

Education Funding

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Issue Primer

This primer provides an overview of the funding sources that support education in the State of Utah. It focuses primarily on the different funding streams that constitute the state's contribution.

Funding Sources

Utah's total public education budget for FY2027 is approximately \$9.0 billion, funded primarily through state appropriations and local property taxes, with a smaller share from federal and other sources.

Federal

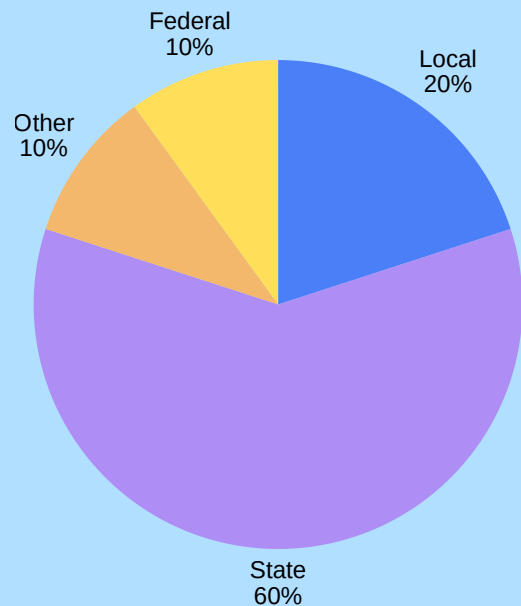
Accounts for roughly 10% of funding to K-12 and higher education. Programs such as Title I schools (low-income areas), school lunches, and special education receive the majority of federal funds.

State

The primary source of education funding. The legislature determines the budget and the education appropriations committee allocates smaller funds to targeted projects.

Local

Local school boards have authority to levy six different taxes that fund education. Each school district board must decide yearly what property taxes to levy and if an increase is needed. If a local school board wishes to collect more total dollar revenue than the previous year (excluding new construction), it must undergo a rigorous public notification and hearing process referred to as "Truth in Taxation."



Local Board Levies

Should a local district take on a project requiring large capital, such as building a new school, they can go through the process for a General Obligation Bond. There are specific requirements, and the district must receive the support of voters on an official ballot.

- Basic Rate
- Voted Local Levy
- Board Local Levy
- Capital Outlay
- Debt Service
- Judgment Recovery

Funds & Accounts

Fiduciary and general funds can be appropriated across multiple purposes, while restricted accounts are legally earmarked for a specific use and can't be redirected without a statutory or constitutional change.

Fiduciary Accounts & General Funds

- Uniform School Fund ([History](#))
- Income tax (use mandated by [Utah Constitution](#))
- Permanent School Fund
- District Contributions (surplus district funds are recaptured and distributed to other districts)

Restricted Accounts

- Public Education Economic Stabilization Account
- Local Levy Growth
- Minimum Basic Growth
- Teacher and Student Success
- Utah Fits All Scholarship Program
- Performance Funding Restricted Account (higher education only)

SITLA

The **School and Institutional Trust Lands Administration** is responsible for managing 3.4 million acres given to the state in 1896 when granted statehood.

- Unlike federal public lands, SITLA lands must be managed to maximize financial return.
- Revenue from energy leases, real estate developments, and recreational permits is deposited directly into the Permanent State School Fund.
- The principal is legally protected; annual investment dividends are distributed directly to local schools.

Funding Recipients

Utah System of Higher Education (USHE)

USHE consists of eight degree-granting universities and colleges, and eight technical colleges. This system is funded through federal funds (e.g., Pell Grants), appropriations from the state, dedicated credits (e.g., student tuition and fees), and private donations. Some state funding is performance-based, meaning the institutions must meet certain goals (e.g., graduation rates) in order to receive specific funding.

Local School Boards

Locally elected officials, similar organization to USBE. Utah has [41 local school boards](#). Boards actively oversee program implementation and monitor spending.

Utah State Board of Education (USBE)

While the Legislature passes statutes and controls appropriations, the USBE is the constitutional body responsible for allocating the funding and translating state law into practice.

The Board: Consists of 15 members elected by the public to four-year terms. Utah is one of the few states where state school board elections are partisan.

K-12 Legislative Context

The Weighted Pupil Unit (WPU)

The WPU represents the baseline dollar amount allocated per student. Adjusting the WPU weighting allows the Legislature to direct targeted funds to high-need areas (e.g., special education, at-risk students, rural mitigation) without altering basic district distribution models. **Currently at \$4,870/student for fiscal year 2026-2027.** (See [House Bill 1](#) from 2026 General Session.)

The Minimum School Program (MSP)

This is the statutory vehicle for K-12 funding. It ensures funding equity across Utah's 41 school districts and over 100 charter schools.

Sources & Further Readings

Recommended for further reading:

- Uniform School Fund sources, COBI- <https://cobi.utah.gov/fund/2400>
- 2026 budget report, page 5-1 (in pdf, pages 239-314) for higher education, page 7-1 (in pdf, pages 385-434) for public education. <https://le.utah.gov/interim/2026/pdf/00002311.pdf>
- USBE & Property Taxes- <https://schools.utah.gov/financialoperations/propertytax>
- USBE 2026 General Session Summary- https://schools.utah.gov/policy/_policy/_utahlegislaturesession/_2026/_LegislativeSummary_2026-Print1.pdf
- Formula for WPU- <https://le.utah.gov/interim/2015/pdf/00000358.pdf>
- District School Boards, USBE- <https://schools.utah.gov/schoollandtrust/districtschoolboard>

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Leishman, Ben. *Minimum School Program: Property Tax Equalization*. Office of the Legislative Fiscal Analyst, Utah Legislature, 24 Jan. 2025. utah.gov/pmn/files/1238365.pdf.

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Utah State Legislature. *WPU Formula Summary*. le.utah.gov/interim/2015/pdf.

Utah State Office of the Legislative Fiscal Analyst. Recommendation of the Appropriations Subcommittee for Public Education For the 2026 General Session. Office of the Legislative Fiscal Analyst, 18 Feb. 2026, le.utah.gov/interim/2026/.pdf.

Utah State School & Institutional Trust Beneficiaries Advocacy Office "Utah Schools Get First Look at \$134M in School LAND Trust Funding." State of Utah, landtrustsadvocacy.utah.gov/news.

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Utah Taxpayers Association. Utah School Spending Report 2026: A Guide to School Funding and Spending in Utah. May 2026, utahtaxpayers.org/wp-content/uploads/2026/04/2026-School-Spending-FINAL.pdf.