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THE UTAH TAXPAYER

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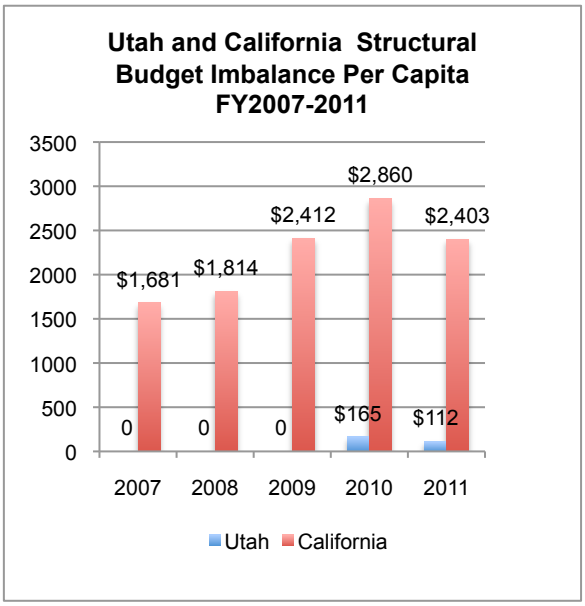
The Tyranny of the Status Quo

Why ROI should refine the "Structurally Balanced Instinct"

Like most states, Utah's Constitution requires the Legislature to approve a balanced budget. In other words, anticipated revenues must suffice to pay for anticipated expenses. Utah's Legislature routinely exceeds that mandate, and ensures that ongoing programs (like those requiring permanent employees) be paid for with ongoing revenues. In fact, the Legislature's instinct for adopting a structurally balanced budget has earned the state the oft-repeated appellation, "best managed state in the nation," and the sterling AAA bond-rating Utah enjoys.



The accompanying table shows the per capita structural imbalance difference between Utah, the best-managed state in the nation and California, one of the worst managed states.

However, the instinct for a structurally balanced budget can have sizeable drawbacks. Too often, the "structurally balanced instinct" means newer but more effective programs are sacrificed in favor of less effective programs which already have ongoing funding. Utah should refine the "structurally balanced instinct" by adopting an appropriations process that allocates ongoing funds to programs with the highest return on investment (ROI).

The "structurally balanced instinct"

Utah Taxpayers Association Pre-Legislative Conference

Thursday, January 20, 2011 9:00 am – 12:00 pm
House Building – Room 30

Come listen as Legislators and opinion leaders discuss the issues that will be facing the state during the 2011 session of the Utah Legislature. There is no fee to attend, but please reserve your spot by calling (801) 972-8814 or by emailing tyler@utahtaxpayers.org.

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Agencies and advocacy groups recommend new programs all the time. Some come with proven results and are immediately funded with ongoing revenues. Other programs suggest promise, but are unproven, so the Legislature tests their effectiveness by using one-time revenues to pay for them. If these programs prove effective, the Legislature may convert their funding mechanism to an ongoing revenue source.

When tax revenues decline, the Legislature must eliminate some programs. In a budget climate dedicated to creating and maintaining a structurally balanced budget, the Legislature's natural instinct is to eliminate new programs funded with one-time revenues. The problem with that instinct is that it assumes all the existing ongoing programs are more effective and more necessary than any new programs funded with one-time revenues. Logically, that may or may not be true. In practice, it's NEVER true.

The absurdity of the "structurally balanced instinct"

Two programs illustrate the sometimes absurd tradeoffs the "structurally balanced instinct" creates. Taxpayers currently provide a $2 million operating subsidy to Utah's four state-owned golf courses. It is abundantly clear that the state does NOT need to subsidize rounds of golf. Private investors are more than willing to assume that risk, leaving (at least) $2 million of taxpayer money that can go to other, more important programs.

State Senator Wayne Niederhauser

During the 2005 legislative session, the Legislature created the "Jobs Now" program, which empowered Utah Applied Technology Colleges to provide technical training programs for workers to fill critical jobs in Utah's economy. Unfortunately, the program was eliminated in the 2010 General Legislative Session because it relied on one-time money. The Jobs Now program was an incredible success, maintaining a four year placement average of 83.5 percent and a completion rate of 65.7 percent across all programs. The 83.5 percent represents 1250 graduates for the state's $4.5 million investment, equally $3,600 per graduate with a job. Yet, the "structurally balanced instinct" eliminated the program.

By virtually any conceivable measure, the Jobs Now program offers a higher ROI than the golf subsidies the state currently provides. Nevertheless, Utah still owns and operates four golf courses, and Jobs Now is gone.

The challenge of ROI Appropriations

Critics of making appropriations decisions programs based on ROI note that ROI can be hard to measure, especially when competing programs touch on radically different subjects. For example, does an arts in the classroom program provide a higher ROI than increased funding for wildfire mitigation? That's a good and important question. Finding the answer to that question will require a lot more study and evaluation. As Utah fleshes out meaningful answers to that question, the ROI principle can already help eliminate obvious absurdities, like the golf course/Jobs Now funding decision.

To its credit, the 2011 Legislature is already poised to make some important progress towards ROI appropriations. Senator Wayne Niederhauser is sponsoring a proposal which will require a "performance note" on each bill. This performance note will cite the program's statutory authorization, the program's goal, how progress toward that goal will be measured, and how the Legislature can verify those measurements.

These variables are key components in identifying how each program is advancing the state's interest, and how well each program is achieving those goals. As the Appropriations committees begin to collect and evaluate these programs, they will be able to see how each program's ROI compares to the others', and thereby begin to implement ROI appropriations.

ROI refines the structurally balanced instinct

Importantly, adopting ROI should not eliminate the desire to adopt structurally balanced budgets. Utah should still pay for ongoing programs with ongoing revenues. Rather, ROI appropriations are a natural refinement of structurally balanced budgets. ROI is designed to eliminate what University of Chicago professor Cass Sunstein calls "the tyranny of the status quo." Using ROI appropriations, the Legislature should provide ongoing revenue to the ongoing programs with the highest ROI, whether or not those programs were previously funded with

Balancing Utah's Budget Vocabulary 101

Balanced budget: The Utah Constitution requires that the Legislature adopt a budget where anticipated revenues exist to cover anticipated expenses. If the anticipated revenues decline and are no longer sufficient to cover anticipated expenses, the Legislature must come into a special session to cut expenses or raise revenue.

Structurally-balanced budget: A budget is in structural balance if the budget is balanced, and if ongoing programs are fully paid for by on-going revenue sources. A structurally balanced budget exceeds the mandate of the Utah Constitution.

One-time revenues: As the name implies, one-time revenues exist in one fiscal year, but will not be available in future fiscal years. Examples of one-time revenues include proceeds from bond sales, or federal grants.

On-going revenues: On-going revenues are available in the current fiscal year, and will continue to be available in future fiscal years. The most common on-going revenues are income, property and sales taxes. Other on-going revenues include motor vehicle registration fees, gas taxes, alcohol taxes, cigarette taxes, etc.

One-time program: One-time programs have expenses that will exist in the current fiscal year, but not in future fiscal years. The Utah Legislature sometimes limits the growth of government by using on-going revenues to pay for some one-time programs. The most common example is using sales tax revenue to pay for road or building construction.

On-going program: On-going programs have expenses in current and future fiscal years.

My Corner: Stopping The Tax Hikes To Stop The Spending

Guest Commentary from US Senator Orrin Hatch, Americans For Tax Reform President Grover Norquist and Association President Howard Stephenson

Association President Howard Stephenson

Much has been said about the tax hike-prevention agreement between President Obama and the congressional Republican leaders. Well-intentioned conservatives have raised legitimate concerns about some aspects of the agreement.

Those concerns bring to mind a pointed question by Barry Goldwater: "Where is the politician who has not promised to fight to the death for lower taxes -- and who has not proceeded to vote for the very spending projects that make tax cuts impossible?"

That's the key point because everyone knows Washington doesn't have a revenue problem; it's got a spending problem. And how is that spending fed? Through increased tax revenue. Just over a month ago, the president admitted he wanted the top income tax rates to expire because he had better ways to spend that money.

So the question becomes: Why would anyone who wants to prevent this government from spending more of the American people's money, vote to give this liberal White House $721 billion in tax revenue to keep the spending binge going?

United States Senator Orrin Hatch

One of the central critiques of this proposal is that there's too much spending with an unpaid-for extension of unemployment insurance and some tax provisions that were in the stimulus that act more like welfare.

The better course would have been to ensure the unemployment insurance extension didn't add to our already sky-high deficit and that the so-called stimulus tax pieces be allowed to expire. Since early March, Senate Republicans have held that view and fought at each juncture to ensure the unemployment extensions were paid for. But they were rebuffed at every turn by Senate Democrats.

Despite the fact that nearly two-thirds of this package is solely an extension of the tax relief enacted in 2001 and 2003, some argue: Why not wait until after January when Republicans control the House to get a better deal, or hold out to make all the tax provisions permanent? That passion is important to our cause, but it's a gamble with questionable odds. Democrats still control the White House and the Senate. Blaming conservatives, they'll drag their feet while secretly celebrating the prospect of filling Washington's coffers with even more taxpayer money.

Furthermore, the fallout from failing to act would have been hard-working families and small businesses who'd see lower paychecks starting on Jan. 1. Experts say the damage to the economy would also be significant. Holding out would mean that almost 152,000 Utah families would be hit with a "gotcha" tax increase in the form of the Alternative Minimum Tax of more than $2,000 per family.

To those who believe that instead of this proposal, we should be undertaking wholesale tax reform: you're right. We need to reform our tax code to broaden the base while lowering rates to make our economy more competitive. But there's no time to reform the code before Jan. 1. Now these tax hikes have been stopped, we can begin the long-overdue national discussion about overhauling our overly burdensome and inefficient tax system.

Some have asked, why give the president a win? Let's examine that proposition. For two more years, the tax policy that conservatives support will be continued, despite this president's saying he wants to sock it to the millionaires and billionaires who in reality are our job creators. The White House has said they want this fight going into the presidential election to show the differences between the parties. If the president wants to have that discussion, let's oblige him. Fiscal conservatives believe in limited government, lower taxes and lower spending. That's a position the American people have and will continue to support.

Americans For Tax Reform President Grover Norquist

The American people will decide whether they support our and Senator Goldwater's vision that we must keep taxes low to return to a path of prosperity. In the meantime, this bipartisan tax agreement, as flawed as it is, prevents a broad-based tax hike from strangling economic recovery. It allows the American people to keep more of their hard-earned money instead of handing it over to the federal government.

This column was originally printed on December 22, 2010 in The Standard Examiner.

Utah Taxpayers Legislative Committee Meetings

The Utah Taxpayers Association will be holding legislative committee meetings during the legislative session every Thursday at 7:00 am, in the Kletting Room near the entrance to the Capitol cafeteria located in the East Annex building. These meetings are open to all members of the Association and will begin on January 27th and will continue through March 3rd. We will discuss the progress of bills of interest, provide updated legislative watchlists and answer questions about the legislative session. Please join us on Thursdays at 7:00am.

Medicaid Reform: The Path Forward

Guest Commentary from State Senator Dan Liljenquist

State Senator Dan Liljenquist

Over the last couple of years, the Great Recession has devastated economic activity, eroded tax receipts and crippled State budgets. If there is an upside to this recession, it is that taxpayers throughout the country have awakened to the tremendous expectation gap between what politicians have promised as entitlement programs and what the taxpayers can actually afford. In no case is that expectation gap more evident than in the Medicaid program.

Medicaid is a joint federal/state healthcare entitlement program for low-income individuals. Utah taxpayers fund the Medicaid program through a combination of federal and state taxes (70% federal and 30% state). Originally, Medicaid was designed as a safety-net program for the most needy among us, including the chronically disabled, mentally ill and financially destitute. However, over the years the federal government has expanded both the scope and coverage of the Medicaid program. (The most recent expansion of Medicaid occurred last year as a part of President Obama's "Healthcare Reform" legislation.)

Medicaid spending in Utah is growing at three times the rate of our state budget. If left unchecked, Medicaid spending is projected to grow from 18% of Utah's General Fund to over 40% by 2020. Utah cannot afford the expected Medicaid growth without (1) drastically raising taxes and/or (2) cutting hundreds of millions out of public and higher education. Medicaid reform is critical to Utah's long-term prosperity.

In the 2011 legislative session, my Republican colleagues and I will introduce comprehensive Medicaid reform legislation to (1) streamline Medicaid administration, (2) enhance Medicaid oversight, and (3) transition Medicaid to a managed care delivery model with capitated provider payments.

Streamline Medicaid Administration

Recent legislative audits have identified several opportunities to streamline Medicaid administration. We are currently exploring opportunities to (1) expand existing Medicaid managed care programs, (2) streamline claims processing, and (3) outsource Medicaid eligibility determination, information systems development, and fraud prevention and detection functions to third party providers.

Medicaid is a joint federal/state healthcare entitlement program for low-income individuals. Utah taxpayers fund the Medicaid program through a combination of federal and state taxes.

Medicaid spending is spread across multiple state agencies, each with separate Medicaid budgets. Beginning in 2011, all Medicaid budgeting across state agencies, including Department of Health, Health and Human Services and Department of Workforce Services, will be consolidated into a new Social Services sub-appropriations committee (on which I serve). This new committee will provide unprecedented visibility into Medicaid administration across state agencies, allowing us to identify and address structural inefficiencies and identify additional savings opportunities.

Enhance Medicaid Oversight

For years, Utah has operated its Medicaid program with a 1970's era Medicaid Management Information System, making it difficult for Utah's Medicaid department to (1) identify and investigate fraudulent Medicaid claims, (2) recognize and analyze healthcare trends, and (3) manage Medicaid service delivery. We are currently working with the Utah Medicaid department to implement a new Medicaid Management Information System that will improve Medicaid oversight. We are also exploring creating an Office of Medicaid Inspector General that will be responsible for ongoing auditing of the Medicaid program and for policing Medicaid fraud and abuse.

Transition to Managed Medicaid with Capitated Payments

The most comprehensive of our reform proposals is around payment reform for Medicaid providers. The current fee-for-service Medicaid reimbursement model creates a powerful financial incentive for healthcare providers (1) to service Medicaid patients where Medicaid reimbursements are the highest (typically the Emergency Room), and (2) to over-treat Medicaid patients (by ordering unnecessary tests and procedures). In addition, current Medicaid eligibility rules (set by the federal government) reinforce high-cost behavior because Medicaid participants are not responsible for the cost of their care.

Medicaid spending in Utah is out of control, growing at three times the rate of our state budget. If left unchecked, Medicaid spending is projected to grow from 18% of general fund to over 40% by 2020.

Lasting Medicaid reform will require moving Medicaid participants into managed care plans (similar to traditional HMOs) where Medicaid providers have financial incentives not to over treat Medicaid payments in the highest cost environments, but to provide appropriate care in the most cost-effective environments. As part of this reform, we will work to transition Medicaid reimbursements to a set per-member-per-month rate, fundamentally changing financial incentives for Medicaid providers while providing predictable Medicaid costs to the Utah taxpayers.

It is important to point out that the migration to managed Medicaid with capitated payments will require federal Medicaid waivers that allow us to deviate from the existing Medicaid reimbursement structure. We are optimistic that we will receive the necessary waivers.

Lasting Medicaid reform will require significant support from Utah taxpayers. We need your help to counter-balance the hundreds of special interests that have financial incentives to keep the Medicaid status quo. Please help us in our efforts to reign in Medicaid.

State Senator Dan Liljenquist represents District 23 in Davis County.

Taxpayers Association Proposal: $100 Million In Budget Cuts

The 2012 Legislature is looking to eliminate a $313 million structural deficit. Governor Gary Herbert's proposed 2012 budget lowers the structural deficit by approximately $100 million, but House Republicans, led by newly elected Speaker of the House Becky Lockhart, have already rejected a $130 one-time revenue source in the Governor's budget. In other words, the 2011 Legislature needs to identify significant budget cuts before they can pass a structurally-balanced budget.

Speaker of the House Becky Lockhart

Based on our preliminary review of the Governor's budget, the 2011 budget, and our work with Utah's Privatization Policy Board, your Utah Taxpayers Association has identified $100 million in cuts the Legislature can and should implement immediately. These budget changes will allow the state to focus its efforts on core government functions, and help avoid a tax increase.

As Table 1 indicates, the Taxpayers Association's recommended budget cuts are spread across a variety of agencies, and come in all shapes and sizes. Other articles in this newsletter outline the proposed cuts associated with Medicaid and higher education, this article will describe other cuts your Taxpayers Association recommends.

Savings through privatization

Over the past year, your Taxpayers Association has worked closely with the state's Privatization Policy Board (PPB) to identify areas of state government that compete with the private sector. Their monthly discussions have identified several opportunities for Utah taxpayers to shed some of their burden.

Privatize management and operations of state-owned golf courses

The state of Utah owns and operates four golf courses across the state: Wasatch, Soldier Hollow, Green River and Palisades. In FY 2010, Utah taxpayers provided a net operating subsidy of $1.96 million to these golf courses and their accompanying state parks.

There is simply no rational justification for taxpayers to subsidize rounds of golf. In fact, the state can and should lease or sell these golf courses to the private sector. Leasing the operations of these parks would provide the state with increased ongoing revenue of approximately $2.32 million.

Governor Gary Herbert

First, taxpayers would not have to provide the $1.96 million subsidy. Second, the state would receive an annual payment from the golf course lessee that would likely equal 10 percent of the golf courses' total collections. Even assuming that a private provider would not be able to attract greater participation at these courses, a dubious assumption at best, Utah would stand to receive an annual $360,000 payment from the private lessee.

Privatize management and operations of some state parks

Utah's Department of Natural Resources owns and operates 43 state parks. In most cases, gate collections at these parks fail to cover the parks' operating expenses. In total, Utah taxpayers provide a $2.4 million operating subsidy for these parks.

To alleviate some of the budget pressure, Utah should follow the lead of the federal government, and farm out operation of many state parks to private providers. One private provider suggested to the state of Arizona that they would gladly operate seven of the less popular parks, and pay the state approximately 10 percent of gate receipts for that privilege.

Based on that recommendation, we have evaluated Utah's 43 state parks, removing the golf courses (and their accompanying parks) and most of Utah's popular state parks. While there are certainly opportunities for a private provider to increase the number of visitors (and therefore revenue) to state gems like

Table 1: Proposed Cuts to the 2012 Budget

Agency	Recommendation	On Going Savings/ Revenue
Dept. of Natural Resources	Golf Course Privatization	$2,300,000
Dept. of Corrections	Contract with private providers to house state prisoners	$15,000,000
Dept. of Human Services	Privatize at least portions of the State Mental Hospital and State Developmental Center	$1,800,000
Min. School Program	Eliminate funding of phantom students	$67,000,000
Dept. of Natural Resources	Hire private managers for camping in state parks	$2,700,000
Medicaid	Reform Medicaid oversight, admin and payment incentives	$20,000,000
	Total	$108,800,000

Goblin Valley and Dead Horse Point, even the federal government, which has used private operators of federal parks for two decades, has yet to turn over operation of Yellowstone, Grand Canyon and Yosemite national parks to the private sector.

With the full list paired, we estimate that privatizing operation of these less popular parks, the state can save between $1.6 million and $2.9 million in ongoing operational revenue. For purposes of this analysis, the variations in these estimates largely depend on which parks the state chooses to include in the privatization.

Turn management of some portions of the Utah State Hospital and State Developmental Center over to private providers

Legislative leadership asked the Privatization Policy Board to review a consultant report on the viability of privatizing portions of the State Hospital and State Developmental Center. The PPB has not yet released its final review of the consultant report. However, the consultant report does note that Utah could save at least $1.8 million by having a private provider operate portions of these units.

Given that the consultant report focused on narrow segments of the Developmental Center and the State Hospital, we are confident that similar or larger savings are available by expanding the segments a private provider might operate.

Your Taxpayers Association has identified $100 million in cuts the Legislature can and should implement immediately.

For example, Florida's experience of privatizing management and operations of the South Florida State Hospital (SFSH) reinforces the Taxpayers Association's expectation that a wider scope would increase savings to the state. A recent review of SFSH by Florida's Office of Program Policy Analysis and Government Accountability found that it is between 39 and 48 percent "less costly per person," even though sister facilities run by the state are significantly larger.

Eliminate funding of phantom students

When Utah's charter school law was enacted there was a compromise to let school districts keep most of the local property tax funding which had been spent to educate students who leave district schools to attend charter schools. Currently, districts keep 75% of the local funding instead of that money following the child. As a consequence, the state legislature currently pays $67 million to charter schools to ensure that districts keep 75% for "phantom students" who no longer attend district schools.

Your Taxpayers Association believes school districts should no longer receive any portion of the phantom student funding. With Utah's per student funding already lowest in the nation, Utah should focus its precious education dollars on real, not phantom students.

Utah's Privatization Policy Board identified areas of state government that compete with the private sector. These are opportunities for Utah taxpayers to shed some of their burden.

Private contracts to house state prisoners

Governor Herbert's proposed budget recommends that the state spend $25 million on contracts to house state inmates in county jails. County jails are likely more cost effective than the state, but they are not the low cost alternative. Private prisons have a long record of saving states millions of dollars, and Utah should thoroughly consider that option before simply using county jails.

Corrections needs a new paradigm. The facilities and services that comprise current systems are usually the legacy of policy decisions made years—even decades—ago and may not comport with the facility and service mix needed to improve performance of the system today and into the future. Given the disjointed nature of the current system, it should come as no surprise that recidivism is a persistent challenge, with offenders in most states more likely to return to prison than remain in free society upon release.

Prison privatization has a long track record of success in many states, most recently highlighted in a new Vanderbilt University study which shows states can save up to $15 million a year through public-private partnerships in prisons. While rigorous contract monitoring and oversight are essential, private prisons are playing a critical role in helping many states deliver quality correctional services and programming and easing the financial burden on the state - which during this recession and economic crisis is more important now than ever.

Utah Taxpayers 2011 Legislative Priorities

Medicaid Reform, Education Accountability, Balanced Budgets, Restaurant Tax and Police Fee

Utah's 59th legislative session is fast approaching. Throughout this edition of The Utah Taxpayer numerous articles have outlined legislative priorities for the 2011 legislative session. In addition to Medicaid reform, education reform and a structurally balanced budget, your Taxpayers Association will be working to reduce the power of local governments to impose new fees and implement fair and equitable tax policy.

In 2010 Mayor Peter Corroon and the Salt Lake County Council imposed a police fee on thousands of residents and businesses in unincorporated Salt Lake County. Your Taxpayers Association received dozens of phone calls, emails and letters from outraged taxpayers forced to pay the additional fee for nothing in return. This legislative session, we will be pushing the Legislature to pass legislation preventing counties from imposing fees for emergency services on service areas created by the county.

In our December 2010 newsletter, Taxpayers Association President Howard Stephenson explained, "Counties are not cities, nor should they pretend to be. Instead of looking for additional revenue sources to pay for municipal services, Salt Lake County should be encouraging unincorporated communities to annex or incorporate. "

Another priority for your Taxpayers Association is fair and equitable tax policy. Recently, the Utah Taxpayers Association

legal foundation filed suit over the one percent restaurant tax. The restaurant tax unconstitutionally discriminates against restaurants by imposing a one percent sales tax on food items purchased at restaurants, such as McDonalds, but exempting similar food items purchased at convenience states, such as Mavericks. During the 2011 legislative session we will work to legislatively resolve this issue by eliminating the tax and finding an equitable revenue alternative for counties.

Your Taxpayers Association remains concerned at the way cities manipulate the tax code to change where market transactions occur. As long-time readers of the Utah Taxpayer are aware, these abuses stem from the way Utah distributes sales tax revenue; half is distributed based on the city's population, and half based on where the transaction occurs.

During this session, we will continue encouraging the Legislature to limit these abuses by lowering the percentage of sales tax revenue that is distributed based on location. We will also be fighting attempts to take even more education dollars out of Utah classrooms. The only times school districts can justify participating in an RDA is where the RDA will stimulate economic activity that would not otherwise occur within the greater community.

Your Taxpayers Association will track hundreds of pieces of legislation this session. Be sure to visit www.utahtaxpayers.org in order to view the continually updated Utah Taxpayers Association legislative watchlist. For additional information, join the Utah Taxpayers Association at its weekly legislative committee meetings on Thursdays at 7:00 am in the Kletting Room in the East Annex building of the Capitol.

Spending Education Dollars Wisely: Mission Based Funding

Guest Commentary from State Senator Steve Urquhart

Senator Steve Urquhart
Senate Co-Chair of the Higher Education Appropriations Subcommittee.

Utah's expensive, unfocused plan for post-secondary education is that everyone, no matter how ill-prepared or uninterested, should go to college, because, well, because it just might work out. Real-world concerns such as likelihood of academic success, market demand for specific degrees, and completion rates are trifling issues. As a result, most of the money that Utahns spend on Utah's public institutions is wasted.

Wasted? Most Utah college students spend time and spend lots of money (theirs, their parents', and taxpayers') on Utah's public institutions, only to eventually drift away without a degree. Without a degree, the investment was wasted – except maybe for some good times and a bit of personal improvement, both of which could have been realized elsewhere for a fraction of the cost. Only the University of Utah manages to have a few more of its students graduate than drift away (56%). Our other public colleges do much worse. By way of comparison, Brigham Young University, a private institution, graduates 78% of its students. BYU respects and stewards capital much better than Utah's public institutions do.

This tremendous waste of finite and precious public resources is not fair to Utah's taxpayers, to the students and families that waste money on college without completing a degree, and to all other state programs that could have more beneficially utilized those financial resources. It clearly is time to focus Utah's efforts and expenditures on post-secondary education. I propose three steps toward improvement.

First, Utah students must graduate high school better prepared for success. When Utah high school graduates go to college, most – yes, most, as in a majority, as in more than half – must take remedial math. About a third must take remedial English. That sorry fact hasn't changed for years. Why not? Because no one has been held accountable for the failure. That must change. If colleges must do the basic educational training that should have taken place in K-12 education, the student's school district that didn't do the work should pay for the remediation. Do that, and K-12 results will improve.

For a small fraction of the cost of college, Utahns can receive training and certification at Utah's applied technology colleges. The competency-based programs allow students to get the training they need, get out, and get a job.

Second, Utah must better prioritize post-secondary expenditures. For a small fraction of the cost of college, Utahns can receive training and certification at Utah's applied technology colleges. The competency-based programs allow students to get the training they need, get out, and get a job.

The completion rate is 66% and rising. The effectiveness of this training, in contrast to the majority failure of college students, suggests that our first line of post-secondary education should be the applied technology colleges. Some 42,000 Utahns benefit each year from applied technology training. Resources must be shifted to the applied technology colleges, so that waiting lists can be eliminated and the market-responsive success of these programs can be multiplied.

Third, our colleges and universities must focus their efforts. Make no mistake, our colleges and universities, where focused, do some things exceptionally well. Those things, aeronautics at USU and health technology at the U of U, for example, tend to have better prepared students and tend to be tightly aligned with marketplace needs. However, those things are the exceptions. Mostly, marketplace alignment and student completion rates are not serious concerns. That must change.

If this critique and call for reform seems harsh, let's see how others view our system of higher education. Forbes magazine recently ranked American colleges and universities. Forbes placed only one Utah public institution in the top 200. The

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University of Utah came in at number 188, 12 places better than Brigham Young University. No, wait. That was BYU-Idaho, the rapidly-improving institution in Rexburg, Idaho, formerly known as Ricks College, which until 10 years ago was a two-year junior college and which, without significant change in Utah, will soon race past our flagship institution in terms of national prestige.

Education matters. The quality and cost of education matter. The ability to translate education into marketable skills matters. Utah can do much better.

Senator Urquhart is the Senate co-chair of the Higher Education Appropriations Subcommittee.

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