

## **FOR IMMEDIATE RELEASE**

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### **Legislature reaches an agreement with Our Schools Now on education funding**

The Utah Legislature and Our Schools Now have successfully worked together to find common ground in their efforts to better fund education for the schoolchildren of Utah. It has been agreed that the best path forward is to not only increase education funding now, but to also fix the significant structural issues in the tax system that have led to our current education funding imbalance.

Education in Utah will receive an additional \$292 million this year. As a result of the discussions with Our Schools Now, the Legislature has committed to make a number of tax changes and place a question on the ballot that together could lead to an additional \$830 per pupil by 2023.

“This compromise is a win-win for the future of Utah. Education has always been my number one priority,” Gov. Herbert said. “This major investment in per-student spending is going to make a noticeable difference for student success in Utah. This solution also allows us to invest in local road needs and make significant progress toward reducing some of the imbalances in our tax code. I appreciate Our Schools Now for bringing this issue to the forefront and the Legislature for responding to the encouragement of the public, and look forward to working to pass the November ballot question and implementing the will of the voters.”

"I appreciate Senator Adams, Our Schools Now, and all the stakeholders who have come together to address these crucial issues," said Senate President Wayne Niederhauser. "These changes will not only result in more money going to education now but a more stable and sustainable tax structure to continue to support education and future growth in the state."

“The Legislature has shown their commitment to education with historic levels of funding over the last three years. This year we renewed that commitment,” said House Speaker Greg Hughes. “We appreciate Our Schools Now and their efforts to generate better ideas for education reform.”

Statement from Gail Miller, Scott Anderson and Ron Jibson: “This is the year of education in Utah. The actions of this legislature can lead to an \$830 increase in per-pupil spending. It’s gratifying that we can come together with the Governor and the Legislature to take such a major step to improve outcomes for

our students. We look forward to reaching out to voters across the state for the benefit of our children, and our state, in support of the November ballot proposal.”

These efforts which will replace the Teacher and Student Success Act ballot initiative are detailed below:

**1. Creation of the Teacher and Student Success Account**

This account will be used to directly fund schools at the local level and will include specific guidelines, management and oversight. In the first year of the program, the equivalent of 1.5 percent WPU will be deposited into the fund, which at this time is equivalent to approximately \$47 million, and will pass through the local education agency (LEA). Distributions from this account will begin in 2020 directly to schools through the TSSA.

**2. Establishing a Working Group**

The Legislature will work with Our Schools Now and other education stakeholders to determine the administration of the Teacher and Student Success Account. The working group will review and make recommendations to the Legislature on equal distribution, local control, transparency, performance improvement, accountability and approved areas of investment.

**3. 10-Cent Gas Tax Ballot Question**

[HB 491](#) authorizes a non-binding question to go on the ballot. [HJR 20](#) directs the Lt. Governor to place a question on the ballot that would ask voters if the state should increase the gas tax by the equivalent of 10 cents per gallon, indexed for inflation.

Implementing a 10-cent per gallon tax would generate approximately \$170 million in new revenue for the Transportation Fund in the first year. Thirty percent would be dedicated to local roads and the remaining 70 percent would be used to offset an equivalent cut in funding for transportation, that would then go toward education. Of these new education funds, 80 percent is intended for the Teacher and Student Success Account for K-12 and 20 percent for higher education performance funding.

**4. Freezing the Basic Rate and Indexing the Basic Levy**

[HB 293](#) freezes the state basic property tax rate for 5 years and uses new revenue to equalize student spending among all LEAs. It also indexes the basic levy and places new revenue into the Teacher and Student Success Account subject to periodic review.

**5. Amendments to Education Rainy Day Fund**

During the interim, the Legislature will work to change the statute to allow the use of Rainy Day Funds to continue the tradition of funding student enrollment growth and inflation even in economic downturns.

**6. Local Funding of Technology**

[SB144](#) Authorizes a local school board to unlock significant new revenue sources for technology and infrastructure projects and programs in our schools.

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