**FISCAL EFFORT**

**Fiscal effort** is a measure of how much states devote to their schools as a share of their economic capacity (i.e., ability to raise revenue). Effort is calculated by dividing direct state and local K-12 expenditures in each state by its gross state product (GSP).

- **Utah effort** 3.20 %
- **U.S. average** 3.61 %

- **UT** is a low effort state.
- In FY 2020, UT spent 3.20 percent of its economic capacity (GSP) on its K-12 public schools.
- This was 0.41 percentage points lower than the unweighted national average of 3.61 percent.
- UT’s effort level ranks #37 in the nation (out of 50).

**Equal opportunity** is the comparison of adequacy between each state’s highest- and lower-poverty districts. The graph to the right presents adequate funding gaps by district poverty quintile (the blue diamonds are U.S. averages). The difference (in pct. points) between the lowest- and highest-poverty groups is a state’s “opportunity gap.”

- **Spending in UT’s highest-poverty districts** is 3.6 percent ($389 PP) below the estimated adequate level, compared with 23.1 percent ($1,505 PP) above adequate in the state’s most affluent districts.
- This opportunity gap of -26.7 percentage points is ranked #3 in the nation (out of 48).

**Effort trend and capacity**

- UT’s 2020 effort level is 0.06 pct. points lower than it was pre-recession (2006).
- This net change in effort between 2006 and 2020 is ranked #20 in the nation.

**STATEWIDE ADEQUACY**

**Statewide adequacy** compares actual per-pupil (PP) spending in each state to district-level cost model estimates of the amount required to achieve the modest goal of U.S. average test scores. The graphs to the right indicate the percentage of students in districts where spending is below adequate and the funding gap (% above/below) in the typical student’s district. The graphs include regional and national averages.

- **Overall adequacy in UT is relatively moderate.**
- By the modest standard of U.S. average scores, 29.8 percent of UT students attend inadequately funded districts, which ranks #24 in the nation (out of 49).
- The typical UT student’s district spends 6.3 percent above adequate levels, which ranks #28 in the nation.
The data in this state profile are from the School Finance Indicators Database (SFID), a collection of public K-12 school finance and resource allocation indicators published annually by researchers from the Albert Shanker Institute, University of Miami School of Education and Human Development, and Rutgers University Graduate School of Education. The primary product of the SFID is the State Indicators Database (SID), a state-level dataset containing roughly 125 variables. This profile focuses on three types of measures included in the SID: fiscal effort, statewide adequacy, and equal opportunity. The full SID dataset, with accessible documentation of and data sources for all the measures presented in this profile, as well other SID datasets, tools, and reports, are freely available to download at schoolfinancedata.org. The following are some general notes about the profiles, followed by descriptions and notes pertaining to the three types of measures they present:

**Fiscal effort**

Fiscal effort indicates how much of a state’s total economic capacity goes toward K-12 schools. It is calculated in the SFID by dividing direct state and local K-12 expenditures by either Gross State Product (GSP) or aggregate state personal income. Both of these are measures of a state’s economic capacity. In this sense, effort measures how much each state contributes as a percentage of how much it might contribute. The former denominator (GSP) is used in these profiles, but the two are highly correlated, and the income-based effort indicator is available in the SID. Bear in mind that high-capacity states with larger economies, such as New York and California, can put forth lower effort than lower capacity states, such as Mississippi and Alabama, but it is often the case that similarly sized states put forth the same (or similar) effort. This is driven by two factors: 1) the relationship between low/inadequate funding states that do and don’t have the capacity to increase revenue; and 2) the adequacy gap (percentage difference between actual and estimated adequate spending) for the typical student in each state (difference between actual and required spending). Adequacy is typically defined as the extent to which the amount of funding for schools is sufficient for students to reach a minimum/acceptable level of educational outcomes. Our adequacy estimates compare each district's actual spending levels to estimates from cost models of how much that district would have to spend in order to achieve national average test scores (i.e., “required” or “adequate” spending). We express statewide adequacy in terms of either: 1) the proportion of students in each state in districts with actual funding below estimated adequate levels; and 2) the adequacy gap (percentage difference between actual and estimated adequate spending) for the typical student in each state. All these estimates are from the National Education Cost Model (NECM), which is part of the SFID. The NECM calculates required spending based on the relationship between outcomes and cost factors such as regional wage, variation, district size, and student characteristics. Note that this model and the data it uses are necessarily imperfect, and estimates should be viewed with appropriate caution. For more information about the NECM, see the SID user’s guide. Some of the estimates presented in this section of the profile can be calculated using SID variables, whereas others (e.g., the district-by-district estimates in the right panel) require the use of the SFID’s Cost Database (CDB); many not but all SID adequacy measures (all of which have variable name beginning with necm_) are aggregations of DCD estimates. The full DCD dataset (going back to 2009) is also publicly available at the SFID website (2020 estimates will be released in early 2023). Statewide adequacy estimates shown in this profile may be inflated due to data irregularities. Estimates for D.C. apply to a single school district. For each state/year combination in which 2016 effort exceeded the state’s 2006 effort level, the hypothetical additional funding is calculated as the hypothetical additional funding estimates do not include years in which 2016-20 funding would have been lower under state’s 2006 effort levels.

**Statewide adequacy**

Adequacy is typically defined as the extent to which the amount of funding for schools is sufficient for students to reach a minimum/acceptable level of educational outcomes. Our adequacy estimates compare each district's actual spending levels to estimates from cost models of how much that district would have to spend in order to achieve national average test scores (i.e., “required” or “adequate” spending). We express statewide adequacy in terms of either: 1) the proportion of students in each state in districts with actual funding below estimated adequate levels; and 2) the adequacy gap (percentage difference between actual and estimated adequate spending) for the typical student in each state. All these estimates are from the National Education Cost Model (NECM), which is part of the SFID. The NECM calculates required spending based on the relationship between outcomes and cost factors such as regional wage, variation, district size, and student characteristics. Note that this model and the data it uses are necessarily imperfect, and estimates should be viewed with appropriate caution. For more information about the NECM, see the SID user’s guide. Some of the estimates presented in this section of the profile can be calculated using SID variables, whereas others (e.g., the district-by-district estimates in the right panel) require the use of the SFID’s Cost Database (CDB); many not but all SID adequacy measures (all of which have variable name beginning with necm_) are aggregations of DCD estimates. The full DCD dataset (going back to 2009) is also publicly available at the SFID website (2020 estimates will be released in early 2023). Statewide adequacy estimates shown in this profile may be inflated due to data irregularities. Estimates for D.C. apply to a single school district. For each state/year combination in which 2016 effort exceeded the state’s 2006 effort level, the hypothetical additional funding is calculated as the hypothetical additional funding estimates do not include years in which 2016-20 funding would have been lower under state’s 2006 effort levels.

**Equal opportunity**

Equal educational opportunity is achieved in a given state when none of that state’s districts are substantially further above or below adequate spending levels than are other districts. In the SFID, we measure equal opportunity (EO) with the same NECM estimates used for statewide adequacy (see above), but in this case by comparing adequacy gaps (percentage difference between actual and estimated adequate spending) between the highest- and lowest-poverty districts in each state. That is, each state’s “opportunity gap” is the difference (in percentage points) between these two groups (district poverty groups are defined in terms of quintiles—e.g., the 20 percent highest-poverty districts compared with the 20 percent lowest-poverty districts in each state). Note that EO is conceptually independent of adequacy indicators (e.g., a hypothetical state in which all districts are below adequate funding levels might still exhibit EO, so long as high- and low-poverty districts are inadequate by roughly the same proportions, whereas highly unequal opportunity might exist in a state in which funding is universally adequate, if high-poverty districts are more adequately funded than low-poverty districts. EO estimates are not available for Vermont and Hawaii (adequacy estimates not available), and cannot be calculated for D.C. (single government-run district state).

**General**