

Funding Utah's Public Schools

SLCC Public Policy Event
October 7, 2026

INFORMED DECISIONS™

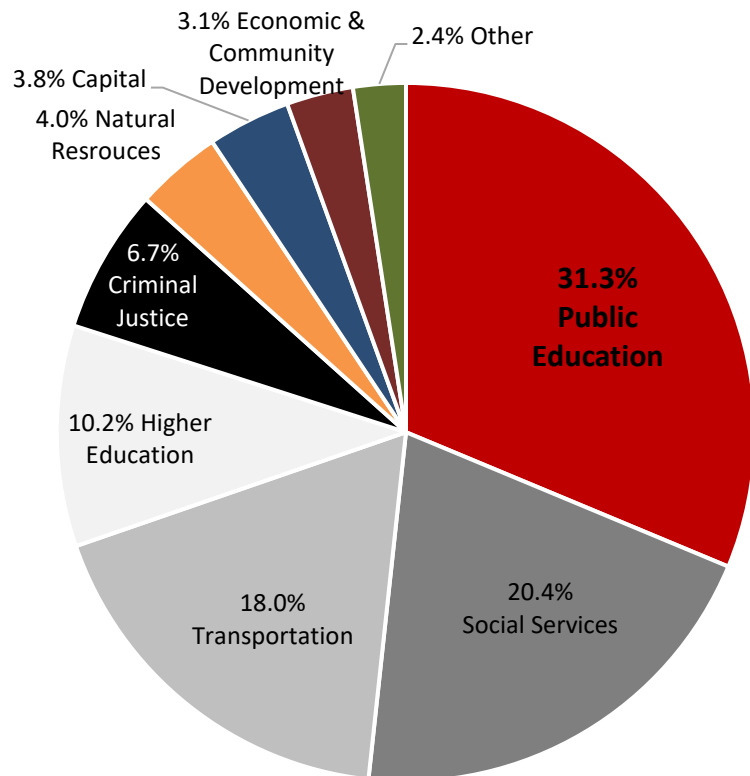
Key Questions

1. **Where does the money come from?** – Public education is funded through a mix of state, local, and federal revenue.
2. **How does Utah distribute it?** – Utah combines state and local revenue through a partially equalized funding system.
3. **What are some funding trends worth watching?** – Potential changes in enrollment, state and local revenue, and Utah's tax structure raise important questions for the future.

Where does the money come from?

Public Education is Utah's Largest Public Program

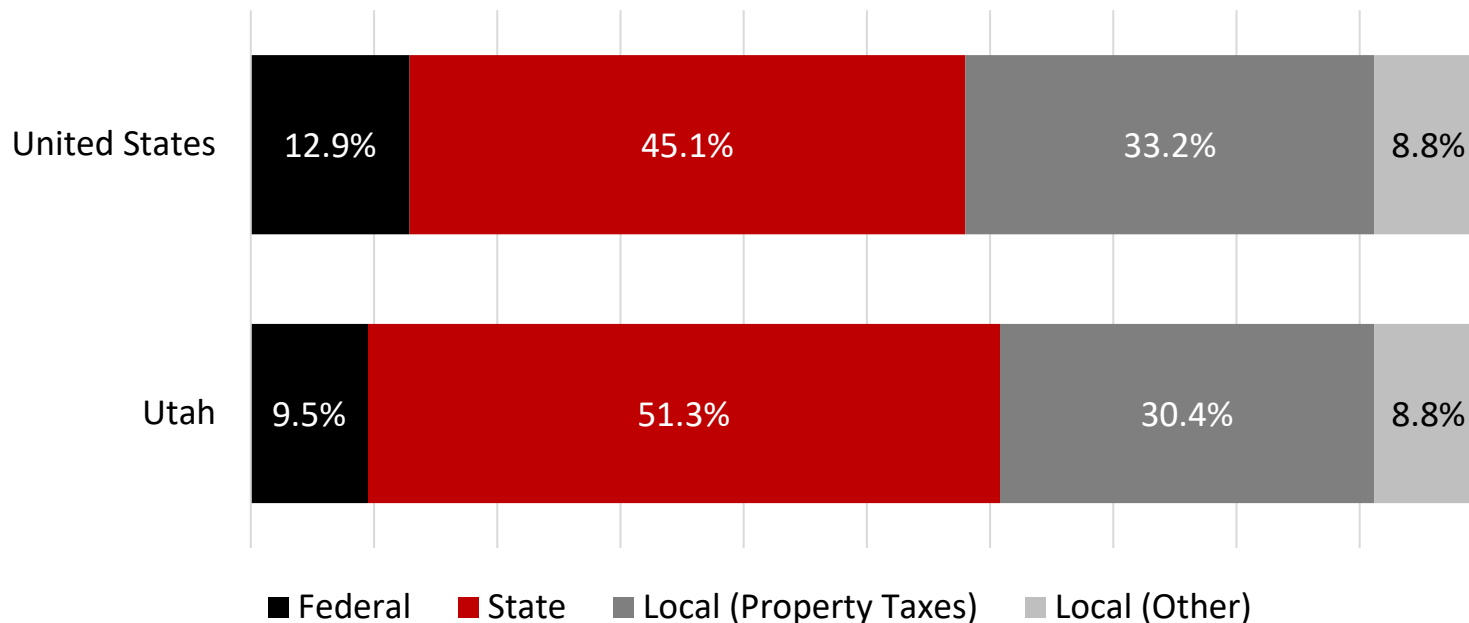
Utah Own-Source State & Local Revenue, FY 2026



Source: Utah Legislative Fiscal Analyst Compendium of Budget Information

Utah Relies More Heavily on State Revenue

Share of Total Public K-12 Revenue by Funding Source, 2023



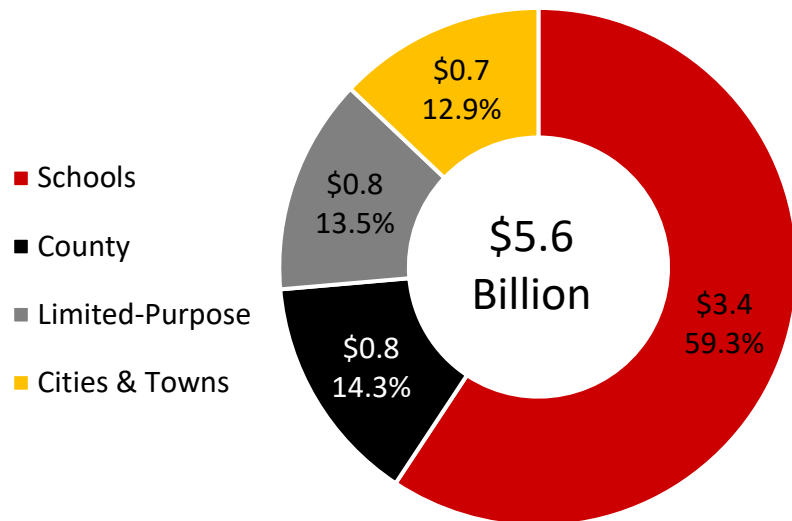
Source: National Center for Education Statistics Table 235.20

Property Tax and Income Tax Primarily Fund Schools

Share of Property and Income Taxes Going Toward Schools

Utah Property Taxes Charged by Entity Type, 2025

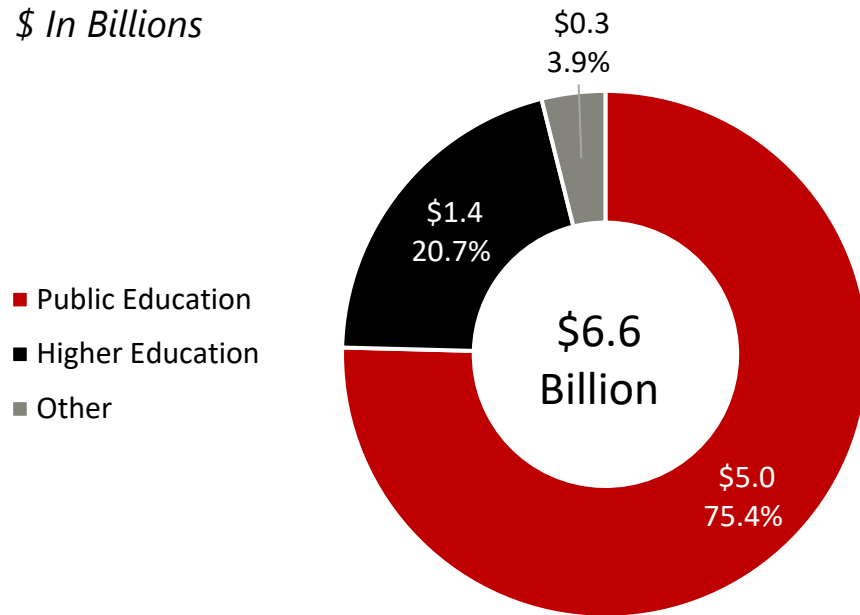
\$ In Billions



Source: Utah State Tax Commission

Utah Income Tax Fund Appropriations, FY 2026

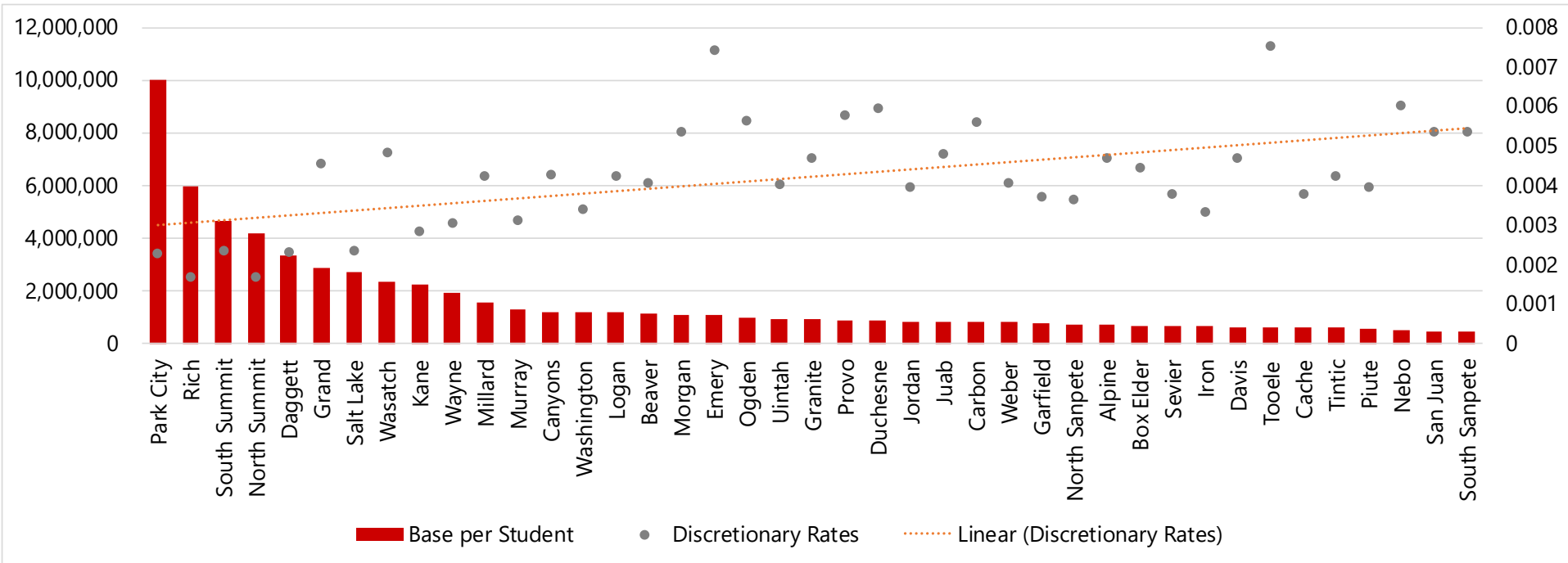
\$ In Billions



Source: Utah Office of the Legislative Fiscal Analyst Budget of the State of Utah

Property Tax Bases Differ Significantly

*School District Property Tax Base per Student and Discretionary Tax Rates
Property Taxes Charged by Entity Type, FY 2025*



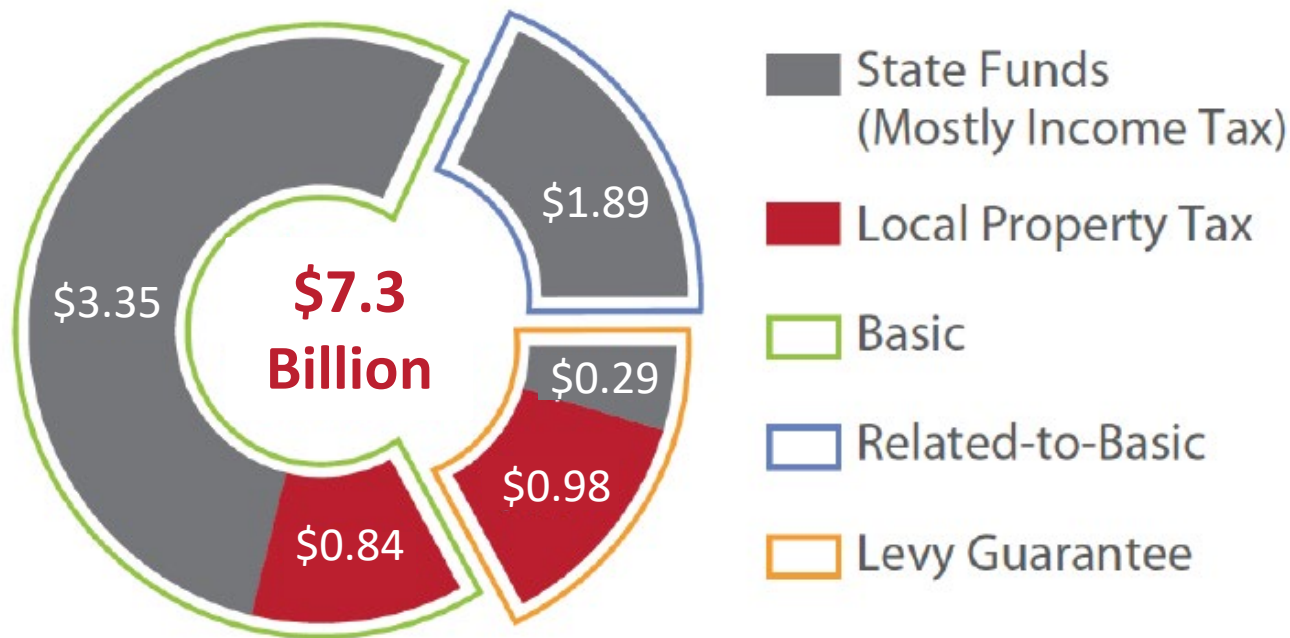
Note: Discretion rates exclude the statewide mandated rate (basic levy)

Source: Utah State Board of Education and Utah State Tax Commission

How is the money distributed?

Most School Funding Flows through the Minimum School Program

Minimum School Program Funding, FY 2026 (\$ in billions)



Source: Office of the Legislative Fiscal Analyst

The Basic School Program Equalizes both Revenue and Spending

Basic Program – Full Statewide equalization

Revenues Equalized

- Uniform statewide school property tax
- Uniform statewide income tax

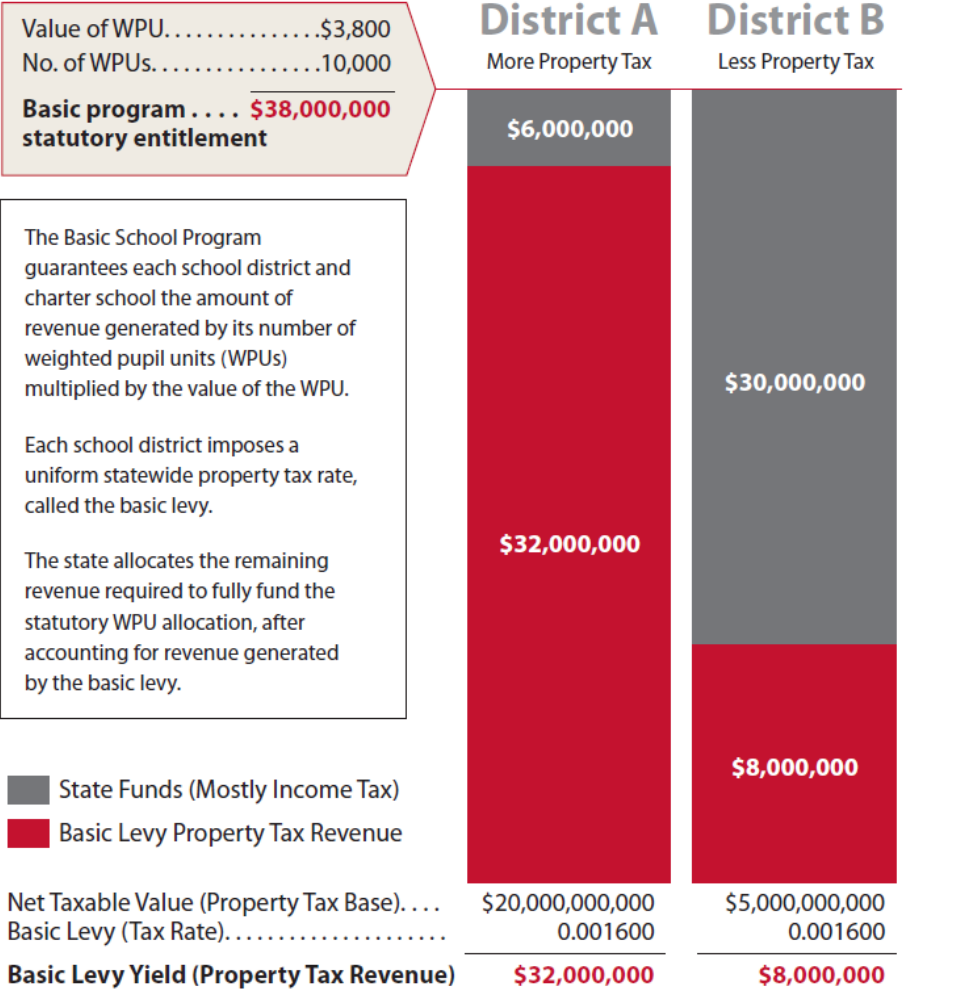
Spending Equalized

- Weighted pupil unit allocation methodology based on student characteristics
- Similar students funded similarly throughout the state

Basic School Program Helps Equalize Property Tax Disparities

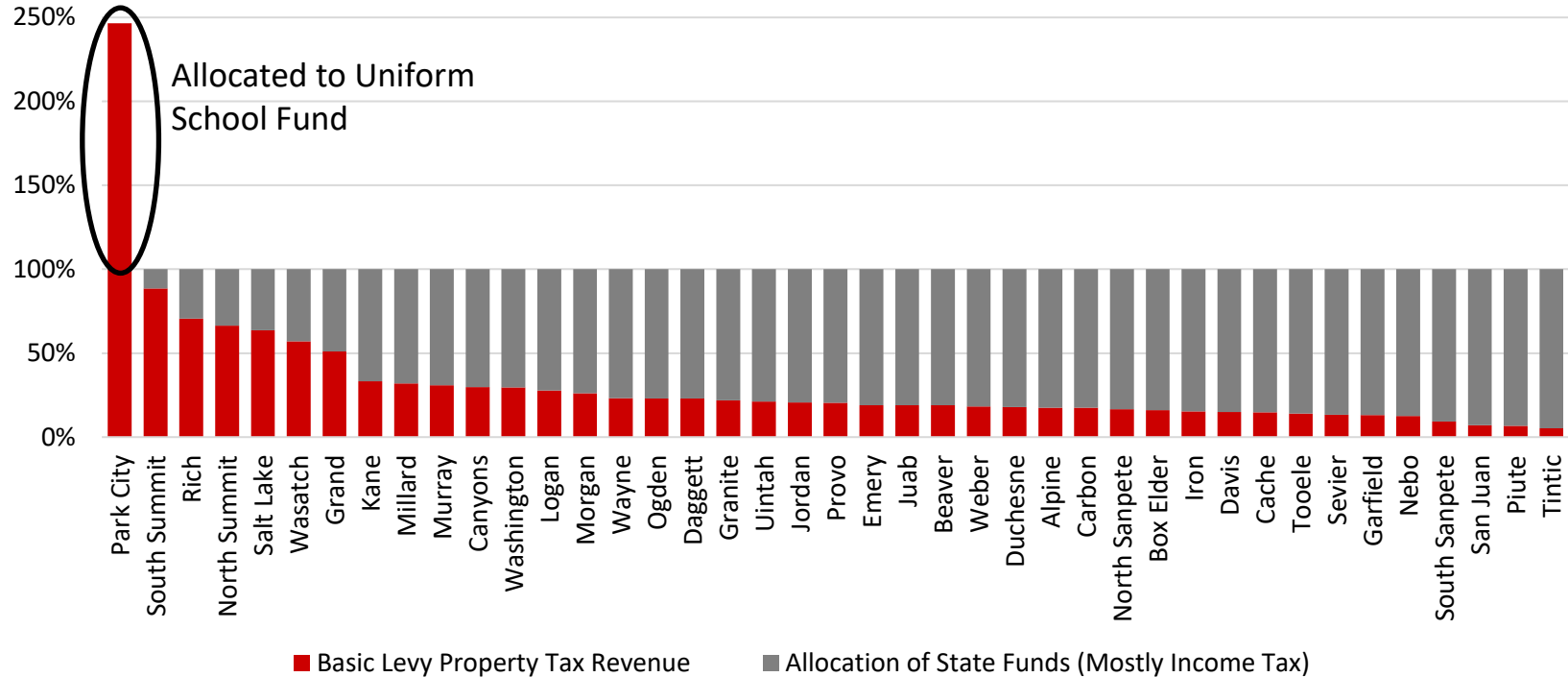
*Basic School Program for Two
Hypothetical School Districts*

Source: Kem C. Gardner Policy Institute



The Basic Program Equalizes Basic Levy Revenue with State Funds

Estimated Share of Basic School Program Cost Funded by a School District's Basic Levy Revenue and State Funds, FY 2026



Source: Kem C. Gardner Policy Institute analysis of Utah State Board of Education data

The Related-to-Basic Program Provides Categorical Funding

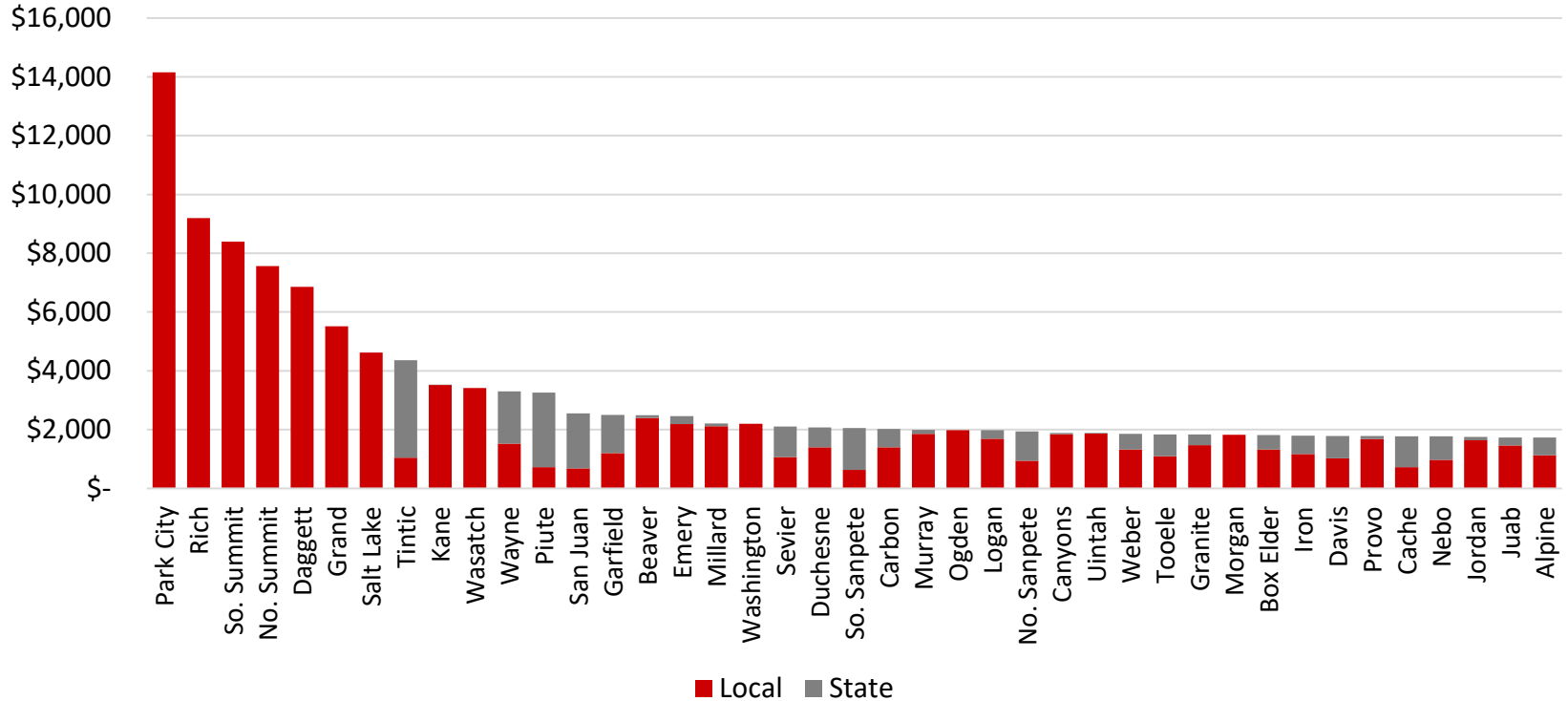
State-funded categorical programs focused on particular student populations or other directed purposes.

Examples include:

- Charter school local replacement funding
- Pupil transportation
- Students at risk of academic failure
- Education salary add-ons
- Arts education
- Teacher supplies

The Levy Guarantee Program Incentivizes Local Taxation

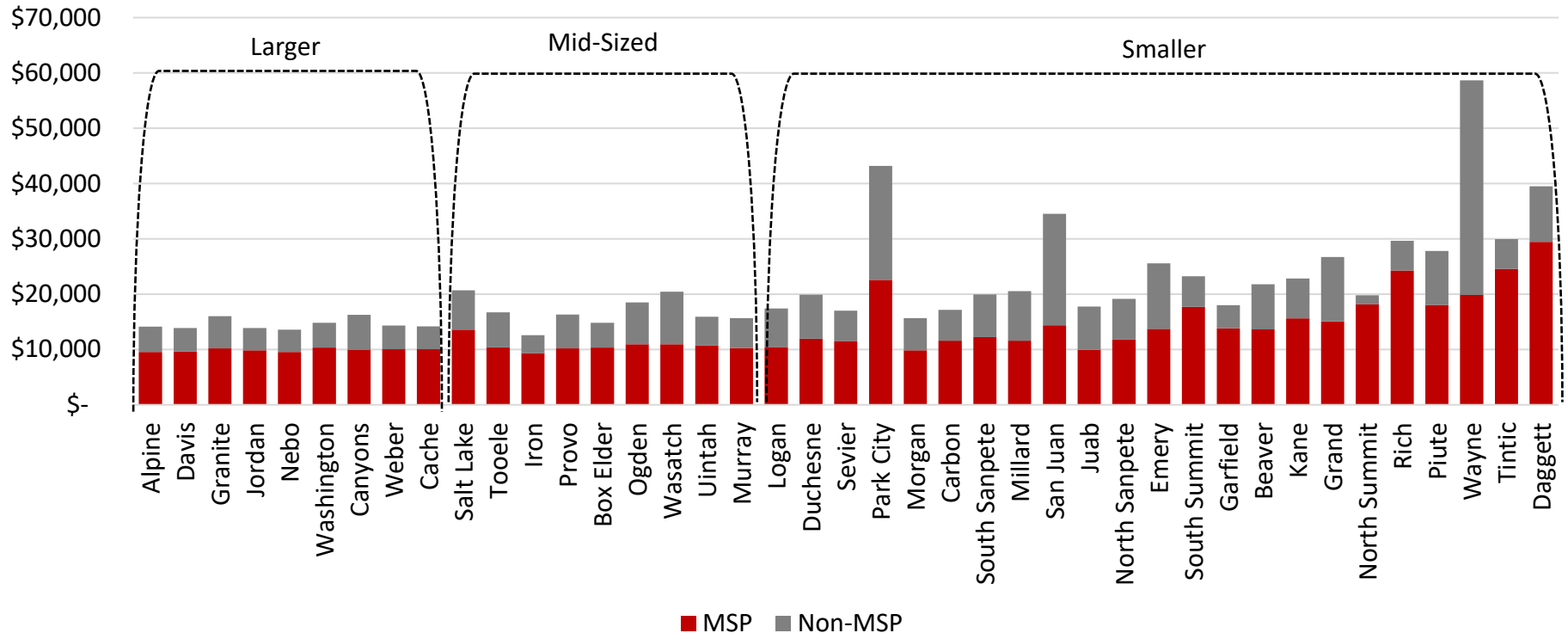
Funding Per Student Raised through Board and Local Levies and State Matching Funds by District, FY 2025



Source: Kem C. Gardner Policy Institute analysis of Utah State Board of Education data

Overall Funding is Partially Equalized but Discrepancies Remain

Total School Funding per WPU by School District, FY 2025



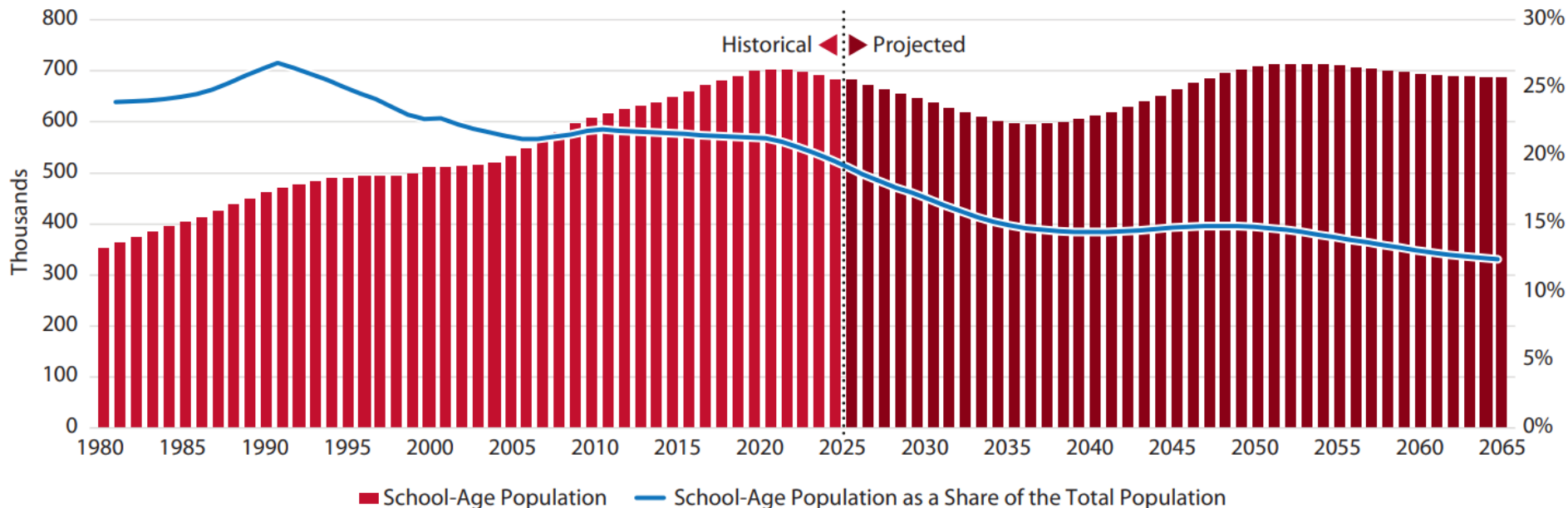
Note: School districts are listed in order from most WPUs to least.

Source: Kem C. Gardner Policy Institute analysis of Utah State Board of Education data

What are some funding trends worth watching?

Enrollment will Likely Decline for the Next Several Years

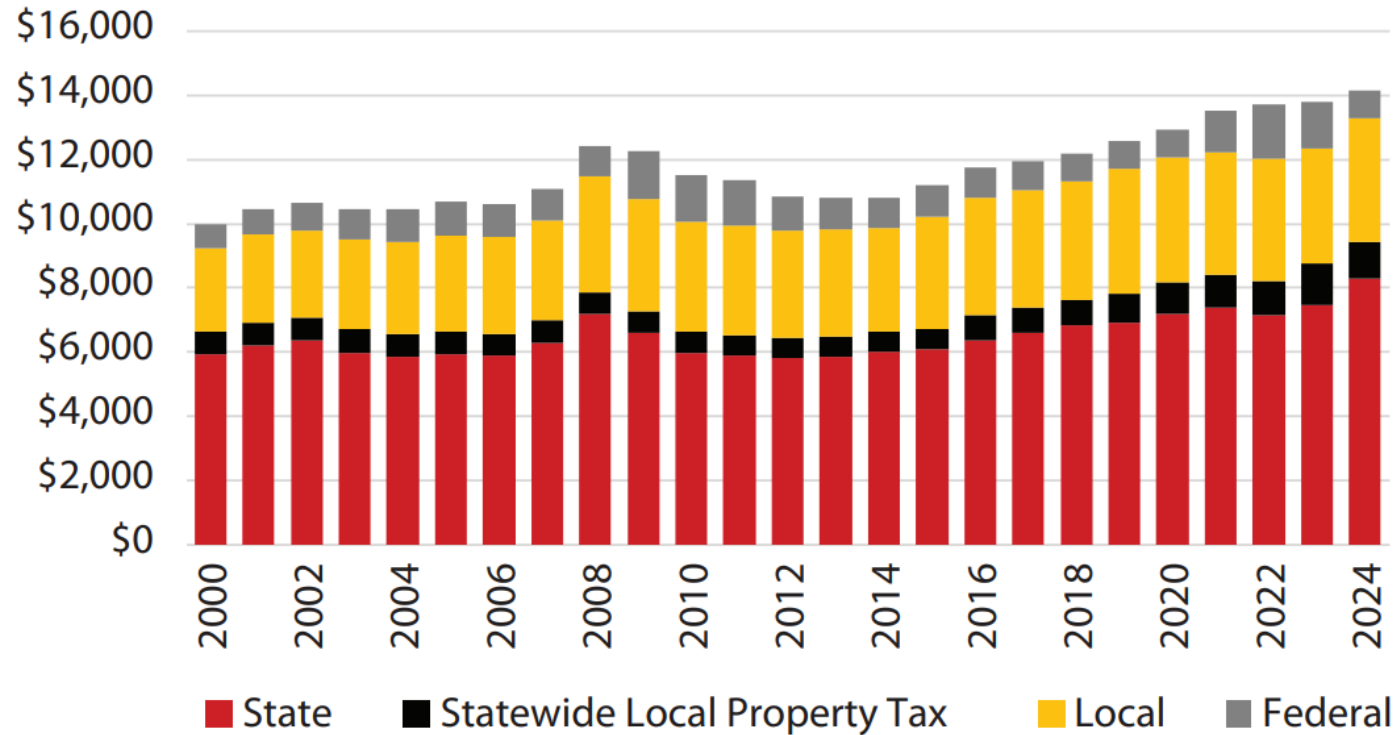
Utah School-age Population, 1980-2065



Source: Utah Governor's Office of Planning and Budget and Kem C. Gardner Policy Institute

Real Total Per Pupil Spending Generally Increases Over Time

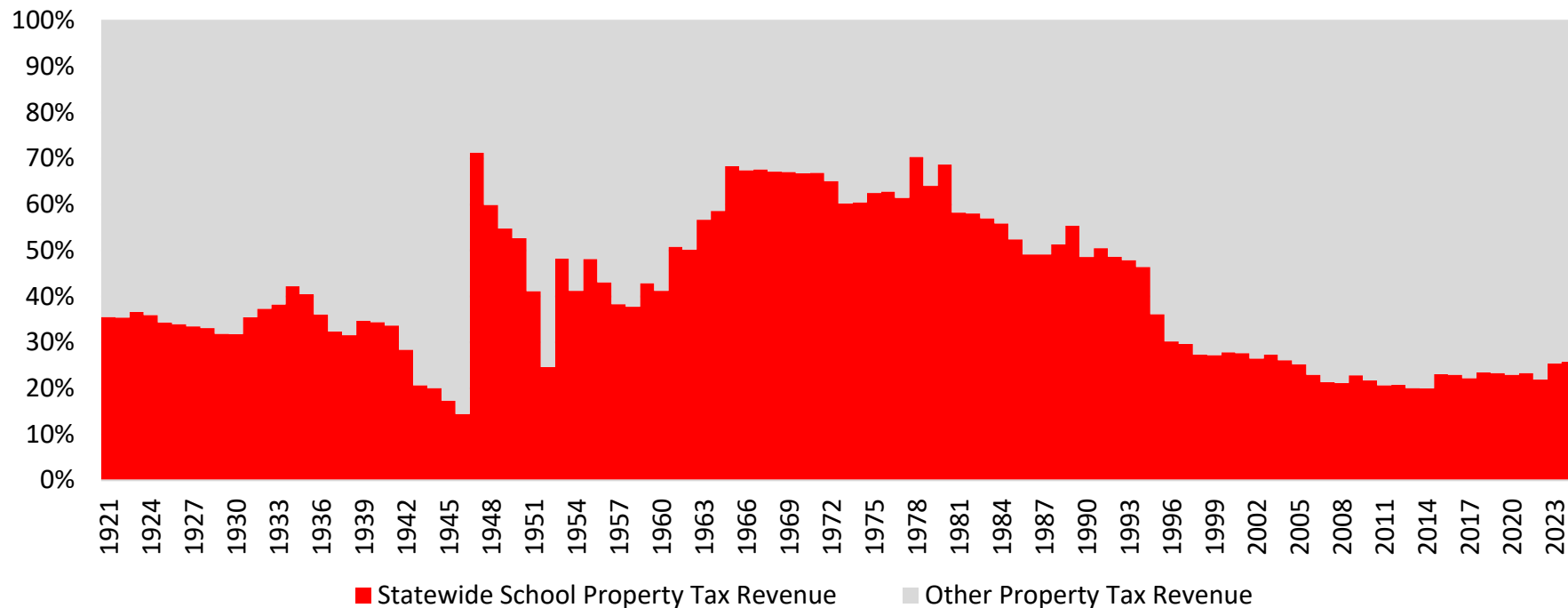
Real Total Per Pupil Spending, 2000-2025



Source: Governor's Office of Planning and Budget

The Basic Levy is a Lower Share of School Property Tax Revenue

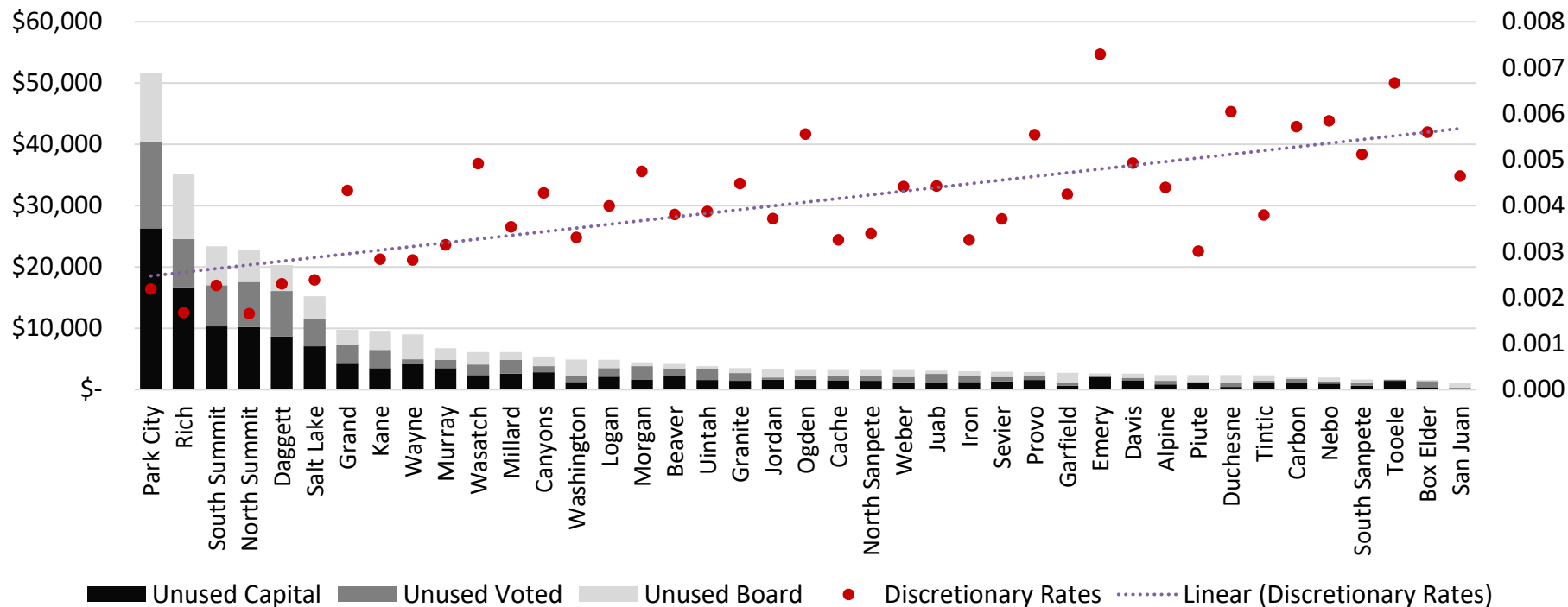
Statewide and Discretionary Local Property Tax Revenue as a Share of Total School Property Tax Revenue, 1921-2024



Source: Utah Foundation, Utah State Tax Commission, and Utah Superintendent's annual reports

Taxing Authority Remains

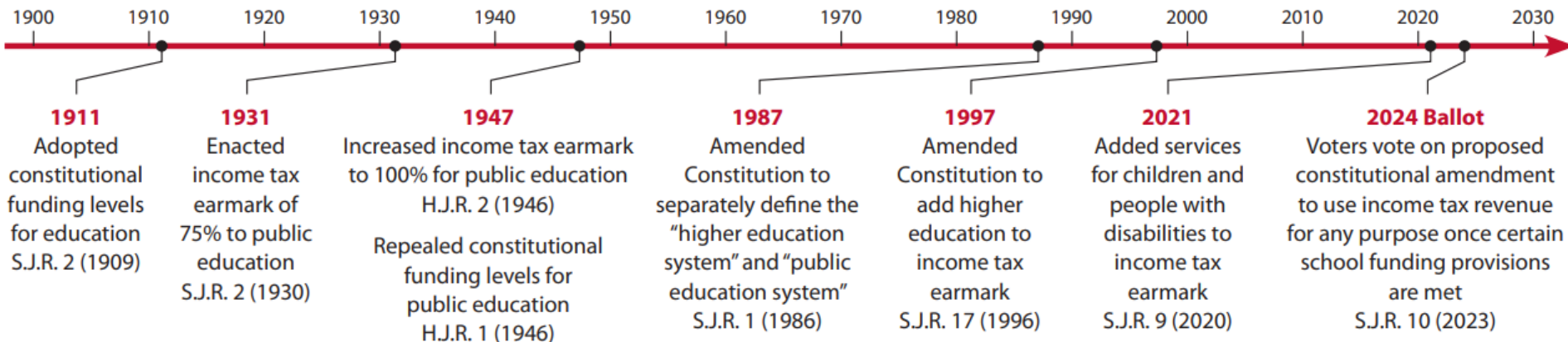
Unused Property Tax Authority per Student by School District, 2025



Source: Utah State Tax Commission and Utah State Board of Education

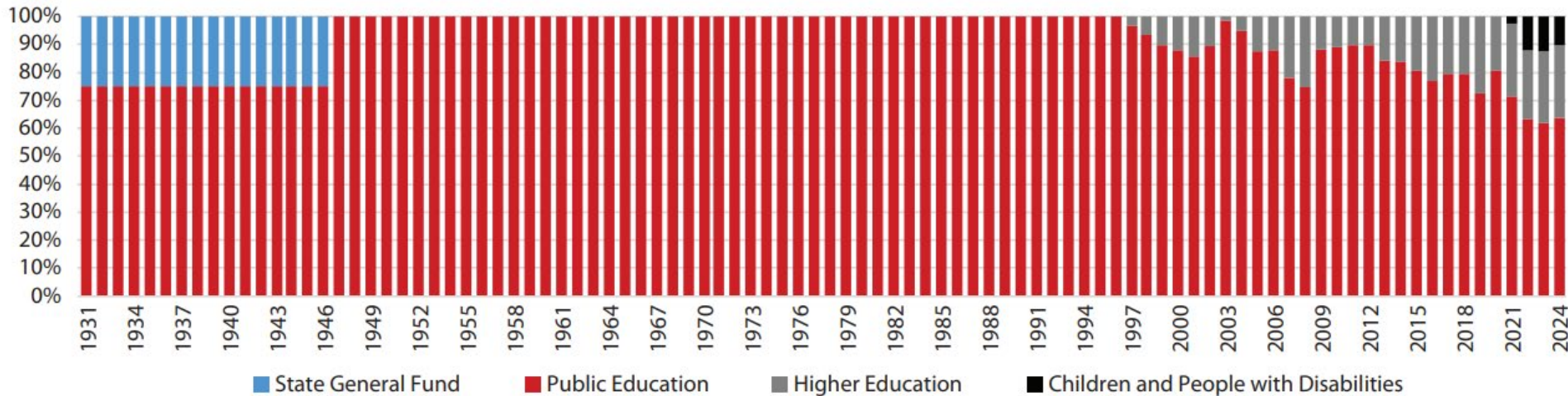
Use of the Income Tax Evolved Over Time

History of the Income Tax Earmark, 1911-present



Income Tax Uses Expanded in Recent Years

Use of Income Tax Revenue in Utah, 1931-2024



Source: Kem C. Gardner Policy Institute analysis of Utah Legislative Fiscal Analyst Office and Governor's Office of Planning and Budget Data

Questions to Consider

1. **Equity and local control** – What balance should Utah strike between equal educational opportunity statewide and local control?
2. **Tax responsibility** – How should the cost of educating students throughout Utah be shared among state and local taxpayers?
3. **Funding Expectations** – How should Utah determine the level of funding needed to meet its expectations for public schools?
4. **Budget flexibility** – How should Utah balance dedicated education funding with maintaining flexibility to address other state needs?