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Written by: Matthew Weinstein



# BROAD COALITION CALLS FOR INVESTMENT IN UTAH'S FUTURE RATHER THAN TAX CUTS, DOCUMENTS \$5.6 BILLION IN URGENT UNMET NEEDS

Salt Lake City – On Monday, January 23, 2023 at the Utah State Capitol, a broad and diverse coalition of advocates for the poor, for disabled Utahns, for education, health care, clean air, the Great Salt Lake, transportation investment, and a variety of other popular Utah priorities held a press conference calling on the Utah Legislature to prioritize addressing Utah's long and growing list of unmet needs over permanent tax cuts that undermine our long-term capacity to invest in Utah's future.

Utah's strong economy and rapid recovery from the pandemic, combined with the ongoing impact of federal spending, have generated unexpected state revenues amounting to a reported \$3.3 billion available for FY2024. These revenues put Utah in a position to address chronic revenue shortages that have plagued numerous areas of state responsibility. Instead, state leaders have proposed roughly half a billion dollars in permanent tax cuts, tilted unfairly toward the high end of the income scale, as well as additional hundreds of billions in one-time tax breaks.

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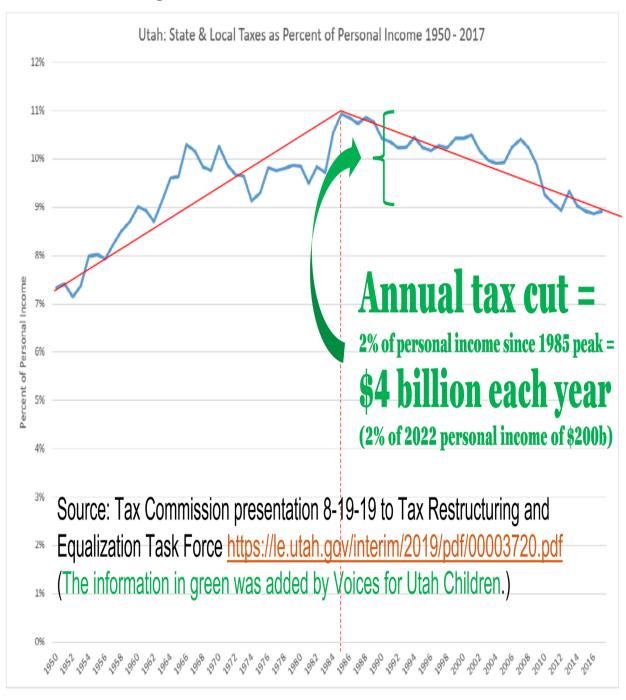
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These new proposed permanent tax cuts would be over and above the roughly \$4 billion that the Legislature has already cut from annual revenues in recent decades, leaving Utah's taxes at their lowest level in half a century, relative to incomes.

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# The History of Utah's Overall Level of Taxation



Source: Utah State Tax Commissioner Larry Walters

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In response, today the Invest in Utah's Future coalition presented a list of urgent unmet needs amounting to \$5.6 billion, over \$2 billion more than the amount of the "surplus" revenues.

The advocates also pointed out that, according to data from the <a href="Utah State Tax">Utah State Tax</a>
<a href="Commission">Commission</a> and the <a href="Utah Foundation">Utah Foundation</a>, taxes in Utah are the lowest that they have been in decades, following repeated rounds of tax cutting. "Of course we all like paying lower taxes, but at a certain point we have to ask ourselves: Is it possible to have too much of a good thing? Are we, as the current generation of Utahns, meeting our responsibility, as earlier generations did, to set aside sufficient resources every year to invest in our children, in our future, in the foundations of the next generation's prosperity and quality of life?" said Matthew Weinstein of Voices for Utah Children.

Speakers also referenced <u>public opinion surveys</u> by the Deseret News and Hinckley Institute that found that only 25% of Utahns support tax cutting over investing in Utah's future, consistent with <u>other polls</u> done in recent years by the same organizations as well as by <u>Envision Utah</u> and the <u>Utah Foundation</u>.

Here is the list of urgent unmet needs that Utah has not been able to address due to the state's chronic revenue shortages:

Budget Area	Amount	Details	Contacts
K-12: Reduce class	\$1.1 billion (\$612m		Utah Education
sizes from 29 to 15	K-6 only)		Association Director
		Reduce class	of Policy and
		sizes/improve	Research Jay Blain
		student/teacher ratio	<u>Jay.Blain@myuea.or</u>
		below the current	g
		Utah average of 29	
		(vs national average	
		of 24) to optimum	
		class size of 15.	
K-12:	\$312 million		Utah Education
Paraeducators			Association Director
		Expand	of Policy and
		paraeducators to all	Research Jay Blain

	Utah elementary	<u>Jay.Blain@myuea.or</u>
	classrooms.	<u>g</u>
\$130 million	Increase school	Utah Education
	counselors per	Association Director
	student to the	of Policy and
	national standard	Research Jay Blain
	1 ·	<u>Jay.Blain@myuea.or</u>
		g
	· · · · · · · · · · · · · · · · · · ·	
	<u> </u>	
\$285 million		Utah Education
		Association Director
	r -	_
	· · · · · · · · · · · · · · · · · · ·	Research Jay Blain
	ed teachers.	Jay.Blain@myuea.or
		g
	· ·	
	ratios are:	
	School	
	psychologists: Now	
	, ,	
	1:500	
	Social workers: Now	
	·	
	1.250	
	Special ed teachers:	
	Now 1:35/Optimal	
	1:25	
\$500-600 million	Envision	
	Utah <u>estimates</u> that	
	we need to invest an	
	additional \$500-600	
	million each year just	
	\$285 million	counselors per student to the national standard optimum of 1:250. Utah's current ratio is 1:648, compared to the national average of 1:455.  \$285 million  Increase student access to school psychologists, social workers and special ed teachers.  Current and optimal ratios are:  School psychologists: Now 1:1950/Optimal 1:500  Social workers: Now 1:3000/Optimal 1:250  Special ed teachers: Now 1:35/Optimal 1:25  \$500-600 million  Envision  Utah estimates that we need to invest an

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		to reduce teacher	
		turnover, where we	
		rank among the	
		worst in the	
		nation. Our leaders'	
		unwillingness to	
		solve our education	
		underinvestment	
		problem is why the	
		majority-minority	
		gaps in Utah's high	
		school graduation	
		rates are worse than	
		nationally and our	
		younger generation	
		of adults (age 25-34)	
		have fallen behind	
		their counterparts	
		nationally for	
		educational	
		attainment at the	
		college level	
		(BA/BS+).	
K-12 School Nurses	\$78.5 million	The Utah Dept of	Dr. William
		Health annual report	Cosgrove, Past-
		"Nursing Services in	President, American
		Utah Public Schools	Academy of
		2021-22" found that	
		it would cost \$78.5m	wecosgrove@yahoo.
		to hire an additional	<u>com</u>
		785 nurses so as to	
		have one nurse in	
		every public school	
		building. There are	
		currently only 261	
		nurse FTEs in	
		Utah's public	
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		schools, a ratio of 1	
		nurse for every	
		2,583 students. One	
		nurse in every	
		building would	
		improve that ratio to	
		1:644, which would	
		still be worse than	
		the national average.	
		https://heal.health.ut	
		ah.gov/wp-content/u	
		ploads/2022/08/2022	
		-Nursing-services-in-	
		Utah-Public-schools-	
		8-22-22-ADA.pdf	
Full Day	\$70 million	Gov. Cox is	Voices for Utah
Kindergarten		proposing \$70	Children Anna
		million in the FY24	Thomas
		budget to make full-	Anna@UtahChildren
		day Kindergarten	<u>.org</u>
		available to all Utah	
		families who would	
		choose to opt in to it.	
Child Care	\$236 million	\$236 million is	Jenna Williams
		needed to continue	Jenna@UtahChildre
		stabilizing the child	n.org
		care industry as	
		federal funds are	
		depleted. This	
		funding will allow for	
		the continuation of	
		child care	
		stabilization grants,	
		retention incentives	
		for early childhood	
		professionals, the	
		coverage of licensing	-
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	iew weinstein	
		related fees in order
		to lessen the barriers
		to expanding,
		maintaining, and
		opening new child
		care programs, and
		regional child care
		outreach grants for
		rural and urban child
		care deserts.
		Source:
		www.utahcareforkids
		.org/get-involved/202
		3-legislation
Pre-K and Child	\$1 billion	Well over \$1 billion is
Care	ψ · · · · · · · · · · · · · · · · · · ·	one <u>estimate</u> for a
		much needed
		comprehensive
		system of early
		childhood care and
		education (pre-k) in
		Utah.
Afterschool	\$3.6 million	Utah's 303 Utah Afterschool
Programs		afterschool programsNetwork Director
		serve 43,000 kids Ben Trentelman
		but still leave 99,000 BenT@UtahAftersch
		unsupervised every <u>ool.org</u>
		day after
		school. During the
		2021 "21st Century
		Community Learning
		Center" grant
		competition in Utah,
		\$1,062,816 was
		available and there
		was \$4.6 million in
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		requests, indicating a \$3.6 million funding gap.	
Health Insurance: Children: Cover All Kids	\$5 million	It would cost Utah about \$5 million to remove barriers to health insurance coverage so that all Utah kids can access health insurance. Utah currently ranks last in the nation for covering the one-insix Utah kids who are Latinx and in the bottom 5 states for all children. Source: Voices for Utah Children and www.100percentkids health	Voices for Utah Children Ciriac Alvarez Valle Ciriac@UtahChildren .org
Health Insurance:	\$10 million	HB 84 would cost \$3m to extend post-	Voices for Utah Children Ciriac
New parents		partum Medicaid coverage for new parents from the current 60 days to one year.  HB 85 would cost \$7m to extend Medicaid coverage to pregnant women with household incomes up to 200% of poverty level.	Alvarez Valle <u>Ciriac@UtahChildren</u> .org

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Mental Health &	Uncertain	Utah ranks last in the	
Substance Use		nation for mental	
Disorder Treatment		health treatment	
		access, according to	
		a <u>2019 report</u> from	
		the Gardner Policy	
		Institute.	
		A 2020 report from	
		the Legislative	
		Auditor General	
		found that Utah's	
		Justice	
		Reinvestment	
		Initiative had failed to	
		achieve its goal to	
		reduce recidivism	
		and actually saw	
		recidivism rise in	
		part because "both	
		the availability and	
		the quality of the	
		drug addiction and	
		mental health	
		treatment are still	
		inadequate." (pg 51)	

Amounts not determined to address large gaps in workforce capacity, but two bills this year are:

HB 66: \$11m for additional Mobile Crisis Outreach

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		Teams and 2	
		additional Receiving	
		Centers in rural parts	
		of Utah	
		HB 248: \$5m for	
		additional Assertive	
		Community	
		Treatment Teams	
Disability Services	\$31 million	The DSPD disability	Legislative Coalition
		services waiting list	for People with
		has more than	Disabilities – Jan
		doubled in the last	Ferre
		decade from 1,825	janisferre@gmail.co
		people with	<u>m</u>
		disabilities in 2011 to	
		4,427 in 2021. The	
		FY20 \$1 million one-	
		time appropriation	
		made it possible to	
		provide services to	
		143 people from the	
		waiting list, implying	
		that it could cost \$31	
		million to eliminate	
		the waiting list	
		entirely.	
		In the 2022 session,	
		the Legislature	
		added \$6 million in	
		ongoing and \$3	
		million in one-time	
		money to shorten the	
		disabilities waiting	
		list. This year, Rep.	
		Ward is sponsoring	
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Title by inac	tnew weinstein	
		HB 242 to dedicate
		additional base
		budget funding to
		reduce the waitlist by
		200 people each
		year.
Rural Utah	\$20 million	Rural Utahns should Community Action
Economic		not feel that they Partnership of Utah
Development		need to abandon Stefanie Jones and
		their home Clint Cottam –
		communities and Clint@CAPUtah.or
		add to the growth
		pressures along the
		Wasatch Front in
		order to provide for
		their families. Rural
		economic
		development would
		benefit all Utahns
		and reduce
		disparities between
		the Wasatch Front
		and other areas of
		the state. \$20 million
		was one estimate for
		funding for economic
		development
		projects like the San
		Rafael Energy
		Research Center
		(Emery County) and
		renewable energy
		projects around
		r - T
		Beaver County, both
		serving areas where
		primary jobs such as Smithfield Foods
		<u>Diffillificia i obas</u>

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		have left recently,	
		and renewable	
		energy projects have	
		the potential to	
		stabilize county	
		economies.	
Reduce/Eliminate	Uncertain	The existing	Circles Salt Lake –
Benefits Cliffs		benefits cliffs in	Kelli Parker
		many public anti-	Kelli@CirclesSaltLak
		poverty programs –	e.org
		where public	
		assistance	
		disappears suddenly	
		rather than phasing	
		out gradually when	
		someone gets a	
		raise or takes a new,	
		higher-paying job –	
		act as an unintended	
		obstacle to the	
		efforts of low-income	
		people to work their	
		way out of poverty.	
Sexual and			Erin Jemison,
Domestic Violence			Director of Public
Victim Services	\$310 million	Our economy incurs	Policy, Utah
		steep economic	Domestic Violence
	OR	costs as a result of	Coalition (UDVC)
		sexual and domestic	EJemison@UDVC.or
	\$68 million	violence. The Center	g
		for Disease Control	
		estimates that over a	
		lifetime the costs for	
		a female survivor are	
		\$103,762 and for a	
		male survivor	
		\$23,414. These	
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		include medical	
		costs, loss of	
		employment or	
		interruption of paid	
		work, criminal justice	
		system costs, among	
		others. A coalition of	
		victim service	
		providers and state	
		agencies estimates	
		the annual funding	
		needed as \$310	
		million ongoing to	
		meet standard of	
		care for all victims of	
		domestic and sexual	
		violence OR \$68	
		million ongoing to	
		fund the most basic	
		level of services at	
		only the current level	
		of demand for	
		services.	
Housing	\$346 million per		Utah Housing
	year for 10 years		Coalition
		Among extremely	
		low-income renter	Tara Rollins
		households, 71%	TRollins@UtahHousi
		r ·	ng.org
		of their income for	
		housing, which is	
		considered a severe	
		housing burden.	
		\$346 million per year	
		of state funding over	
		the next decade will	
		make it possible to	
•	•	•	'

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		build affordable	
		housing statewide	
		for people earning	
		less than 50% AMI,	
		based on a state	
		cost share of	
		\$80,000 per unit,	
		and Utah is short	
		43,253 units.	
		For more information	
		on the current and	
		ongoing needs visit	
		https://nlihc.org/gap/	
		state/ut	
Housing for Seniors	\$67.5 million		Utah Housing
			Coalition Director
		\$37.5 million a year	Tara Rollins
		for 10 years will fund	trollins@utahhousing
		rehabilitation of 500	<u>.org</u>
		units per year at a	
		cost of \$75,000 per	
		unit. If we don't fund	
		preservation of	
		affordable housing	
		for seniors we will	
		lose valuable units.	
		 \$30 million per year	
		will make available	
		rental gap funding of	
		\$500 per month for	
		5,000 units so that	
		seniors can afford to	
		stay in their rented	
		units.	
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		https://www.utahhou	
		sing.org/preserving-s	
		enior-affordable-	
		housing-report.html	
		https://nyuds.maps.a	
		rcgis.com/apps/weba	
		ppviewer/index.html?	
		id=b8318f87401748	
		8ea9bdd51a296e59	
		ef for senior housing	
		report	
Homeless Services	\$154 million	\$100m in one-time	
		funds to produce	
		2,000 units of deeply	Coalition of Religious
		affordable housing	Communities - Bill
			Tibbitts
		\$19m ongoing for tax	bill@crossroadsurba
		credits and housing	ncenter.org
		trust fund	
		\$5m to the housing	
		trust fund to produce	
		1,000 new units of	
		affordable housing	
		over the next 10	
		years	
		\$30m one-time for	
		projects to eliminate	
		unsheltered	
		homelessness for	
		families with	
		children: The total	
		number of people	
		needing emergency	
		shelter services in	
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Utah increased by 14% in 2022. For families with children the increase was 33%. This is why, for the first time in over 20 years, families with children were turned away from the family shelter in Midvale during the months of September, October and November of last year because there were not enough beds to meet the need. \$30 million would help purchase a motel to convert into a second family shelter and purchase land that can be dedicated to produce mixed income housing developments that include permanent supportive housing for families with children headed by parents with disabling conditions that have been homeless for six or more months.

Air Quality in	\$5 million	Funding to continue	UPHE Director
Schools		the successful	Jonny Vasic -
		implementation of	ivasicuphe@gmail.c
		this year's federally-	<u>om</u>
		funded program	
		placing <u>air purifiers</u>	
		<u>in every classroom</u> in	
		Utah, which will	
		reduce the risks both	
		from COVID and	
		from Utah's air	
		pollution and is	
		expected to result in	
		improved school	
		performance, even	
		more than standard	
		interventions such as	
		reducing class size	
		by 30%, or "high	
		dose" tutoring.	
		(Source: Utah	
		Physicians for a	
		Healthy	
		Environment)	
Air Quality: Promote	\$25.5 million		Steve Erickson -
Transit			erickson.steve1@co
		The Utah Transit	mcast.net
		Authority (UTA)	
		experienced an	
		increase in ridership	
		during Free Fare	
		February in 2022.	
		Tens of thousands of	
		riders, including	
		many new to public	
		transit, enjoyed the	
		services, and stress	
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on our transportation system and environment was lessened.

Governor Cox's Budget Recommendations for FY24 includes a \$25 million, one-year bilot for statewide zero-fare transit. This pilot would include the state's three transit systems that are not currently zero-fare: Cedar Area Transportation System, SunTran, and the Utah Transit Authority. The governor also recommends \$500,000 for a zero fare transit study to analyze the impacts of the pilot.

During Free Fare February, 87% of entities that subsidize UTA fares for their users continued paying subsidies to help enable the zero fare period. The

Written by: Matthe			
		Governor's proposal	
		calls on UTA fare	
		subsidy partners to	
		continue paying	
		subsidies for their	
		users during this one	
		year pilot period to	
		cover \$13.1 million in	
		additional costs.	
		This pilot will provide	
		Utah families price	
		relief to help offset	
		the burden of	
		gasoline prices,	
		gasoline tax	
		indexing, and	
		inflation, while also	
		allowing researchers	
		to analyze factors	
		related to permanent	
		decisions about zero	
		fare transit	
Improve UTA transit	\$175.6 million	\$10.9m to match	Curtis Haring, Utah
service		UTA projections to	Transit Riders Union
		fully supplement free	curtis.haring@utru.or
		-	g
		all, UTA projected	
		\$35.9 in fare	
		revenue for 2023)	
		\$3.5 million to	
		address UTA's	
		driver shortage	
		(\$20/hr*2,080	
		hours*60 operators +	
		40% for benefits,	
		]	

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	W WCIIIStelli		
		taxes, etc.)	
		\$30,000 to match CATS (Cedar City's transit system) to fully supplement free fares for a year based on budget projections.	
		\$136,000 to match SunTran (St. George's transit system) to fully supplement free fares for a year based on budget projections.	
		\$159 million to clear UTA's debt to free UTA to expand and improve service.	
		\$2 million to fund a matching grant from the federal government to study the feasibility of a passenger rail route connecting Boise to Las Vegas via Salt	
		Lake and points in between.	
Hunger	\$1 million	It is clear that the state needs to do more in providing	Utahns Against Hunger – Gina Cornia –

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<u> </u>		le . p	<u> </u>
		funding and other	Cornia@uah.org
		resources to help	
		support local	
		community food	
		pantries.	
Utah EITC	\$57 million	Last year Utah	Voices for Utah
		became the 31st	Children – Matthew
		state with our own	Weinstein –
		Earned Income Tax	Matthew@UtahChild
		Credit, but we're one	ren.org
		of the few who make	
		it non-refundable,	
		even though over	
		85% of the value of	
		the federal EITC	
		and the key to its	
		poverty-reducing and	
		workforce-enhancing	
		power is its	
		refundability. In 2022	
		under Gov.	
		Youngkin, Virginia	
		made their state	
		EITC refundable.	
		ITEP analysis shows	
		71% goes to the	
		lowest-earning	
		quintile and nearly all	
		to the lower-income	
		half of Utahns.	
Gov. Cox's	\$54 million	Utah's Taxpayer	Drew Cooper,
proposed refundable	,	Tax Credit shields	United Today
tax credit		most low-income	Stronger Tomorrow
		workers from the	Drew@UnitedToday.
		L	<u>org</u>
		a good thing	
		because it makes	

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	\$200 million	most regressive tax. One-third of it is paid	Drew Cooper, United Today Stronger Tomorrow <u>Drew@UnitedToday.</u> org
Save the Creat Salt	\$222 million	food.	Litab Biyora Caupail
Save the Great Salt Lake	φοσο million	Gov. Cox is proposing \$133m in new resources to save the Great Salt Lake and \$200 million to help reduce water waste	Utah Rivers Council –Matt Berry <u>Matt@utahrivers.org</u>

written by: wattnew weinstell	<u> </u>
	in agriculture.
	Source:
	www.sltrib.com/news
	/2022/12/30/dear-leg
	islature-heres-2023/
Racial Equity,	Our public fiscal Comunidades
Diversity, and	policies – how we Unidas – Brianna
Inclusion as it relates	generate and Puga –
to undocumented	expend public <u>Brianna@CUUtah.or</u>
Utahns	investment dollars – g
	have a direct impact
	on whether we are
	widening or
	narrowing the gaps
	between different
	groups in Utah. The
	Utah Compact on
	Racial Equity,
	Diversity, and
	Inclusion must be
	more than just words
	on a page.
	slchamber.com/publi
	c-policy/utah-
	compact In
	particular, Utah is
	home to 95,000
	undocumented men,
	women, and
	children. They work
	hard and pay taxes
	and need and
	deserve access to
	the same public
	services as every
	other Utahn.
The economic case	Tax cuts are usually Univ. of Utah

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against tax cuts enacted to provide Economics Prof. additional stimulus to Thomas Maloney the economy. Given PhD maloney@economic our very low s.utah.edu unemployment rate, along with ongoing inflationary pressures, now is not really the right time for new leconomic stimulus. The future is luncertain – some economists expect we may face a recession in the coming year, though there's a wide variety of opinions about the likely timing and severity of such a possible event. Additional tax cuts right now won't do much to affect that. However, investing now in the many unmet needs we face, particularly in the areas of water and climate. education, childcare, and the many other needs listed here this morning, will put us in a better position to thrive

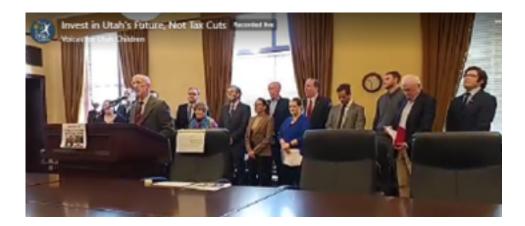
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	whatever the coming years bring us in terms of economic conditions.
TOTAL	\$5.6 billion – over \$2b more than the amount of "surplus" revenue for FY2024

The press conference was broadcast live on

Facebook: https://fb.watch/ieyT 0Zi14/?mibextid=RUbZ1f



#### Media coverage:

- KJZZ: Local organizations oppose statewide tax cuts, call for investments in Utah's future instead
- Deseret News: Time to invest more in education, housing, water and other areas, group says
- KUTV-2: Local organizers oppose tax cuts, call for investments in Utah's future instead
- KSL: Don't cut taxes, advocacy groups urge Utah lawmakers. Here's why.
- <u>UtahPolicy.com</u>

Additional one-pagers distributed by some of the coalition members:

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- Circles Salt Lake: <u>Background about Circles</u> and <u>one-pager about benefits</u> <u>cliffs</u>
- Transit: <u>Utah Transit Riders Union info</u> and <u>one-pager about free-fare transit</u>
- Community Action Partnership of Utah one-pager about rural Utah's needs
- Child care one-pager from UtahCareforKids.org
- Housing affordability one-pager from Utah Housing Coalition