

Utah's Academic Performance and K-12 Funding Efforts



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Utah
FOUNDATION



Educational Performance: How is Utah Doing Academically?

- National Assessment of Educational Progress (reading, math, science): Formerly above average, but slipped to about average, sometimes below average in recent years (except in science)
- ACT: Slipped below average as more take test
- SAT: Clearly above average, but not representative (small sample of elite students)



Important to Compare to Peer States

- National averages aren't that relevant for Utah
- Utah Foundation selected peer states by analyzing three major non-school factors shown to have significant correlation with student success:
 - Student poverty levels (measured by eligibility for free and reduced-price school lunch)
 - Education levels of parents (percent of students with at least one parent with a bachelor's degree)
 - Ethnic diversity (measured by percent of white students)



States that are most like Utah overall

- We chose states that were Utah peers in at least two of the three categories and compared their performance from 1992 to 2009 (an update for 2011 is in these slides).
- The peers change over time as Utah's demographics change with immigration and other societal and economic changes

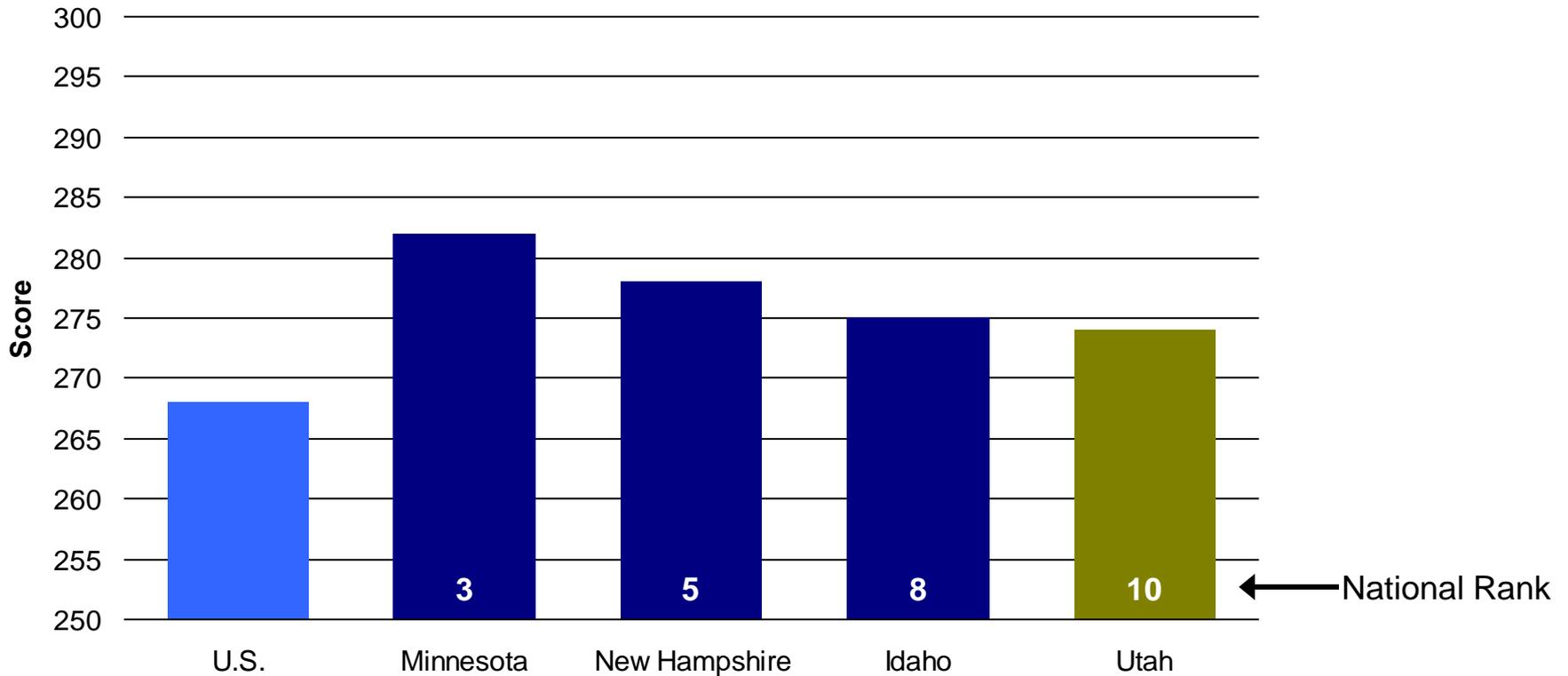


Utah's Peer States

8th Grade Math Over Time...

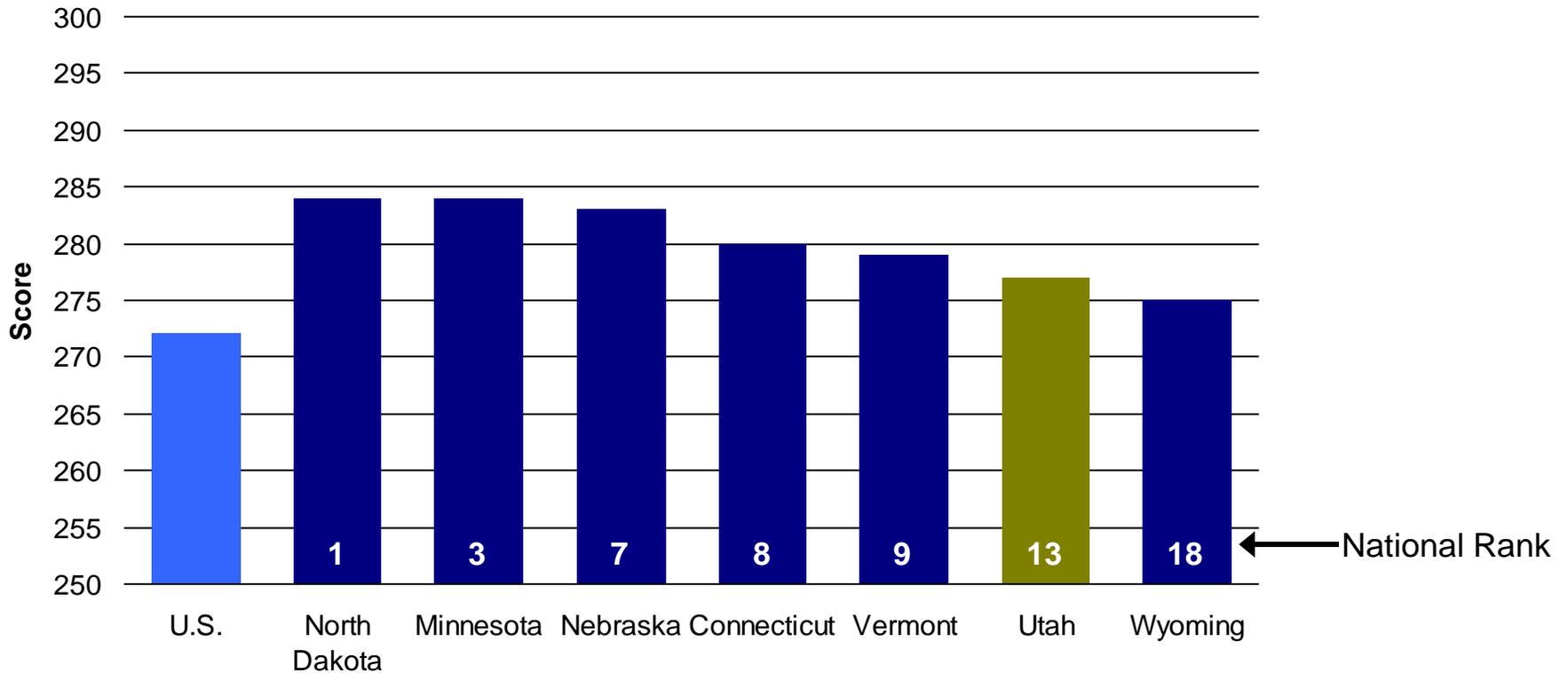


Utah's 1992 Peer States: 8th Grade Math



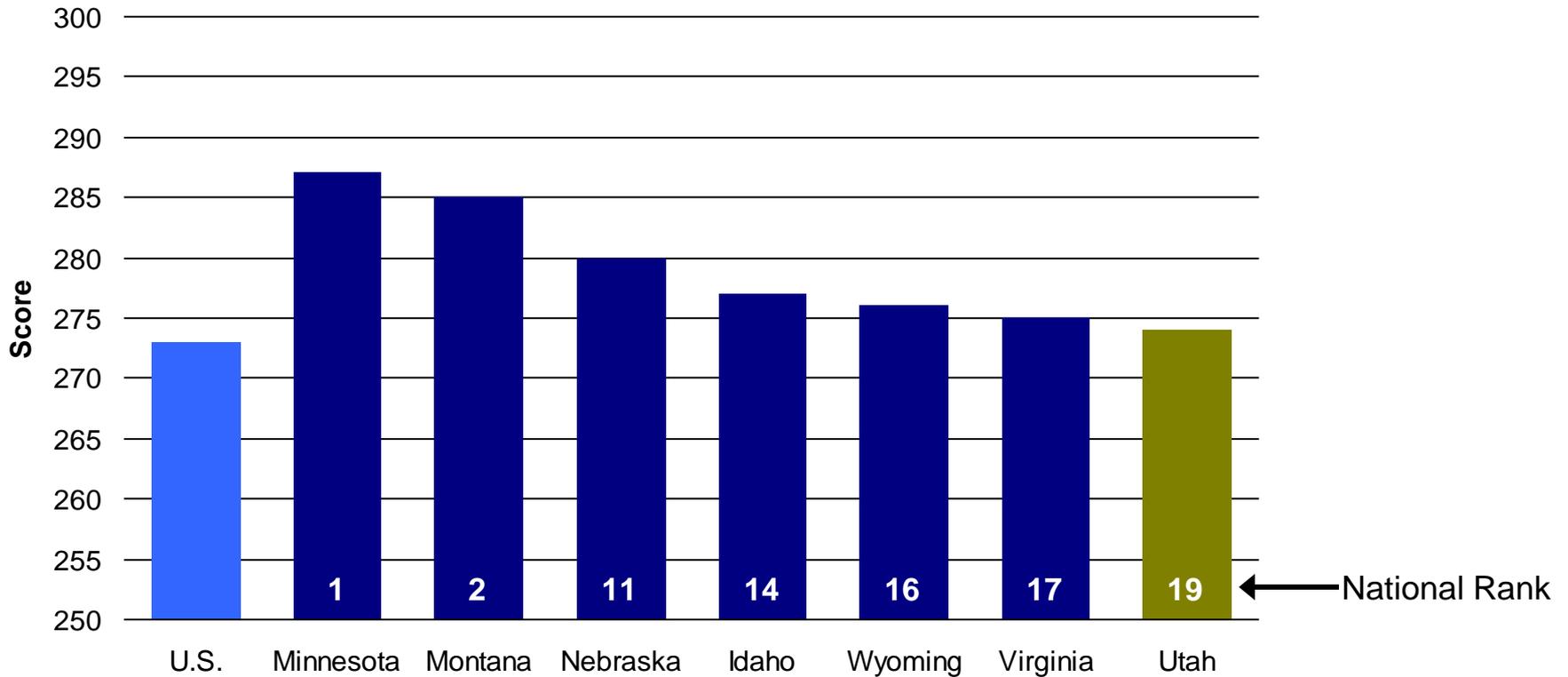


Utah's 1996 Peer States: 8th Grade Math



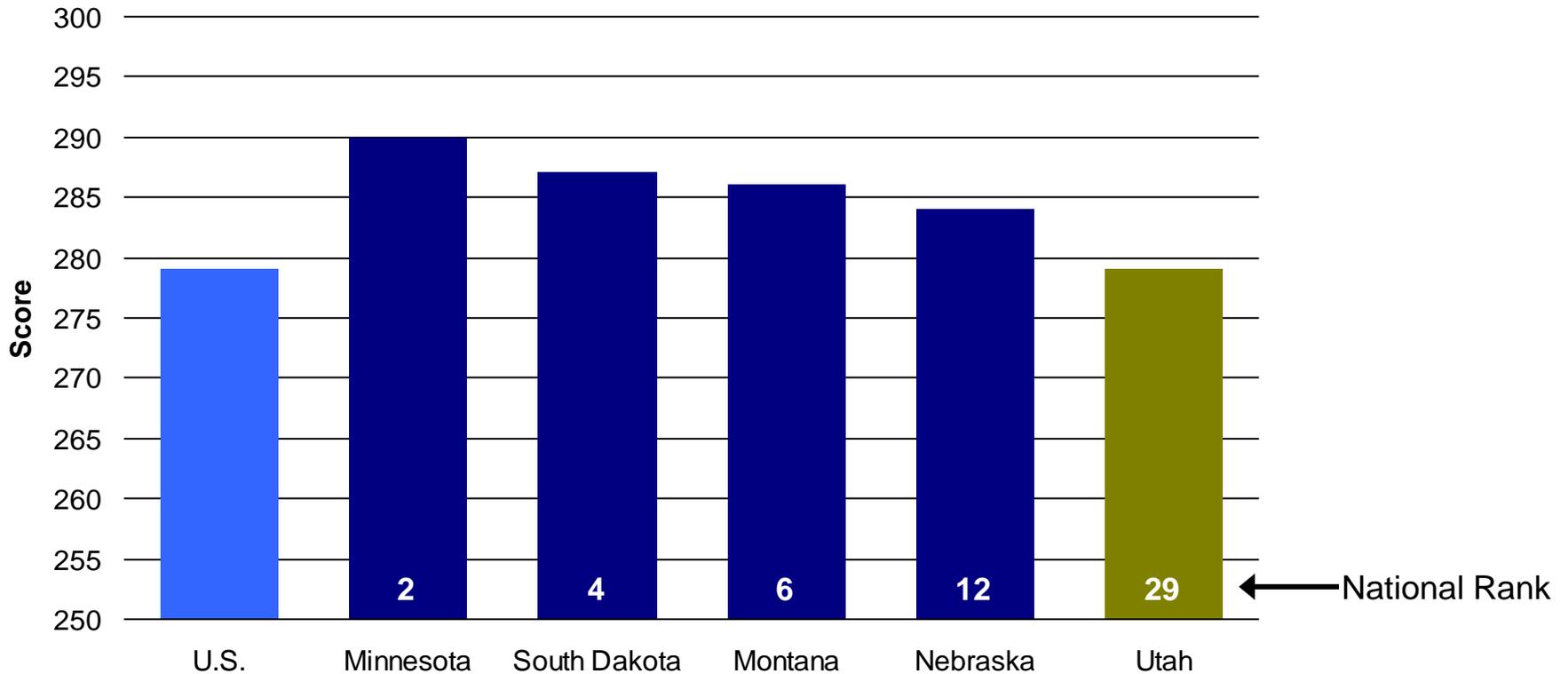


Utah's 2000 Peer States: 8th Grade Math



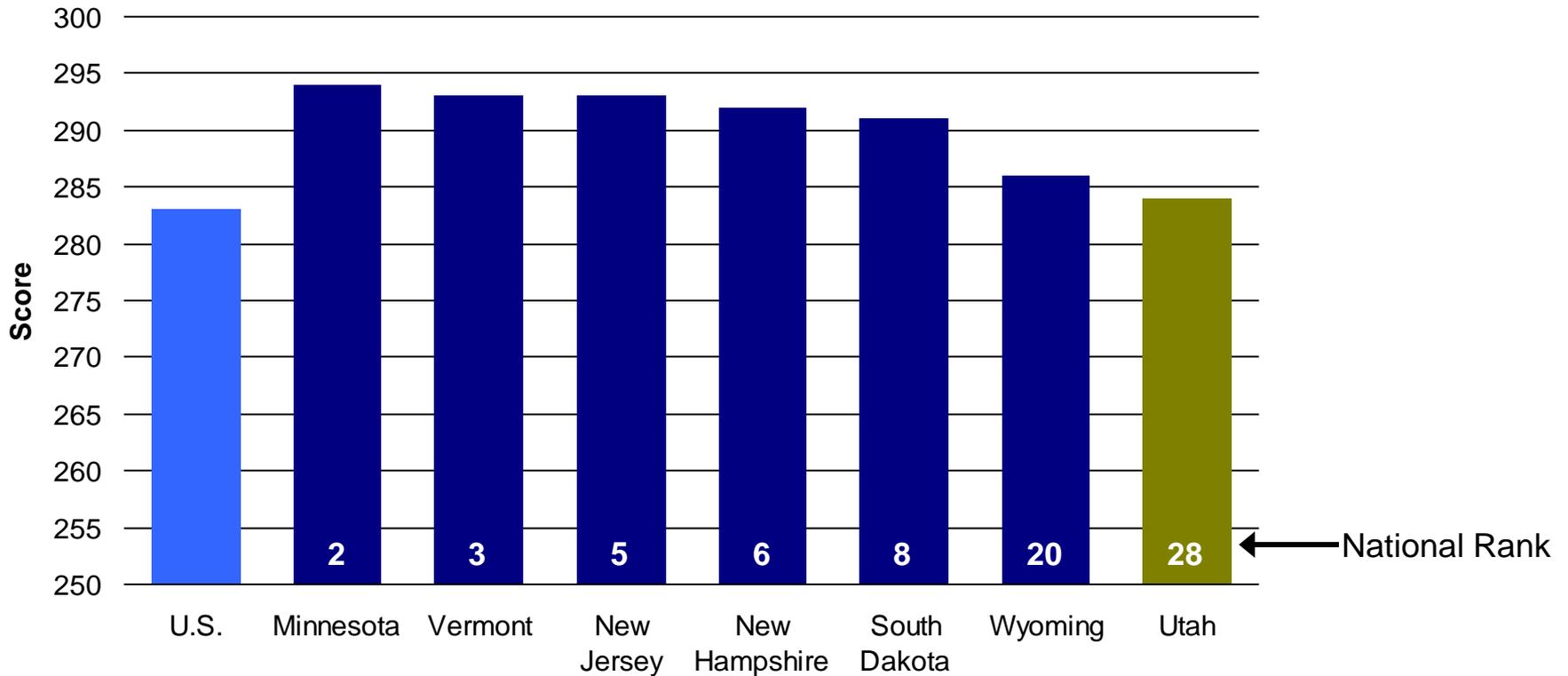


Utah's 2005 Peer States: 8th Grade Math



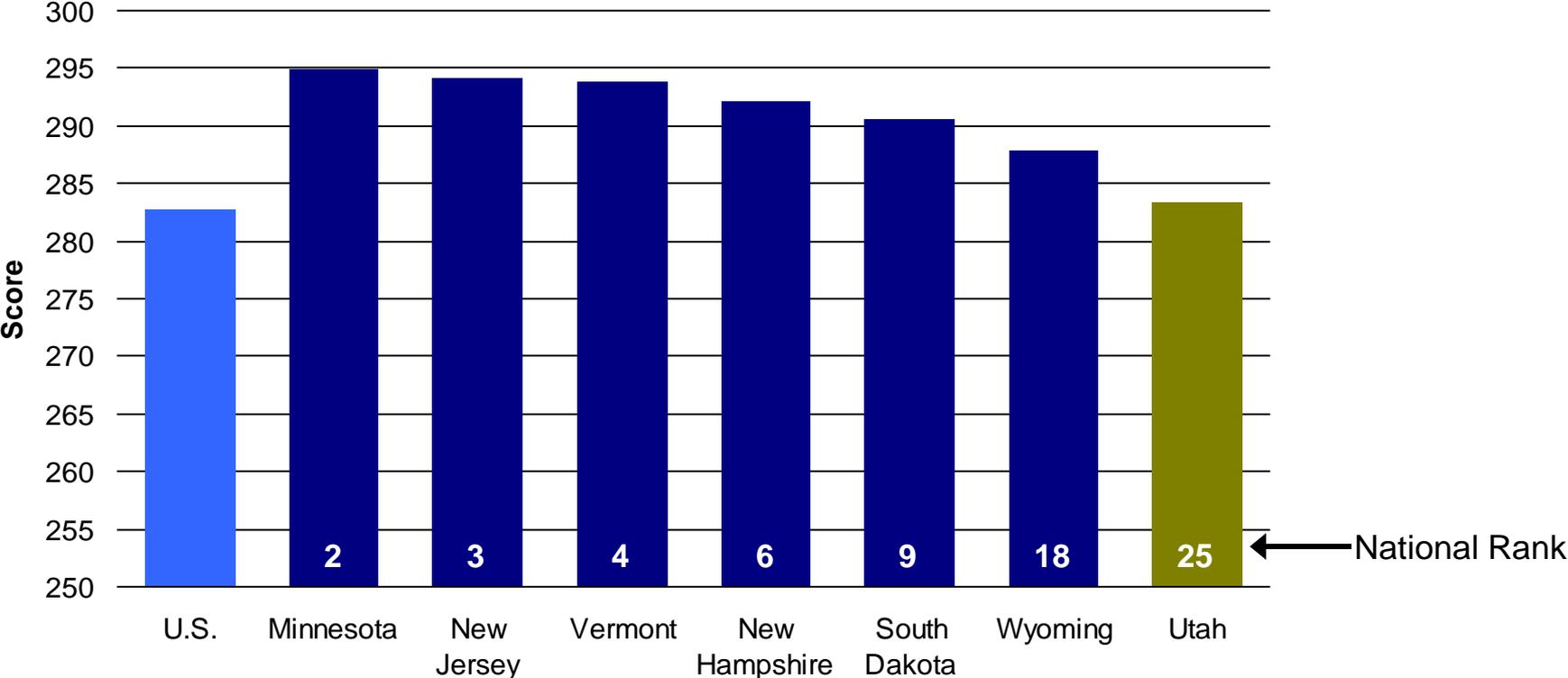


Utah's 2009 Peer States: 8th Grade Math





Utah's Peer States: 8th Grade Math - Update With 2011 Scores



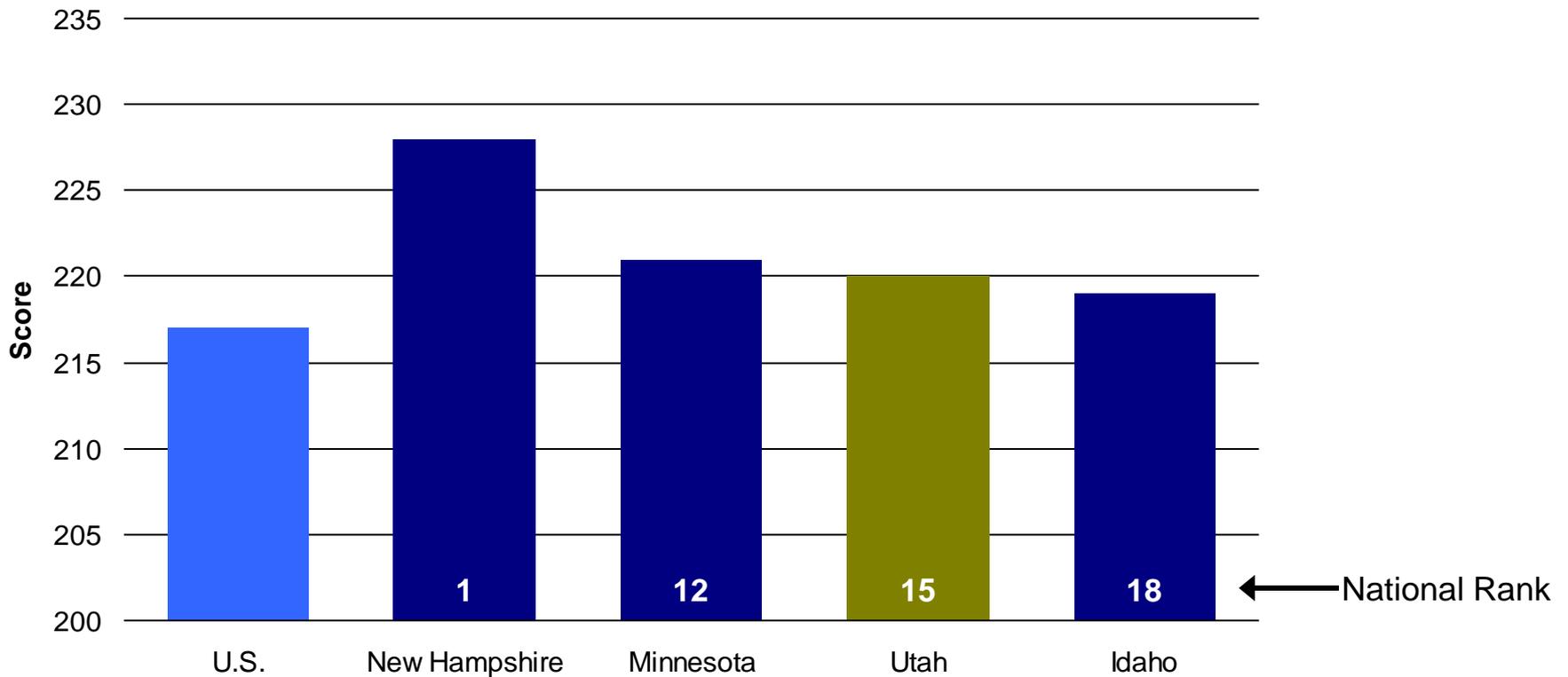


Utah's Peer States

4th Grade Reading Over Time...

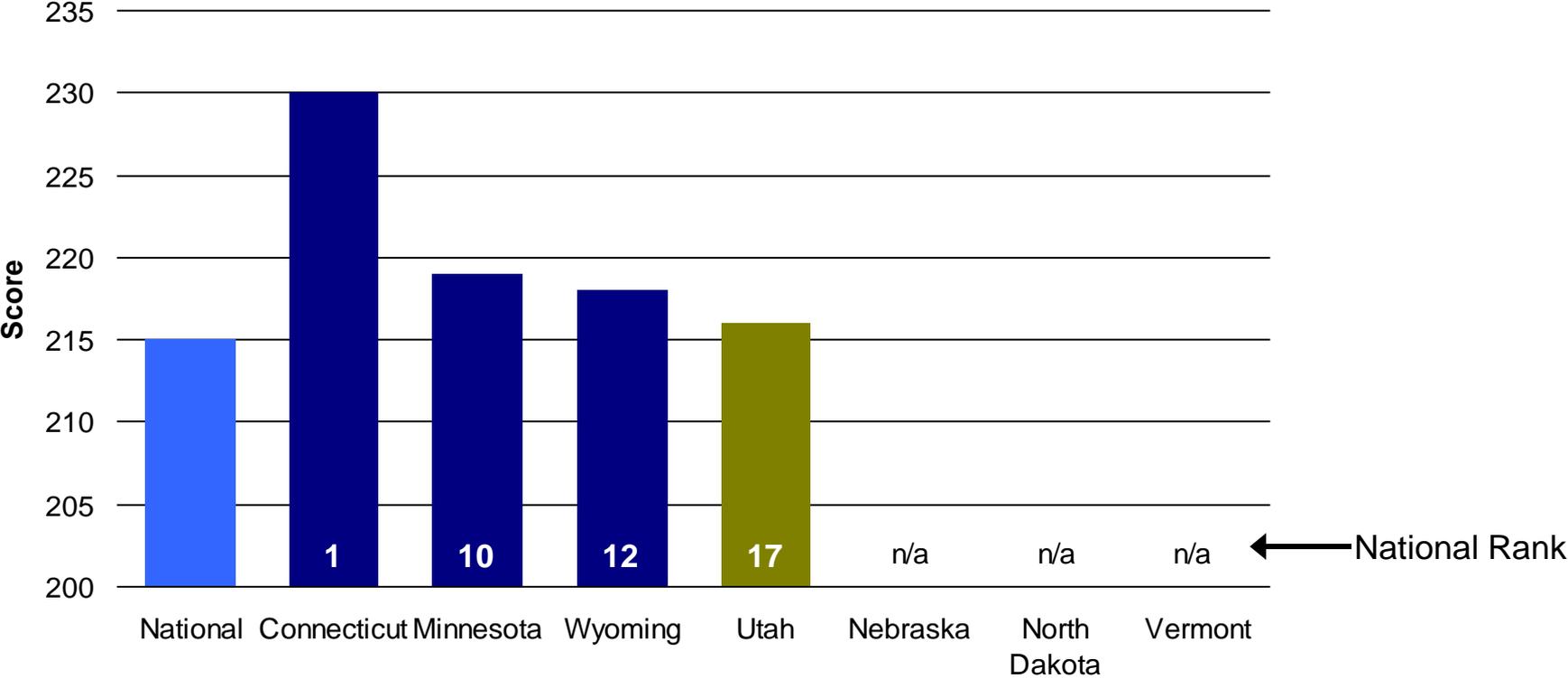


Utah's 1992 Peer States: 4th Grade Reading



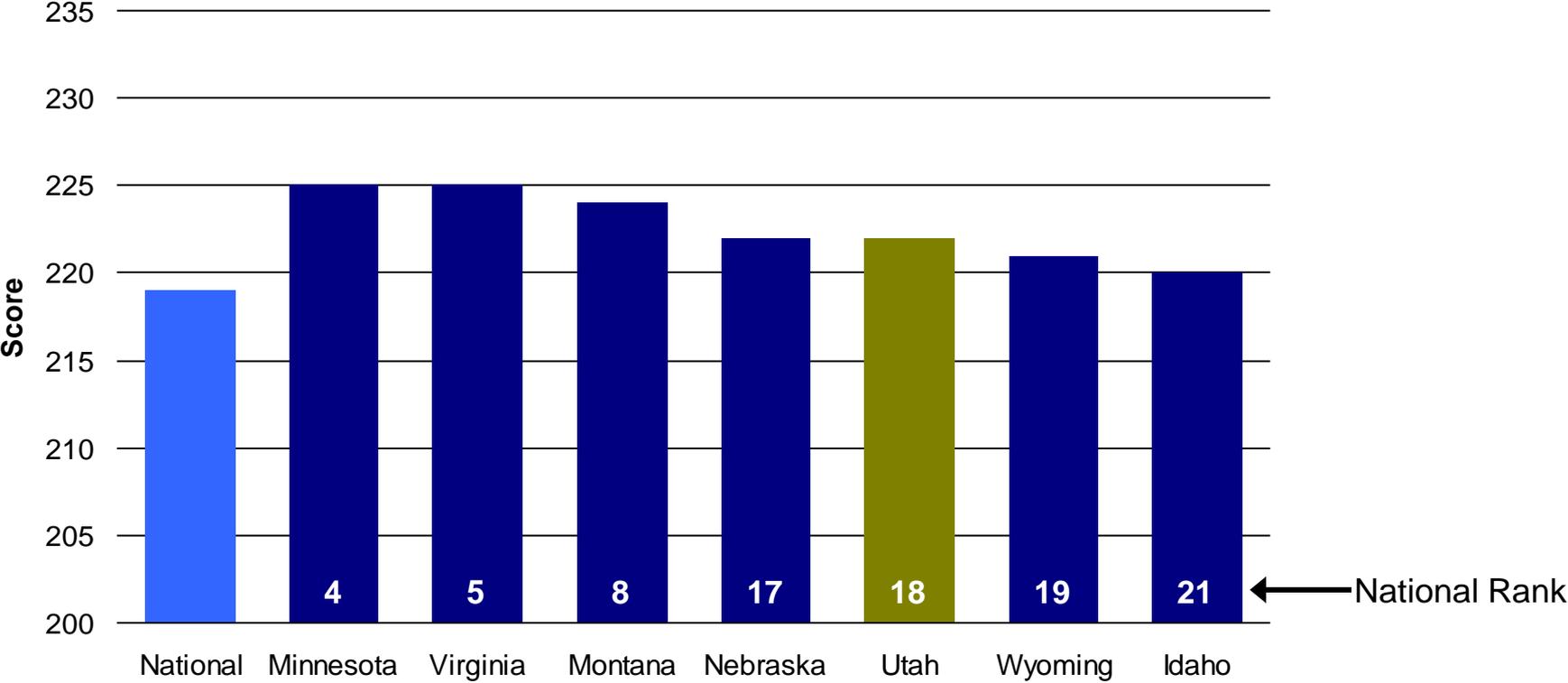


Utah's 1996 Peer States: 4th Grade Reading



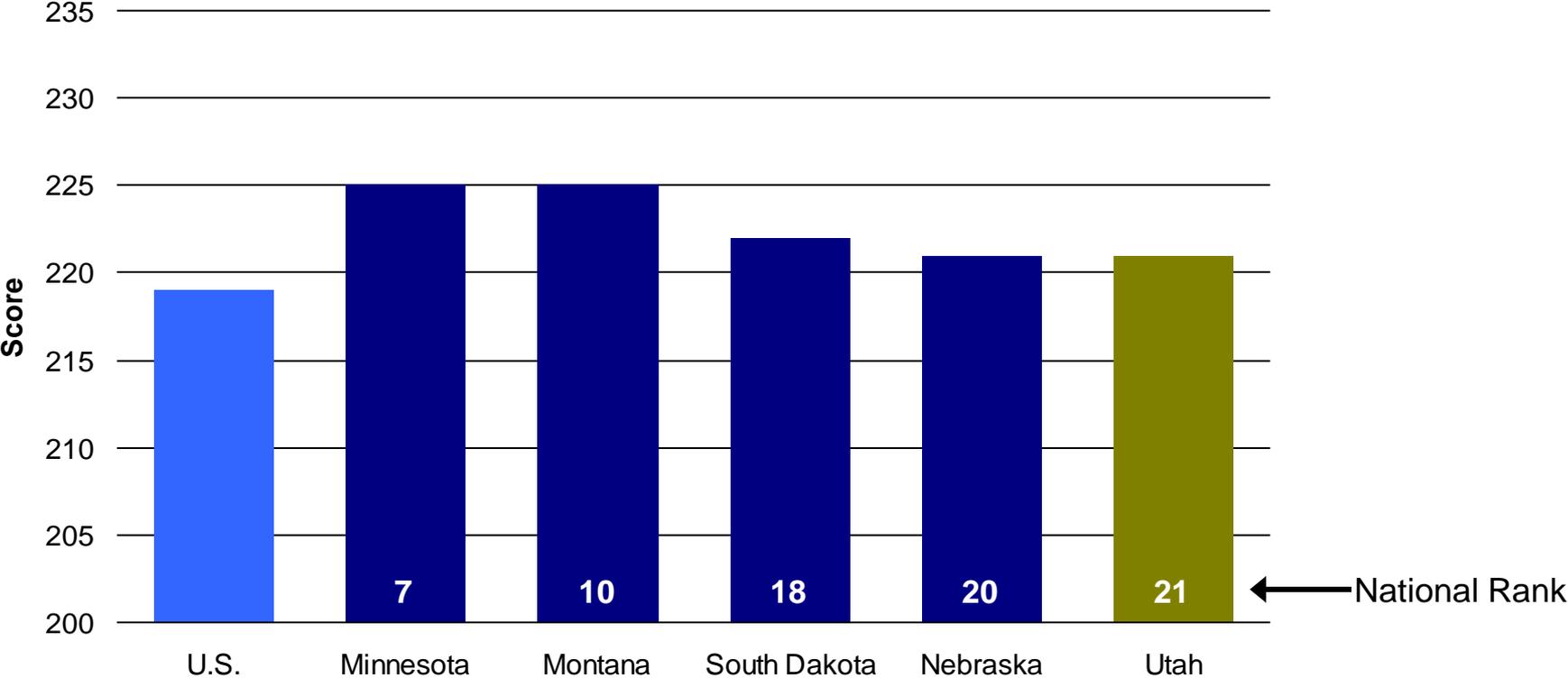


Utah's 2000 Peer States: 4th Grade Reading



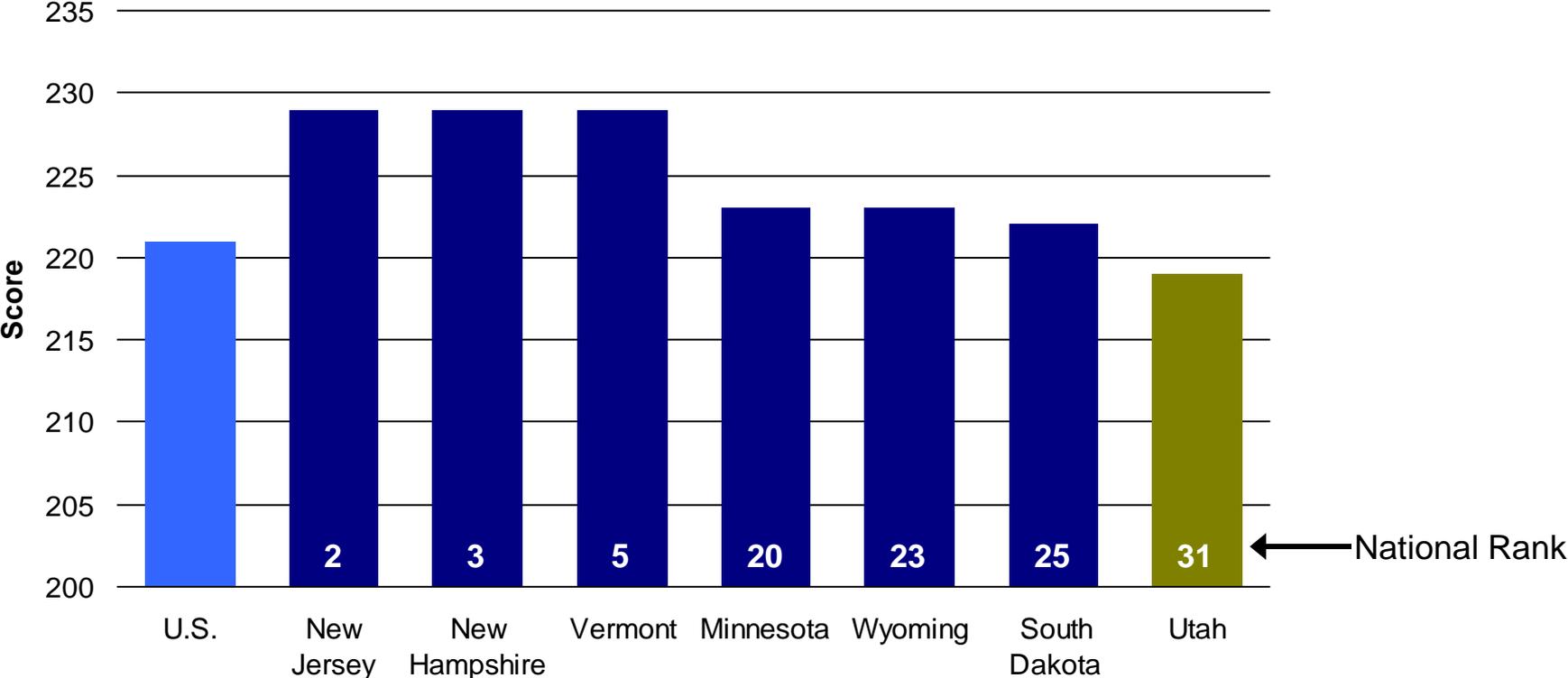


Utah's 2005 Peer States: 4th Grade Reading



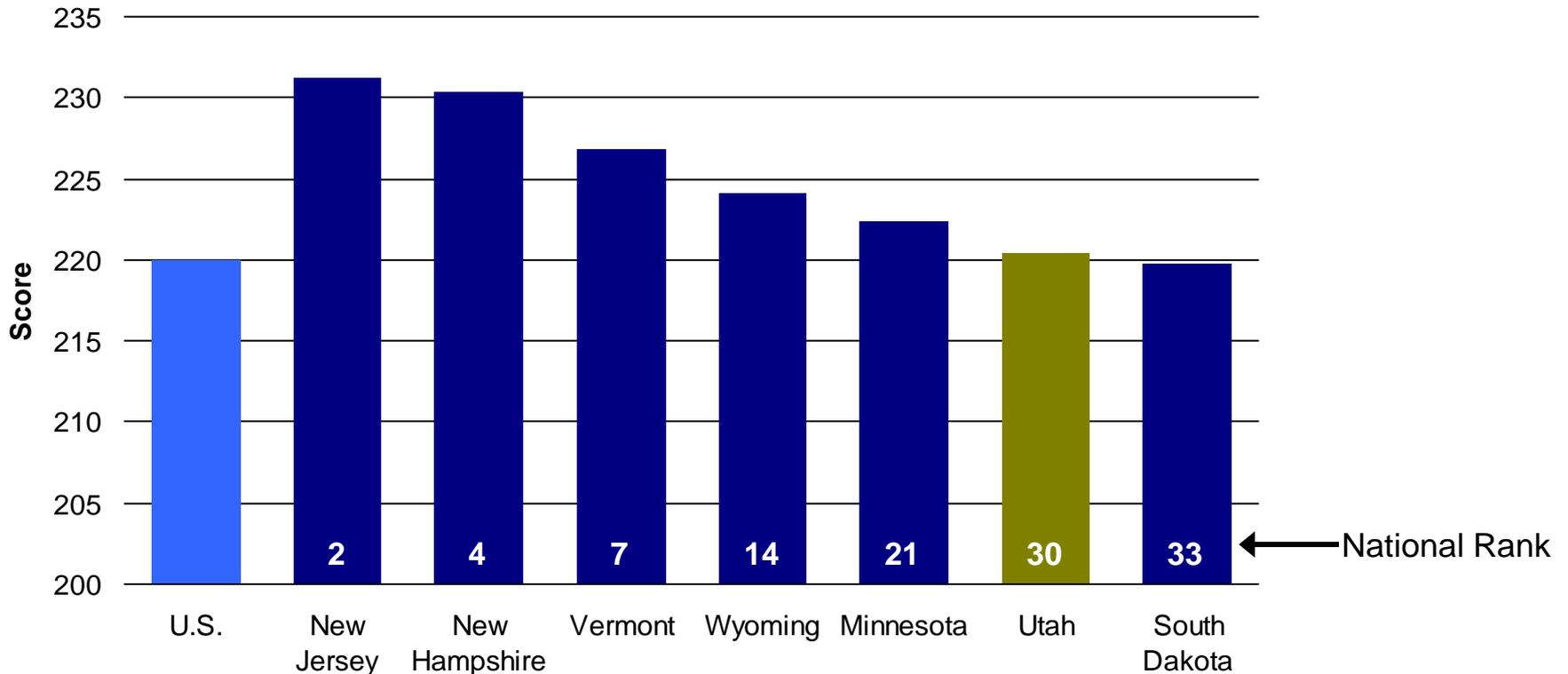


Utah's 2009 Peer States: 4th Grade Reading





Utah's Peer States: 4th Grade Reading – Update With 2011 Scores





Observations

- Comparisons to national averages have given a false sense of success in the past (though Utah is now below national averages in some areas)
- Utah's students are not much like the national average
- Utah's demographics fit a state that could score in the top 10 nationally
- Can we identify what factors are holding Utah back from performing like our peer states?



What to do?

- Recognize that our changing demographics suggest that we must do things differently if we want to even achieve our past levels of performance
- As we consider solutions, perhaps we should examine what can we learn from top-performing peer states, especially those that are not top spenders, such as Minnesota and South Dakota

How are we doing in funding?



Ways to Measure Funding Effort

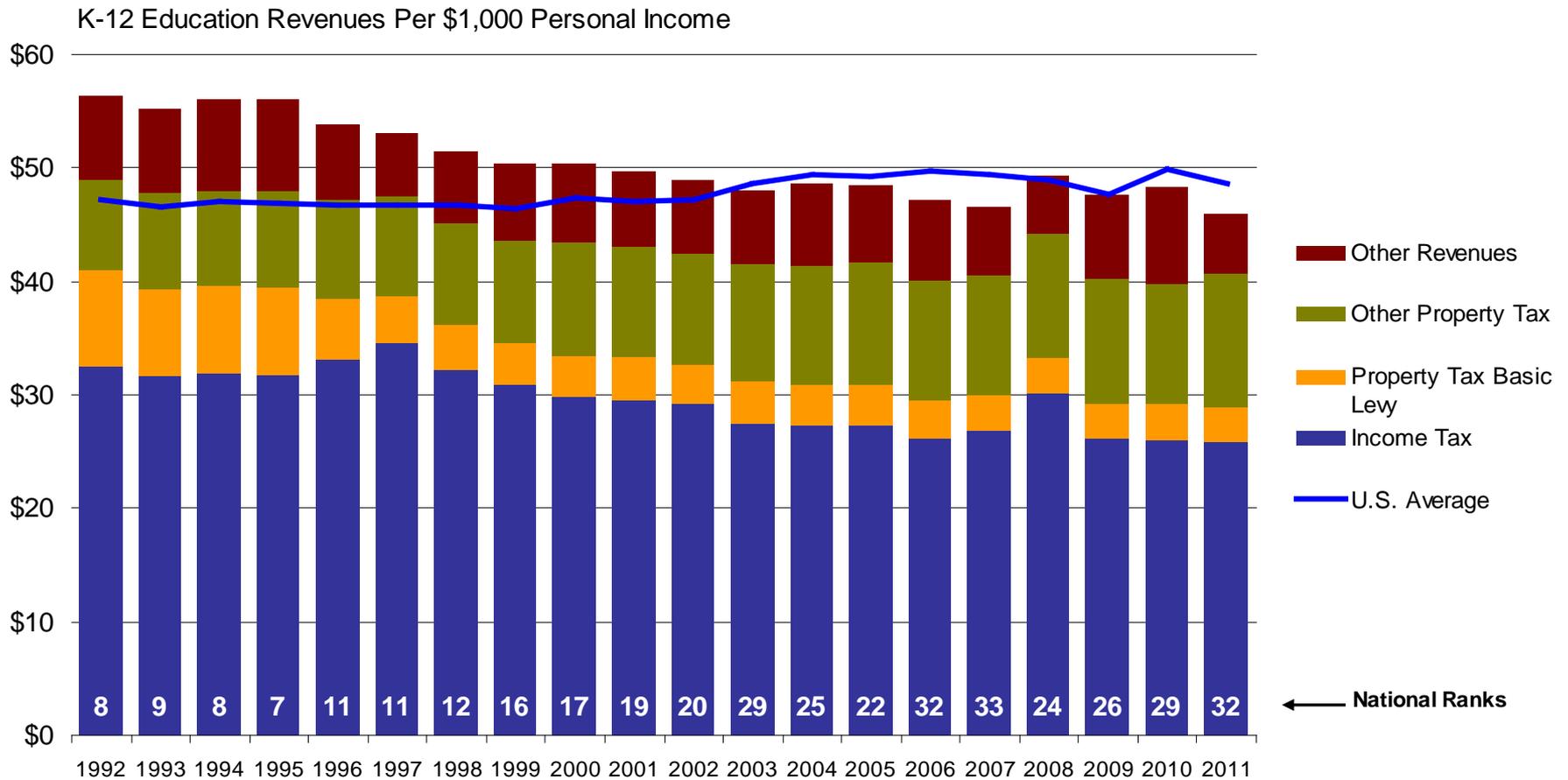
- Percent of state budget dedicated to education
 - Some states rely more on local funding, some on state funding – these policy decisions are not related to overall funding in the state
- Percent of all state and local government resources dedicated to education
 - A state may choose to have low taxes but spend a large proportion on education, ranking high but still not making a significant effort
- Proportion of state personal income spent on education
 - Captures effort best by showing how much of the state economy is tapped for education funding
- Per-pupil spending, adjusted for inflation
 - Useful to show long-term growth trends, in combination with the personal income-based measure above



Utah's Education Funding Effort

- Best measure of effort is K-12 education revenues per \$1,000 of personal income
 - Shows how heavily we tax ourselves to fund K-12
- Utah had been one of the highest in the nation for funding effort until this past decade
- This was called “Utah’s Education Paradox” – the concept that Utahns paid high taxes for education but this high effort still produced the lowest per-pupil funding in the nation
- Now, we simply have low funding, but the funding effort is no longer paradoxical. It is simply low.

K-12 Funding Effort





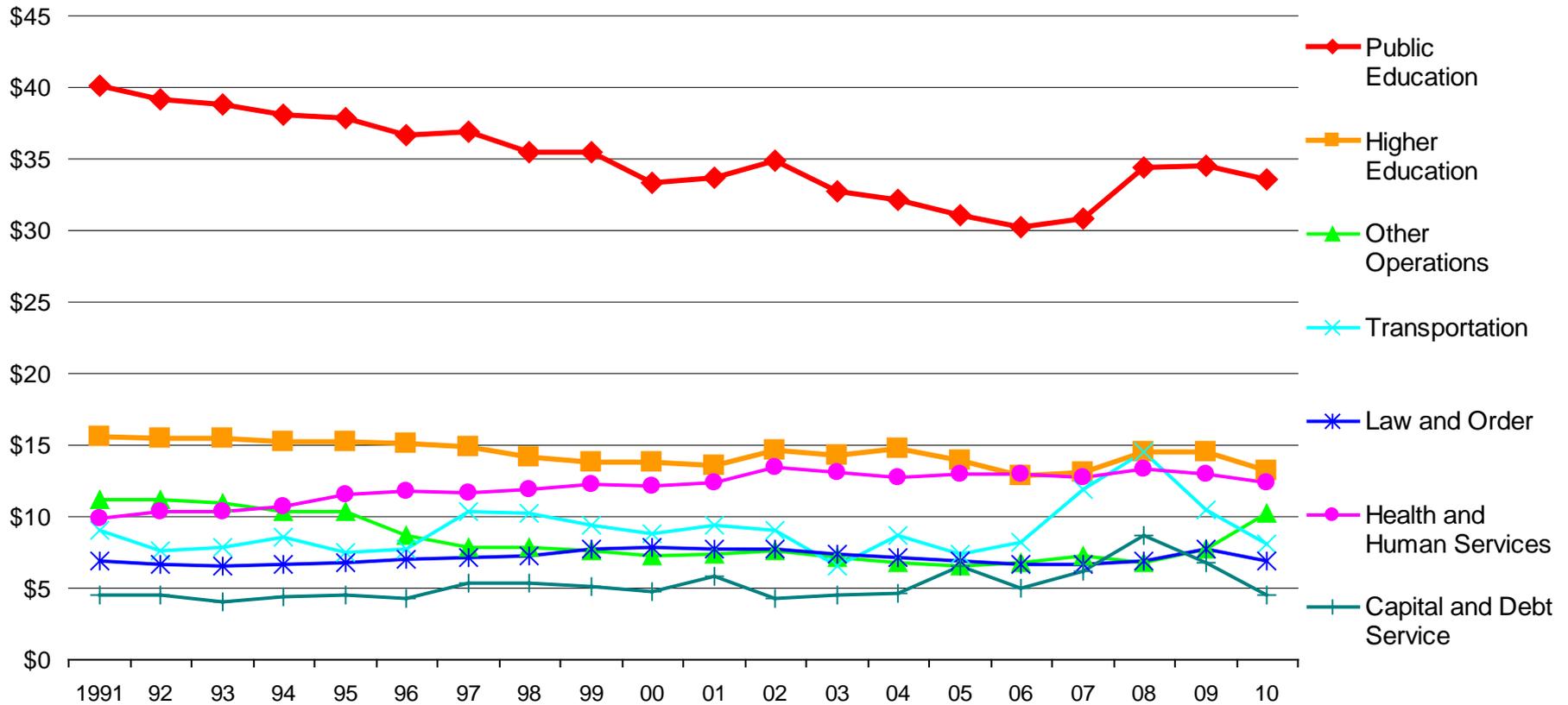
Two Main Reasons for Decline

- Property tax reductions, especially in the 1990s
 - Homeowner exemptions
 - Basic Levy reduced and subject to “truth-in-taxation”
- Diversion of income tax growth to other purposes
 - Facilitated by 1996 constitutional amendment to share with higher education
 - As higher education received \$\$ from income tax, almost equal general fund \$\$ were taken away to use on other programs. Higher education became a pass-through for income tax growth to fund anything in the state budget.

Overall State Spending



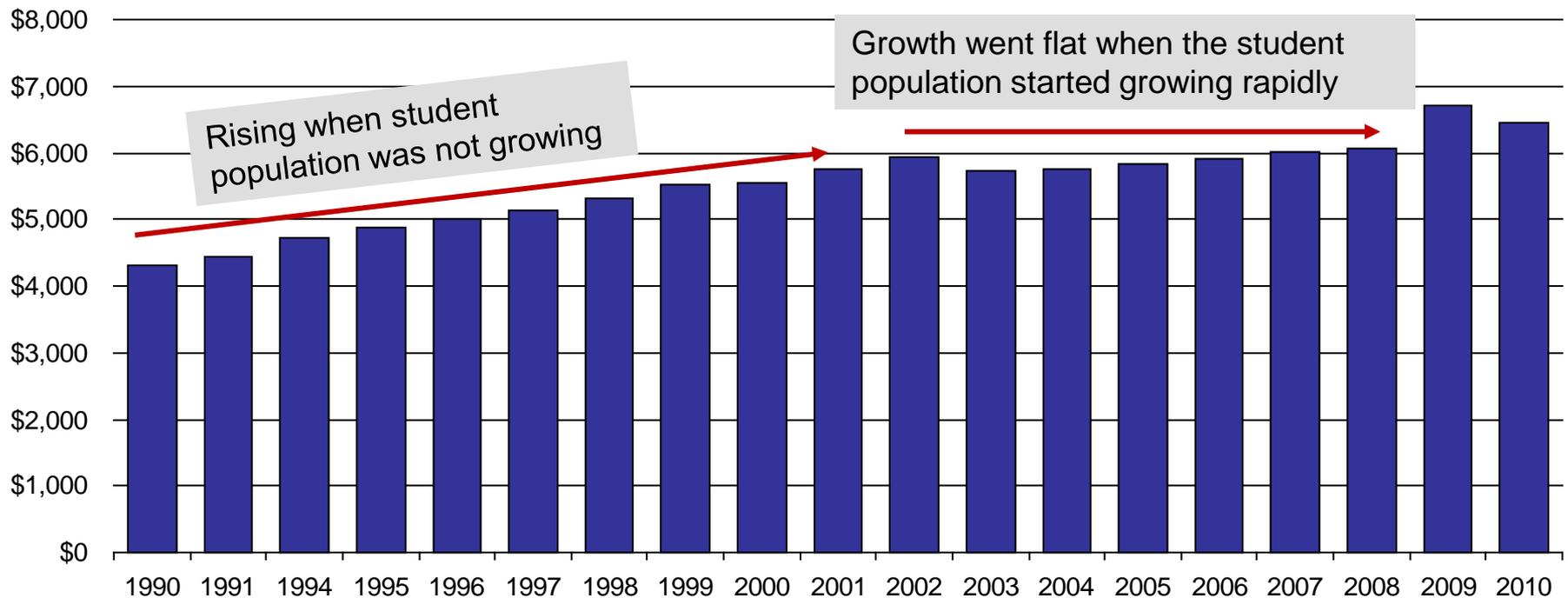
State Expenditures per \$1000 of Personal Income by Major Budget Category, FY 1991-2010



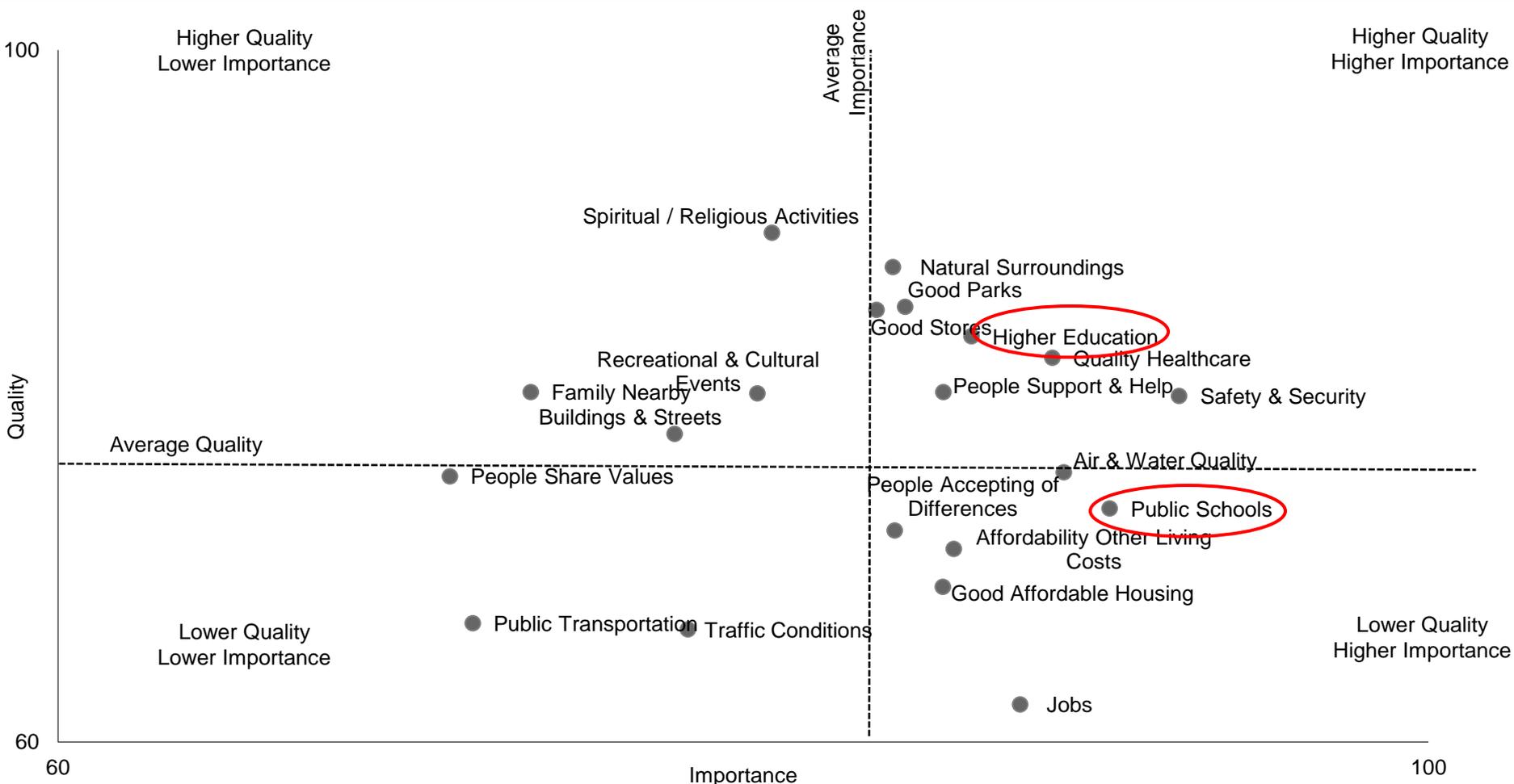
Another Look at K-12 Funding



Inflation-Adjusted Per-Pupil Operations Funding



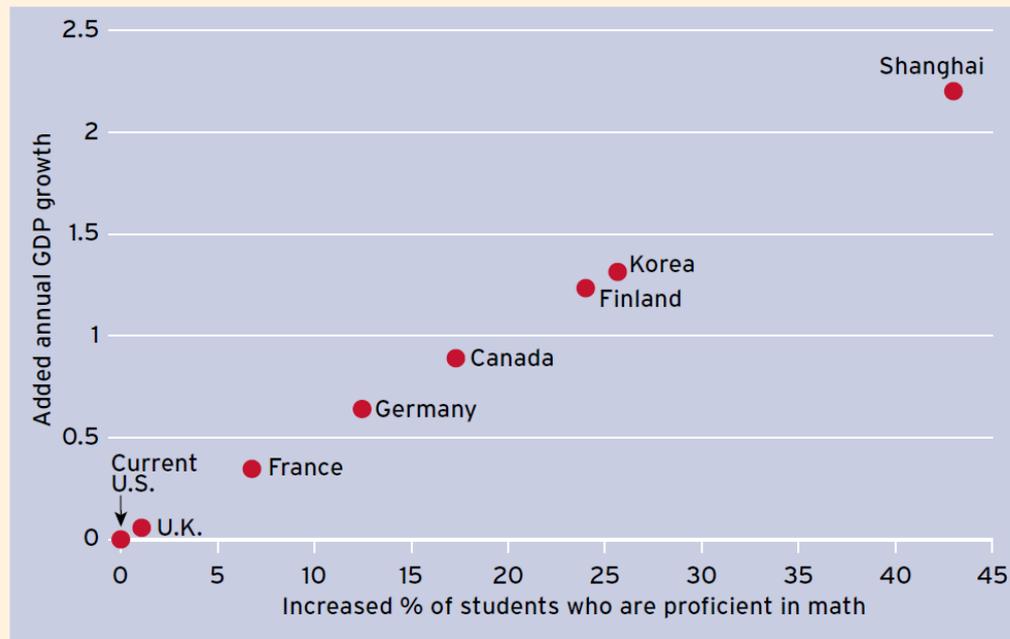
2011 Utah Foundation Quality of Life Study





Educational Improvement Would Benefit the Economy

Estimated increase in U.S. annual economic growth from improved mathematics proficiency. (Figure 4)



Note: Country points indicate the additional % of students proficient in the United States in order to reach the country's level (X-axis) and corresponding additional growth to be expected on reaching that level (Y-axis).

Source: Globally Challenged: Are U.S. Students Ready to Compete?