



# NEWS RELEASE

## Utah State Board of Education

250 EAST 500 SOUTH P.O. BOX 411200 SALT LAKE CITY, UT 84114-4200  
[www.schools.utah.gov](http://www.schools.utah.gov)

October 7, 2016

### FOR IMMEDIATE RELEASE

Contact: Emilie Wheeler, public information officer  
801-707-8421 · [emilie.wheeler@schools.utah.gov](mailto:emilie.wheeler@schools.utah.gov)

## State Board Endorses Ballot Measure That Would Better Fund Schools

The Utah State Board of Education voted Friday to support Utah Constitutional Amendment B, a ballot measure that if approved by voters in November would increase and stabilize the distribution from the permanent State School Fund through the School LAND Trust program.

Amendment B allows fund earnings, as defined by statute, to be distributed, instead of solely the current interest and dividends. If approved, it would limit the annual distribution to 4 percent of the market value of the fund, to provide for “intergenerational equity” – balancing the needs of any given school year’s beneficiaries with those of all subsequent years.

Currently, only interest and dividends from the permanent State School Fund are distributed to each public school in Utah to be spent on the school’s greatest academic needs, as determined by a School Community Council. The funds must be used for direct instruction of students.

The distribution has increased from \$4.95 million in 2000 to \$49.3 million this year. The permanent State School Fund has grown to \$2 billion. While the fund growth is impressive, passage of Amendment B could lead to higher and less volatile distributions. Last year’s fund distribution was 2.29 percent.

“As state policymakers, we are responsible for providing a fair fund distribution for both current and future students,” said State Board First Vice Chair David Thomas. “This amendment safeguards the

distribution by including a rolling three-year average of fund growth to ensure it doesn't respond too quickly to market volatility.”

The recent establishment of a School and Institutional Trust Fund Office (SITFO) with a dedicated Chief Investment Officer and Board of Trustees allows the fund to be managed according to endowment fund best practices. The Board of Trustees recommends this amendment as a best practice to continue the pattern of fund growth while increasing and stabilizing the distribution to schools.

Amendment B stems from a Senate joint resolution and bill sponsored by Sen. Ann Millner and Rep. Mel Brown during the 2016 legislative session. [SJR12](#) amends the state Constitution, and [SB109](#) details the formula to be used for the distribution. Both passed with overwhelming bipartisan support.

[www.schoolboard.utah.gov](http://www.schoolboard.utah.gov)