QUALITY OF LIFE

- #1 state for upward mobility - Bloomberg
- Top 3 best states for business - Forbes
- Top 5 best states to live in - U.S. News and World Report
DEFINING THE CHALLENGE

• Modern economy
• Growing population and changing demographics
• Outdated revenue structure
FACTOR #1

• Growth in General Fund revenue is not keeping up with the needs of our growing state.
CHANGES IN U.S. CONSUMER SPENDING PATTERNS

Goods

Services

45% 55% 69%

0% 10% 20% 30% 40% 50% 60% 70% 80%
UTAH SPENDING PATTERNS

Services 66%
Goods 34%

% of 2017 Personal Consumption
FACTOR #2

• A growing state places additional demands on the state General Fund.
POPULATION TRENDS

• Between 2010 and 2018, Utah was the fastest growing state in the nation

• Utah grew by 14.4%, or nearly 400,000 people
GENERAL FUND PROGRAMS

- Air Quality
- Medicaid
- Transportation*
- Education*
- Public Safety
- Recreation
- Support for Children, Disabled, and Elderly
- Homelessness and Affordable Housing

*Transportation and Education receive a portion of their funding from General Fund Revenue
FACTOR #3

• Revenue silos limit the flexibility needed to address structural funding imbalances as they arise.
FUNDING SOURCES, OTHER THAN THE GENERAL FUND, ARE SILOED

Property Tax
Local Revenue
Public Education

Income Tax
Education Fund
Public Education
Higher Education

Sales Tax
General Fund
Medicaid
Public Safety
Social Services
General Government

Gas Tax
Transportation Fund
Transportation
LEGISLATIVE RESPONSE
POSSIBLE SOLUTIONS

- Reduce Services & Investments
- Adjust Existing Tax Rates
- Break-down Revenue Silos
- Modify Tax Base
- Reduce Services & Investments
ONE MORE ACCOLADE

• #1 State for Fiscal Stability – U.S. News and World Report