



UTAH STATE LEGISLATURE

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Executive Appropriations Committee Adopts Budget Recommendations Including \$160 Million Tax Cut

SALT LAKE CITY – The Executive Appropriations Committee (EAC) adopts budget recommendations that focus on Utah’s long-term wellbeing. The state’s thriving economy, fiscally conservative policies and forward-thinking rainy-day funds allowed the state to successfully navigate recent economic uncertainties. Lawmakers are committed to ensuring Utah is well-prepared for current and future needs by making strategic investments and smart budget decisions.

Today, EAC reviewed initial revenue estimates and made recommendations for the fiscal year 2022-23 state budget. Highlights of the EAC budget include:

Education

Education is key to Utah’s future. Over the past few years, the Legislature has made significant investments in education. This year, EAC is continuing to make historic allocations to education by dedicating:

- \$142 million in ongoing funds and \$19 million in one-time funds to public education enrollment growth and inflation and increasing education funding for at-risk and socioeconomic disadvantaged populations.
- \$121 million in ongoing funds to the public education stabilization fund for increases to enrollment growth and inflation, even during times of economic hardship and revenue decreases.
- \$72 million for other public education costs to be determined during the general session.

Tax Cuts

Keeping taxes low remains a top priority for Utah lawmakers. In addition to a \$100 million tax cut last year, EAC set aside additional funds with the intent of reducing taxes again. EAC recommends:

- \$160 million of ongoing revenue to reduce taxes for Utahns.

Social Services

EAC recommends providing funding for some of the state’s vulnerable populations by allocating:

- \$17 million in one-time money and \$68 million in ongoing funds to fully fund Medicaid growth and inflation.
- \$19 million in ongoing funds for autism insurance coverage, home and community-based providers for individuals with disabilities, and additional services for those with mental and emotional health issues.
- \$25 million in one-time funding will be used to build a new veterans’ nursing home in Salt Lake City.

Employee Compensation and Retention

Utah workers are the backbone of the state's economy. To keep up with the cost of living and demonstrate the state's commitment to public employees, EAC recommends appropriating:

- \$125 million for state employee compensation and retention.
- \$30 million for law enforcement pay increases.

Rainy Day Funds

To preserve the state's AAA bonding capacity, EAC recommends paying down bonds instead of borrowing for infrastructure and transit. In addition, EAC recommends replenishing rainy-day funds to prepare for future emergencies or economic downturns. Due to the uncertainty and instability of federal stimulus money, the Legislature is also strategically allocating a large portion of ongoing funds as one-time money.

Water

Utah is a desert state, and it is essential to preserve water sources for existing and future users. Lawmakers have allocated \$180 million to address water needs, and the Legislature will continue to look at ways to address this pressing need.

“Though this year we have unusual additional funds, we remain committed to prudent and strategic planning to ensure our children and grandchildren have the same or better quality of life than we enjoy,” Sen. Jerry Stevenson, co-chair of EAC. “While Utah is in a strong financial position, we need to make decisions that will have generational impact and solve some of our state's long-term issues. We will be diligent in making sound decisions that will not burden future generations and will place our state on a path of continued success.”

Available general and education funds following funding items during the general session include \$219 million ongoing and \$1.064 billion one-time. General fund revenues are projected to increase by 8% , and education funds are projected to increase by 12% in fiscal year 2023.

“Despite economic uncertainties and instability, our state has experienced unprecedented success and economic growth the past few years,” said Rep. Brad Last, co-chair of EAC. “However, I think it is wise to exercise caution and remain conservative in our planning and budgeting. The Legislature is committed to fiscal responsibility, including setting aside funds for a rainy day and making meaningful investments that will benefit our state not only now, but well into the future.”

The Legislature is committed to fiscal responsibility and remains focused on the long-term wellbeing of the state. The full Legislature will consider the EAC budget during the 2022 session as it continues to be refined. The budget will be finalized before the legislative session adjourns on March 4. The 2023 fiscal year begins July 1.

The full list of EAC recommendations can be viewed [here](#).

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