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Issues to Watch: 2007 Utah Legislature
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The Center for Public Policy and Administration’s “Issues to Watch” reports on several key areas of legislation for the 2007 General Session. Lawmakers have a $1.6 billion surplus to spend this session due to high revenues. Debate on how to spend this money will likely be centered primarily around increasing spending on education and cutting taxes. Other important issues, including transportation and health care, will also be at the center of legislative debate.

Public Education
Governor Huntsman’s 2008 Budget Recommendations placed education at the top of his priority list. His request of $3.45 billion for public education is the largest single dollar increase for education in Utah’s history. This includes $3.4 billion in the operating budget and $50 million in the capital budget. It also includes $453.5 million in new state money. Several issues will likely be at the center of the debate including teacher compensation, class size reduction, optional extended-day kindergarten, and charter schools.

Teacher Compensation: A recent study by the Utah System of Higher Education (2006) found that teacher demand is critically outstripping the supply of new teachers in Utah. Last school year, there was a shortage of 1,400 teachers due to growing student population, fewer teachers entering the profession, and attrition rates. To ensure a sufficient supply of teachers and retention of those in the profession, the Legislature may consider modifying teacher compensation. One teacher compensation plan is the ProExcel program; it includes performance-based pay for teachers, similar to the system used in Denver. Another proposal calls for differential pay - increasing the pay of teachers in subject areas where there are teacher shortages.

Class Size Reduction: Class size reduction will certainly be talked about on the hill this year. Several bills have been filed on this topic, including HB 94 which modifies the minimum school program by increasing the appropriation for class size reduction. The appropriation amounts are $2,047,219,545 from the Uniform School Fund; and $15,000,000 from the Interest and Dividends Account.

Full-Day Kindergarten: SB 49 establishes a program through which school districts and charter schools may provide voluntary extended-day kindergarten. It requests ongoing appropriations of $7,500,000 from the Uniform School Fund for fiscal year 2007-08 to the State Board of Education.

Transportation
According to the Salt Lake Chamber, motorist delays will more than double in the next 25 years and that Utah’s unmet highway capacity needs tally $16.5 billion over the next 30 years. Utah’s road and transit needs are also around $7.1 billion over the next 30 years. Governor Huntsman has recommended a $1.2 billion budget for transportation in FY2008. While some other states have increased fuel taxes and sales taxes to address their transportation needs, a recent Dan Jones and Associates poll found that only 41% of Utahns would support an increase of the state gas tax to help fund state highway construction and maintenance, with 55% saying they would not support tax increases (Warburton 2006). Watch for Rep. Lockhart’s bill “Amendments to Dedicated Sales and Use Tax Revenue for Transportation” (currently in process) and HB 98, “County Option Sales and Use Tax for Highways, Fixed Guideways, or Systems of Public Transit Amendments.”
Minimum Wage
Last year, 12 states voted to increase the minimum wage. Currently 29 states and the District of Columbia have minimum wage above the federal standard of $5.15. Utah State Senator Ed Mayne is sponsoring SB 34 which would increase Utah’s minimum wage from $5.15 an hour to $7 an hour. However, the new Democratically controlled Congress may act sooner. On January 10, the U.S. House voted (315-116) to increase the federal minimum wage to $7.25 an hour. The increase would occur in three steps over the next 26 months. The rate would increase to $5.85 an hour 60 days after signed into law by the president, to $6.55 a year later and to $7.25 a year after that. The measure now awaits action in the U.S. Senate.

Health Care
Universal Health Insurance Coverage is one of the issues to watch across the country this year. Following the passage of Massachusetts’ sweeping health care reform package, several states are examining how in provide insurance coverage in their states. Although there is not a comprehensive plan proposed in Utah this year, several pieces of legislation are worth noting. Governor Huntsman has recommended $4.2 million for the Children’s Health Insurance Plan (CHIP) to ensure access to care for Utah’s uninsured kids. He also recommended $350,000 for the creation of the “Insurance Connector” to help individuals obtain insurance at a reasonable price. Funding of Medicaid vision and dental coverage will also be addressed this session.

Tax Cuts
With a $1.6 billion surplus, House and Senate Republicans are looking at reducing taxes this year. House Republicans have called for a $300 million tax cut; Gov. Huntsman has called for a $100 million reduction in personal income taxes (Roche and Bernick 2006). While some legislators have voiced support for a reduction in property taxes, more than likely debate will be centered on reducing other taxes, such as the elimination of sales tax on food.

References:


Utah State Legislature (www.le.state.ut.us)
