

Utah gears up for another round of bills and laws

Joe Pyra – Daily Herald

Sunday, 13 January, 2008

Squint past the shine of a renovated Capitol building. Maneuver through the maze of hand-shaking, back-patting politicians whose jobs are up for grabs this fall. Tip-toe quietly past the elephant in the middle of the room (the voucher defeat. Shhhh.)

Welcome to the 2008 Utah Legislature.

In about a week, 104 lawmakers will convene for 45 days to grapple with billions of dollars by giving transportation hundreds of millions, the environment tens of millions, each and every teacher several thousand, and maybe, just maybe returning a little of it from whence it came, your wallet.

"The No. 1 thing"

At the top of everyone's list is public education. This year that means funding \$2,500 raises from last year that fell short because of a counting error. It also means potentially piling on an additional \$2,500 this year.

Gov. Jon Huntsman Jr. wants to push teacher pay up to the national average, which would mean two more years of similar raises if this year's goes through.

"I would argue that you have to at least be at the national average or you're going to have the seepage we've seen," he said, referring to anecdotal evidence that Utah's teachers are going to neighboring states like Nevada and Wyoming where the pay is higher.

Senate President John Valentine, R-Orem, agrees, though he tempers the thought.

"As long as the economy maintains the vibrance we have now, we can make it," he said.

A blanket teacher raise isn't the only thing on the table. Bills are lining up to improve pay for math and science teachers, subjects that traditionally draw fewer candidates. There will also likely be bills that reward students who focus on math and science. And while improved technology hardware was on the docket last year, Valentine said it's likely that software that improves learning will be funded this year.

Grab that cash

Utah's vibrant economy has fueled a budget that has grown substantially over the past four years. The state has seen massive surpluses over the past two years, and while this year's is lower, it is still in the hundreds of millions of dollars.

Lawmakers have used state coffers to bolster education and pay for massive transportation projects after lean times during the first part of the decade. But there is concern that Utah's economy might stall, not because of a threatening national recession, but because it's too hot. When unemployment drops so low -- about 2.5 percent here -- and salaries rise -- up more than 9 percent in a year -- it creates a whole new set of problems for the economy.

"Businesses that want to expand simply don't have the human power to do that," Huntsman said.

One answer, says Valentine, is to encourage more businesses to move here by offering incentives, such as giving them options on how they report their taxes. Businesses are valued based on sales in state, assets in state and payroll in state. By allowing them to drop the sales option, it could entice them to come to Utah. Assets and payroll are what the state wants anyway for long-term health, he said.

Turn your head and ...

While lawmakers haggle over the health of business, they'll also be grappling with the business of health.

Utah's health insurance climate is miserable. The state ranks in the worst third for the number of uninsured residents with at least 300,000. Some of that can be tied to the fact that the state's economy is driven by small businesses, which tend to not offer insurance.

"You can't just expand access, it's too expensive by itself," said Judi Hilman, executive director of the Utah Health Policy Project.

The governor's budget calls for \$30 million to set up a framework for reform that Hilman says will probably take three to five years.

Dave Patton, the director of the University of Utah's Center for Public Policy and Administration, likens it to Gov. Mitt Romney's efforts in Massachusetts, in which the government acts as a bridge between health care providers and the public to find the best programs. One of the goals of the governor's framework would be to define basic benefits, a task the entire country and every level of government has been trying to do for years.

Hilman expands on that, saying that government needs to look at cost, quality and access at the same time. While subsidizing health care may sound bad, Hilman said the alternative is worse. Those who have insurance pay up to 17 percent of their premiums to cover the unpaid bills of those who don't have it and wait until problems are far advanced before seeking treatment. Early treatment, she said, will save everyone money in the long run.

The Republican-dominated Legislature has long been averse to paying for health care, but their stated values of a strong economy and family values are directly impacted by the issue, Hilman said.

"Those two values alone are enough to make the case to do health care reform and do it right."

Taxes

What lawmakers may not be able to do is provide a third straight year of big tax cuts.

"It's the most Timothy Leary-like hallucination I've ever seen," Huntsman quipped of his disbelief that both houses were able to get together and agree on how to cut taxes two years running.

His 2008 budget proposal doesn't leave room for a tax cut. "Let's kind of see how all that gesticulates for a year," he said.

Legislators aren't so sure. Home prices have soared for several years, and some cities and school districts have taken advantage by passing property tax increases. Lawmakers would like to find a way to put \$100 million back in the hands of homeowners. That includes changing some ways school districts get money, such as replacing some revenue with income tax instead of property tax.

That would protect those on low and fixed incomes, Patton said, though the demand for relief may be cooling.

"I think it will be less of an issue because property values aren't increasing as fast," he said.

All bottled up

Like milk and cookies or the U of U and last-second losses, election year and message bills go hand-in-hand. But be it abortion, student clubs or evolution, a perusal of the current list of legislation shows few such bills. The reason may be tied to the slap down given to lawmakers when they tried to push through the voucher law last year. While it was signed by Gov. Huntsman, a referendum put it on the ballot in November, where it was soundly defeated. "After this vouchers thing, I think there's a lot of people smarting," Patton said.

There might even be legislation that fiddles with the referendum process.

"I think that they're saying that they don't want to see that again," Patton said. "The leadership really is nervous about letting those things come out."

Lawmakers were also dealt another stinging loss on Thursday that might encourage them to keep their heads down. The 10th Circuit Court of Appeals ruled that Utah's 2001 Voluntary Contributions Act violates First Amendment rights. The act prohibited withdrawals for political purposes from public paychecks and was aimed primarily at the teachers union.

Gritty work, shiny building

Much has been made of the Capitol reopening after four years and \$200 million in renovations. But despite the pomp of rededication and the heavy foot traffic and gawking faces of elementary school tours, there's still plenty to get done. On Wednesday, even as Valentine was bringing plants and pictures into his office, he was still waiting for some light fixtures to be installed. Work crews still swarm the building, doing everything from plaster work to wiring.

But just being back in the building brings a different feel to the session, Valentine said. During renovations, lawmakers were relegated to adjacent office buildings where they squirmed for room and things got more than a little testy.

The new digs should make the atmosphere less antagonistic and more professional, he said.

"There is a lot of excitement. There's a lot of history around you."

Gov. Jon Huntsman Jr.'s proposed budget
Total state budget
\$11.7 billion (3.2 percent increase)

Total new revenue

\$1.12 billion

Where new revenue is going:

- \$437 million for transportation and buildings
- \$258.2 million for public employee compensation, including teachers
- \$141.9 million for school growth, Medicaid and corrections
- \$30 million to explore health care reform
- \$10.5 million for air quality and energy development