

# BUDGET OVERVIEW

## Goal: Maintain Utah's quality of life by proactively managing growth

Utah's population is expected to double by about 2070. The state needs to proactively address growth-related challenges while maintaining and improving Utah's already enviable quality of life and economic opportunities for all Utahns. The Governor's budget focuses on foundational economic development drivers such as those listed below.

### KEY AREAS OF FOCUS IN FY 2020



Quality of Life in Thriving Communities



Qualified Workforce



Tax Modernization



Water & Clean Air



Effective & Efficient Government

## QUALITY OF LIFE IN THRIVING COMMUNITIES

Utah is growing rapidly, but limited undeveloped land remains on the Wasatch Front. Much of the growth should be absorbed through market-driven infill and mixed-use redevelopment coordinated with high-capacity transportation.

### Open Space & Efficient Land Use

MORE THAN  
**\$30 Million**

to fund efforts, together with local matching funds, that integrate and preserve open space as part of mixed-used plans, including funding for redeveloping under-used spaces, large community parks, and open space within developments



Allow a portion of the Transportation Investment Fund to be used for active transportation pathways

**\$20 Million**

to pursue creating Utah's first state forest at Tabby Mountain (Duchesne County), ensuring recreation access for hiking, camping, and hunting

### Community-focused Growth

**\$6 Million**

to the arts community through a merit-based process



Enhance transit system and make targeted system expansions

**\$17 Million**

for affordable housing

## QUALIFIED WORKFORCE

### K-12 Education - \$445 Million Total New State-directed Funding (\$293 Million Ongoing, \$152 Million One-time)

Budget meets

**\$1 BILLION**

K-12 funding target a full year ahead of schedule (30% increase over 4 years)

**\$15 Million**

WPU add-on for children at risk of academic failure

**\$1 Billion**

in unused local property tax

**\$104 Million**

for upgrading school facilities

**\$32 Million**

for school counseling

**\$30 Million**

Teacher bonuses

**4%**

Weighted Pupil Unit (WPU) Increase



**AMBITIOUS TARGET**

Offer at least three unique computer science classes in every middle school in Utah

**\$84 Million**

(\$19 million new, \$65 million existing)

for flexible funds to address priority needs, including counseling and mental health

### Higher Education - Targeted Investments in Areas That Demonstrate Measurable Impact

IMPROVING EFFICIENCY & GETTING RESULTS



Ensure affordability for students and taxpayers



Increase student completion rates



Decrease the time to completion

### Targeted Investments

\$50 million scholarship endowment

\$19 million for equipment and technology

\$6.2 million for three-year bachelor's degree

\$6 million to post-secondary advisory corps counseling

Targeted investments together with compensation increases total \$69 million ongoing, meeting the \$275 million 4-year target a full year ahead of schedule

# TAX MODERNIZATION

The current state and local sales tax setup is not conducive to Utah's long-term prosperity. Middle- and low-income residents pay a higher percentage of their incomes in state and local sales taxes than high-income households, and the sales tax base is eroding. The Governor recommends modernizing the sales tax while reducing the tax burden on Utah families.

### Problem

**70%**  
IN THE 1980s

↓

**40%**  
IN THE 2010s

until the state loses the flexibility to balance sales tax and income tax

**2-5**  
YEARS  
(given recent trends)

### Solution

- Broaden the sales tax base
- Lower the rate
- Accomplish critical goals while reducing the overall tax burden on Utah families

### Strategy

Allocate \$200 million (30%) of new revenue growth to reduce taxes overall in conjunction with expansion of the sales tax base

## WATER & CLEAN AIR

**\$100 Million** to improve air quality

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Emphasize user fees over taxes for water by shifting sales tax earmarks to a water-user fee

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**NEARLY \$50 Million** to optimize the use of existing water by adopting modern water technology, such as smart meters, at schools homes, businesses, farms, and state facilities

## EFFECTIVE & EFFICIENT GOVERNMENT

↓ Fewer state employees today than in 2002, even with over 800,000 more Utahns

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Expand the SUCCESS Framework to areas such as outcome-based procurement, building utilization, and improving outcomes and costs in Medicaid

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Optimize the state's existing investments in buildings—put new building construction for the state and higher education on hold until a robust building utilization study is integrated into the building evaluation process

## GENERAL

**\$19 Billion**  
Total Budget

**\$7.9 Billion**  
Education Fund  
General Fund  
Budget Total

New Money  
**\$675 Million**  
Education Fund  
General Fund  
(Ongoing)

New Money  
**\$646 Million**  
Education Fund  
General Fund  
(One-time)

Rainy Day  
Fund Balance:  
**10.6 %**  
of EF/GF  
Budget

One of only 13 states to maintain a **AAA bond rating**

**Managing the Business Cycle**  
\$750 Million in Structural Budget Surplus and "Working Rainy Day Funds"