Legislature:

- Consider addressing the imbalance caused by the constitutional restriction placed on income tax.
- Prioritize and increase education funding.
- Avoid taxing business inputs and tax pyramiding.

As the proposals under consideration meet this criteria, the Salt Lake Chamber Board of Directors supports the principles embodied in this proposal. Our support is rooted in the increased certainty for increasing education funding in a way that, at a minimum, will keep pace with inflation and enrollment growth.

We also appreciate the time that this proposal allows for voters to consider and study this issue and decide whether these bills become law. We are grateful to the Legislature and your willingness to continue to work on this very difficult and very important issue.

Thank you again for your dedication to Utah and our economy,



Derek B. Miller
President and CEO, Salt Lake Chamber



COMMONS

Silicon Slopes Commons Supports S.J.R. 9 & H.B. 357

Silicon Slopes Commons supports quality education for all Utahns, especially in STEM subjects and starting early in life. Education creates opportunities that strengthen people while also benefiting companies in our technology industry and all others.

Balancing the needs of our rapidly growing state can be extremely difficult, as we have seen over the past year and a half. We have been witness to our elected leaders attempts to create pathways for the needs of all Utahns to be met.

Silicon Slopes Commons stands proudly with the Utah State Board of Education, the Utah Superintendents Association, the Utah Parent Teacher Association, and many of our fellow industry leaders in support of S.J.R. 9 and H.B. 357, together, to provide stable and secure planning for Utah's educational future.

We know education contributes to the vibrant growth of our community and is a key element of what makes Utah remarkable. We also recognize that this requires an investment in teachers, schools and programs. As such, we would like to thank the stakeholders, the sponsors, and the many other elected and non-elected participants who have worked so hard to build a new mechanism for Utah's schools to move forward confidently, knowing they have the support of their government. In word and in deed, we are all moving forward together.



UTAH ASSOCIATION OF
PUBLIC CHARTER SCHOOLS

VOTE YES

on 1st Sub SJR 9 & 1st Sub HB 357

In Utah every elected official wants to be “the education candidate.” Which is to say, they have very strong incentives to make sure public education is not harmed, even during an economic slowdown. There will be economic conditions when all of state government faces a budget haircut. Public education’s haircut will always be smaller than the rest of state government, because Utah voters LOVE public education.

Because of that strong support, the existing constitutional earmark does not yield more money to public education. With or without it, the Legislature will give Utah schools the money we need. The Legislature still needs to balance a budget and meet a variety of other obligations (building and operating roads, Medicaid, etc.), so they can never meet every funding wish of public education. But the Legislature gives public education as much as they can.

Given those incentives, and the Utah public’s concerns with previous proposals to address the imbalance between the General and Education funds, the current proposal is sound.

This package of bills ensures:

- Public education funding will grow year over year
 - by making growth and an inflation factor part of the base budget.
- Public education funding will **not** diminish through this process
 - by having the annual base budget place as much income tax revenue in a fund restricted **only** to public education as the Legislature funded public education with the previous year.
- Public education funding will be more stable over the business cycle
 - by putting a significant portion of **ongoing** income tax revenue into a stabilization fund and spending it in the good times on **one-time** education expenses.
- The Legislature will have the flexibility they need to meet all Utah’s budget expenses
 - by allowing the Legislature to spend income tax revenue on children and the disabled.

UAPCS supports
1st Sub, SJR9 and 1st Sub HB 357