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Issues to Watch
2008 Utah Legislature
by Jennifer Robinson, MPA and Tricia Jack, MPA, CPPA Research Associates

The Center for Public Policy and Administration’s “Issues to Watch” reports on key areas of legislation for the 2008 General Session of the Utah Legislature. The three issues we highlight this year are Health Care Insurance Reform, Education, and Taxes.

Health Insurance Reform

With current estimates of 300,000-400,000 people in Utah not having health insurance (one in seven)[1], and costs increasing rapidly, healthcare is a big issue. It comprises 16% of the economy[2] and it is something that everyone wants to change. The current system can be seen as unfair because premiums for those who are insured are approximately 17% higher to cover people who are not insured.[3] Over the last ten years, the annual cost of family health insurance in Utah has doubled from $5,600 to $11,500 while annual pay increases have not kept pace with this increase.[4]

In the past year, the United Way Financial Stability Council worked with a range of organizations and policymakers to develop various proposals to improve healthcare. The Legislature will consider proposals to develop a comprehensive reform package, or components of a reform package, that increases access to healthcare, controls costs, and focuses on prevention and wellness. The aim of these reforms is to make health insurance more affordable and portable.

The legislation to be discussed in this year’s general session is likely to create a framework for change, with subsequent years’ sessions building on the framework. In 2007, House Bill 9 (Health Care Cost and Quality Data) was passed but never received funding and this is likely to emerge this year. Rep. Menlove will introduce House Bill 47 which provides for a standard for electronic exchange of clinical information, with the aim of reducing errors, increasing efficiency and lowering costs. Additionally, Rep. Clark is sponsoring House Bill 133 (Health System Reform) which amends the Health Code and the Insurance Code and directs the Governor's Office of Economic Development to coordinate with relevant organizations to implement a strategic plan for health system reform. For updates, visit http://le.utah.gov/asp/billsintro/index.asp?year=2008GS

Education

There are multiple public education issues that will be given extensive attention this session: class size reduction, teacher shortages, teacher pay, math education, and equalization of school buildings.

Class Size Reduction, Teacher Shortages, and Teacher Pay

There is an expected enrollment growth of 12,880 new students in the fall 2008. This is an increase of 2.4 percent over fall 2007.[5] The growth leads to additional problems with class sizes and teacher shortages. To address this, Governor Jon M. Huntsman, Jr. recommended a $5.0 billion education budget that includes $171.3 million in ongoing funding from the Uniform School Fund to retain and attract quality teachers and to raise teacher’s salaries closer to the national average.

Several bills have been introduced to increase the number of teachers in Utah’s public schools, including House Bill 85 (Teacher Loan Program), House Bill 66 (The Paraeducator to Teacher
Scholarship Program), and House Bill 68 (Educator Relicensure Initiative). The Legislature may also consider initiatives to increase teacher compensation.[6] This may include another $2,500 raise and possibly another bonus.[7] Other bills that have been introduced to address teacher compensation include House Bill 81 (Task Force to Study Performance Incentives for Teachers), House Bill 84 (Compensation of Educators with National Board Certification), and Senate Bill 35 (Differentiated Pay for Teachers). Additional bills concerning teacher compensation and shortages may be introduced (for updates visit [8] Senate Bill 39, creates a Mathematics, Science, and Technology Education Task Force. The task force will study issues relating to mathematics education, including mathematics standards, the state's mathematics core curriculum, and articulation of mathematics education between public education and higher education. It also requires the task force, as time permits, to study issues relating to science and technology education.

School Building Equalization
Public school buildings are primarily paid with revenue generated by property taxes. “Since property tax wealth and population growth vary considerably across Utah’s school districts, the property tax burden attributed to school buildings also varies considerably. The Legislature is expected to consider proposals to pay for school buildings.”[9] Senate Bill 48 increases the property tax rate a school district may impose to receive a distribution from the Capital Outlay Foundation Program from .0024 per dollar of taxable value to .0030 per dollar of taxable value; appropriates $52,858,000 to the State Board of Education to be distributed in accordance with the Capital Outlay Foundation Program; and makes technical changes. Other bill requests are currently in process, and have not yet been introduced by the deadline for this article (see http://le.utah.gov/asp/billsintro/index.asp?year=2008GS for updates).

Taxes

Property tax – reform and reduction
There will be multiple bills to address property taxes this session including property tax relief for the poor and elderly; limiting property tax authority of certain local government entities; improving tax certainty for taxpayers; and assessment methods to stabilize the determination of fair market value of property.[10] Due to the large assessment increases in 2007, in some cases a 100 percent increase in property taxes, there is a strong push to change the property tax system.[11] One bill, already introduced, is House Bill 54, which requires a county assessor of a first, second, or third class county to use a computer-assisted mass appraisal system to conduct its annual update of property values; requires a county assessor to maintain a record of the last appraisal date for each parcel of real property located within the county assessor's county on the county's computer system; requires a county assessor to prepare a five-year plan to comply with the statutory appraisal requirements; requires a county assessor to include the last appraisal date for a parcel of property on the property owner's tax notice. There is also a bill that would amend Utah's Truth in Taxation Law. Senate Bill 29 would amend certain exemptions from property tax advertisement and hearing requirements. It requires a school district to include a statement in its proposition submitted to its voters voting on the imposition or modification of a voted leeway program under certain circumstances. The bill also requires a taxing entity to submit certain property tax levies to a vote of the people prior to imposing those tax levies. Finally, it provides procedures and requirements for imposing certain tax rates in excess of a taxing entity's certified tax rate.

References


