Office of the State Auditor Releases Analysis
The Cost of Yesterday’s Pension Promises to Public Education

Salt Lake City, UTAH –
The Office of the State Auditor (Office) today released its analysis The Cost of Yesterday’s Pension Promises to Public Education. This analysis identifies that nearly $204 million is being diverted to fund past pension promises, that were not adequately funded when those promises vested, away from current public educational activities. This represents 3.7% of Utah’s $5.5 billion total public education expenditures in fiscal year 2015.

If yesterday’s taxpayers had fully funded the pension obligations, and today’s taxpayers were not required to pay for the unfunded liability, that money could instead be reallocated to any one of the following:

- Reduce education expenses by 3.7%,
- Increase the Weighted Pupil Unit (WPU) by almost 7.5%,
- Increase teacher pay by approximately 14%,
- Raise public education employee wages by approximately 8.5%,
- Double the number of teacher aides and paraprofessionals inside classrooms, or
- Operate an additional 40 elementary schools or several hundred new classrooms.

State Auditor John Dougall cautions, “This is just one example among many of the painful consequences of the temptation of previous generations to mortgage their children’s future by spending money they did not have. Today’s policymakers should continue to make sure that today’s expenses are properly paid, past underfunding is fixed in a timely manner, and that promises are not made that would have to be paid for by our children and grandchildren.”


About the Office of the State Auditor
The Office of the State Auditor provides Utah taxpayers and government officials with an independent assessment of financial operation, statutory compliance, and performance management for state and local government.

Specific activities of the Office include performing financial audits, conducting Federal funds compliance audits, providing local government oversight, conducting agency and program
performance audits, performing fraud and compliance audits, and operating the State Auditor Hotline for citizens to report suspected financial issues or improprieties. These capabilities strengthen Utah State Government and help taxpayers have confidence in the integrity of Utah’s government agencies.

The State Auditor is a Constitutional Officer of the State of Utah, elected directly by the state’s citizens every four years. The role of the State Auditor is authorized in Article VII, Section 15 of the Utah Constitution. For more information, see auditor.utah.gov.

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