



Kate Bradshaw

Director of Government Affairs
801.799.5711
Salt Lake City
kabradshaw@hollandhart.com



Billy Hesterman

Government Affairs Specialist
801.799.5709
Salt Lake City
WSHesterman@hollandhart.com

Utah Legislative Update: January 2020

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Traditionally in Utah, the Governor presents a budget and policy objectives to the Legislature in early December. However, due to a December 2019 Special Session in which a significant tax reform bill was passed, Governor Gary Herbert delayed his budget and policy presentation to January. He introduced twin themes of calling for more dollars to be put towards Utah's education system and making a greater investment in clean air efforts.

The overall \$20 billion state budget calls for Utah to spend \$4.9 billion on K-12 public education, \$1.6 billion on higher education, \$1.8 billion on the state's transportation system, \$1.2 billion on Medicaid and social services, and \$900 million on public safety needs.

Governor Herbert set aside \$100 million for the state to promote clean air programs. He also called for \$34 million of that \$100 million to be used for the state's public transit budget to increase public transportation frequency and routes in highly populated areas. The other \$66 million would be used to continue to build electric vehicle infrastructure to increase the utility of electric cars for long distance travel and other uses throughout the state.

As far as new money for Utah's education system, the governor's budget includes \$292 million in new/ongoing funding for teachers and students. That money would include raising the per pupil spending figure, known as the WPU, by 4.5 percent in the upcoming year and fully funding growth in student population to Utah's education system for the upcoming school year.

Due to the recent tax reform changes passed by the legislature in December 2019, budget surpluses are smaller than they have been in years past. According to the governor's proposal, there is \$375 million in ongoing new money to the state in both the education and general funds. For one-time funds, there is another \$149 million in the education and general funds. That means state programs may receive additional funding this year in the budgeting process or that new state programs may be created with the new money without the state needing to increase taxes. Utah's education fund is funded solely by Utah's income tax collections. The general fund is mostly funded through state sales tax collections.

The governor's budget will be given full consideration by the legislature but ultimately is only the starting point for negotiations between the governor and state lawmakers to craft the final budget. The governor's budget sends a message to lawmakers about what he would like to see take place as the legislators craft the final budget, but they are not bound in any way by what he presents.

It can be expected that the final state budget will be adopted on the last week of the 2020 legislative session in March. The new budget year for the state will begin July 1, 2020.

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