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GENERAL SESSION

September 25, 2013

Program Topic: Perspectives on State Issues

Presented by: State Issues Committee Co-Chairs: Sylvia Rickard and Suzanne Merrill

Speakers: Sen. Todd Weiler (R) Dist. 23 Davis, Salt Lake Counties

Sen. Patricia Jones (D) Minority Asst. Whip; Dist. 4 Salt Lake County

Robert Spendlove - Deputy Chief of Staff for Gov. Herbert

Sen. Weiler said he considered it a great honor to serve with Sen. Jones his first year on the Rules Committee. This committee decides the particular legislative committee to which a bill is assigned as it progresses through the system. To illustrate the power of the Rules Committee, he noted it is possible to nearly predetermine the fate of a bill, simply by assigning it out to one committee rather than another. He said approximately 800 bills passed through the Rules Committee last session.

Describing an interesting bill he has been working on during the Interim, he said Sen. Dan Liljenquist originally wrote it before he left the Utah legislature to run for Congress. The bill is intended to curtail salary 'double

dipping' by elected officials and public employees. The practice of drawing two incomes from the government, usually by holding a government job and receiving a pension, is referred to as double dipping. Sen. Weiler hopes to re-run the bill this coming session after needed adjustments have been made to it.

The senator recalled that the Josh Powell murder/suicide incident occurred during his first month in the Senate. Subsequently, a bill was introduced in the Washington state legislature meant to protect at-risk children drawn into such a situation. The bill stated that if one parent was accused of taking the other parent's life, the parent/suspect would automatically lose custody until he or she

was cleared of the offense. That bill did not pass. Sen. Weiler will be running a comparable bill here, having been asked to do so by a distressed Utah family in similar circumstances.

Responding to questions, Sen. Weiler said there are five oil refineries in the state, all of which are in his (23rd) district. There is also a waste disposal facility in his district. He will introduce a bill that will incentivize the facility to either move or modify their usage of the property.

Reported by Pam Grange

Sen. Jones said she and her husband, Dan Jones, have been actively engaged in measuring public opinion for 40 years. Her specialty is policy research, so she has listened to many people express opinions on a variety of topics, both local and national.

Sen. Jones first ran for office because she saw that Utahans felt educational issues weren't being adequately addressed. After 13 years of working on the issue of education funding (and her last year of serving in the Utah Senate), she believes she has finally arrived at a bill that is simpler and more streamlined than earlier efforts.

The bill would generate \$400M in ongoing money for the schools. After brainstorming with people throughout the state, the senator believes the plan she is now proposing is the most practical way to raise this revenue. Simply stated, taxpayers would give up all personal exemptions on their Utah state (not federal) tax returns. Personal exemptions are those granted, one each, per family dependent.

The revenue raised would bypass the state office and go directly to schools and classrooms. Sen. Jones maintained it would be a fair way for everyone to contribute. She said people would be willing to pay a little more if they knew classrooms would benefit directly.

Of the \$400M raised, elementary schools would receive about \$400,000, middle schools about \$600,000 and high schools about \$1M. The language of the bill stipulates this money cannot be used to supplant any other local, state or federal revenue. In other words, it will be new money.

Sen. Jones also mentioned other education needs that could benefit. These included more teachers and training, adequate numbers of school nurses and guidance counselors, and more computers. She said when she asked elementary school principals what they would do if they had \$400,000 in new money, they all responded they would hire a new teacher in each grade to reduce class size.

Each school has elected Community Council associated with it. Each council consists of the school principal, teachers and parents. (A companion bill would allow grandparents to be elected to the councils.) It would be accountable to the parents and to the School District Board in approving the council's plan. The council would decide how the new revenue would be spent, just as it does now with School and Institutional Trust Lands Administration (SITLA) money.

Sen. Jones also expressed concern about the recent "school grading" process and how it labels schools. She asked exactly how bad labels are to be remedied, and said there is nothing in the school grading legislation that addresses that problem.

Continuing, the senator said Title I schools are not the only ones needing help. Schools in East Mill Creek and Holladay (an affluent area) also have problems. Specialist teachers can't allocate sufficient time to each school. For example, Mill Creek elementary got 40 new students from Iraq this year. The

senator suggested the School Improvement Plans already found in statute could be vehicles for using the new money generated by her bill. She feels they aren't currently being well implemented due to lack of funds.

Sen. Jones asserted her bill would not require additional bureaucracy, saying the current administrative structure would suffice. Also, the bill would include a requirement for improvement in school achievement. After five years, an independent contractor, chosen through Utah's Request for Proposal (RFP), would evaluate the success of the program.

In addition to improving schools, the Fiscal Analyst's Office estimates the new money would create approximately 6,000 new jobs. The senator envisions some of these as part-time jobs for retired teachers, who could continue to offer their expertise to schools while supplementing their own incomes.

Sen. Jones then spoke about the change in income tax rates several years ago for individuals and businesses. This money now goes to both public education and higher education. The personal tax rate was lowered from 7% to 5%. Prior to that time, higher education was allowed to tap into the income tax revenue. This change resulted in significantly less money flowing to public education.

There are many parents, she noted, who pay little or no state income tax due to the number of exemptions they receive for their large families. Sen. Jones said her proposal would broaden the tax base by requiring a small sacrifice from us all. In addition, the effective tax rate imposed (now significantly less than 5%) would still be less than 5%.

Sen. Jones sees this program as one that would build communities. She stressed again that many Community Councils don't function well due to lack of funds. She believes with a new influx of revenue, parents will become more involved as the councils become more active. Also, as schools improve, fewer families may be drawn to seek charter or private schools.

Reported by Stuart Gygi

Robert Spendlove invited WSLC members to offer him some issues that concern them most. He then presented the perspectives held by the governor's office on those issues.

He began by recalling that in 2005, when Gov. Huntsman came into office, his first priority was to reform the state tax structure.

Throughout the next year, the then-governor "reached out to every legislator in every district." By 2007, a bipartisan tax reform bill had been unanimously passed by both the House and Senate. Mr. Spendlove hearkened back to those outreach & reform efforts as successful examples of united endeavors that can accomplish worthy goals for the state.

Continuing, Mr. Spendlove touched on the various issues suggested to him by the audience. First, he expressed regret that he was unable to release information concerning who might be appointed to replace Lt. Gov. Greg Bell.

(**Note:** Governor Herbert has since announced his selection to be Rep. Spencer Cox (R) Dist. 58 Sanpete, Juab Counties)

Turning to the national stage, Mr. Spendlove addressed the state's concerns regarding The Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA) or ObamaCare. Referring to the beginning of the healthcare debate in September of 2009, he said the governor's office considered it an unsound bill. However, it was encouraged when Congress

promised in 2010 that the bill would be retooled in conference. Unfortunately, he said, that promise was subsequently revoked and the bill was pushed through as it was. Mr. Spendlove maintains the bill has been artificially frontloaded with benefits to make it appear attractive, while its economically damaging effects have been backloaded so as to emerge in months and years yet to come.

Mr. Spendlove, charged with overseeing Utah's healthcare system, mentioned that the state had its own health exchange system in place in 2007. Working with the Heritage Foundation, Utah created a "bookend" model of the original (as opposed to the final) Massachusetts system. One difference between the two is our state's decision to make consumers active rather than passive

purchasers by offering them a much wider range of options from which to choose.

A major problem facing Utah, he said, is that the federal government regards the expansion of Medicaid as critical to the success of ObamaCare. "What do we do," he asked, "when many of the 50,000 Utahans who are uninsured find it more affordable to turn to Medicaid?"

For more information, go to the state website "Avenue H: Utah's Health Insurance Marketplace" at <u>avenueh.com</u>. Inquiries may also be made at the federal government's official health insurance website at http://www.healthcare.gov.

Reported by Pam Grange

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