Utah FOUNDATION Research Report

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Highlights

- The balance between state tax burden and state spending benefits varies widely across the state. Rural and poor counties tend to receive more in state spending than they generate in state taxes.(This report uses counties as geographic entities to define local economies; it is not intended to infer that the county governments pay or receive the funds examined).
- At the extremes, taxpayers in Sanpete, Piute, and San Juan counties receive more than four dollars in state spending for every dollar paid in state taxes while Summit County residents receive only 12 cents in state services per dollar of tax revenue paid.
- Generally , taxpayers in Salt Lake and the surrounding counties pay more in state taxes than they receive in state services, with the exception of Utah and Weber counties. Only two counties outside the Salt Lake area, Washington and Grand, pay more in state taxes than they receive in services.
- Public education expenditures account for the largest portion of state funds redistributed to local economies, except in Cache County, where higher education funds comprise a larger percentage.

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Redistributing Utah's Tax Resources: Burdens and Benefits Around the State

Introduction

It is the nature of a federal system of governments that a higher level of government with the power to tax has the power to redistribute that tax revenue. This is a prominent feature of our national governmental structure; the federal government collects income taxes and other revenues and spends those revenues on programs and projects that affect states to varying degrees. Some states benefit from a greater level of federal spending than their federal tax burden. Others are net donors, receiving less in federal spending than they pay in federal taxes. These differences in tax burdens and spending benefits have been chronicled by national groups, including the Tax Foundation, which publishes an annual report on the subject.[1] According to the Tax Foundation's latest report, Utah is a net beneficiary of the federal system, receiving $1.11 in federal expenditures for every dollar paid in federal taxes.

The same dynamic exists at the state level—residents and businesses pay taxes to the state, and those taxes provide funding for state programs and projects that affect the regions of the state to varying degrees. Several state and local agencies[2] requested that Utah Foundation examine this relationship and provide an analysis showing state tax revenues generated from within each county and the state spending that flows back to each county. As is the case with federal revenues and expenditures by state, it is to be expected that some counties in Utah, usually the wealthier ones, are subsidizing poorer counties. The extent of this redistribution of tax funds has been unknown, and this report is an attempt to quantify that relationship.

This study succeeded in determining a geographic allocation for 82 percent of Utah's General and School Fund revenue and 87 percent of General and School Fund spending. Collecting the data to perform this analysis was very difficult, and for some taxes, it was impossible to determine in which county the revenue originated.[3] In these cases, Utah Foundation researchers experimented with various formulas to attempt a rational allocation of such revenues to the counties but in the end were not convinced that enough variables were known to craft reliable allocation formulas. Similar difficulties were experienced with spending figures. The state simply does not maintain data that would allow a geographic allocation of spending for some programs. Despite the limits on how much revenue and spending could be allocated, this report provides useful insight into how the State of Utah redistributes resources to and from various regions of the state.

Overall Findings

Figure 1 lists Utah's counties, showing how each ranks in terms of state funding received for each dollar paid in state taxes. Counties are used in this report strictly to define geographic areas. Doing so is not meant to infer that county governments receive these funds from the state, but simply to use county boundaries to define geographic areas where the state spends money on various programs. As might be expected in this type of analysis, the counties that gain

Figure 1

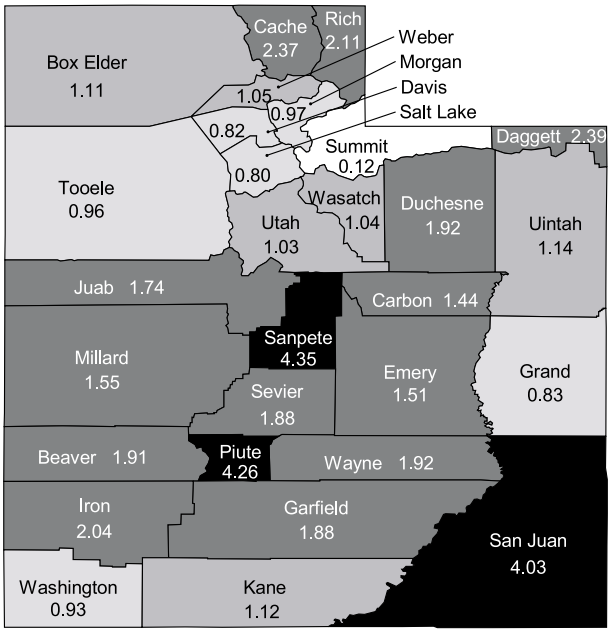
State Spending Per Dollar of State Taxes Collected Within Each County, FY 2001

Alphabetical		Rank Order	
County	State Spending Per $1 of State Taxes Raised	County	State Spending Per $1 of State Taxes Raised
1. Beaver	$1.91	1. Sanpete	$4.35
2. Box Elder	1.11	2. Piute	4.26
3. Cache	2.37	3. San Juan	4.03
4. Carbon	1.44	4. Daggett	2.39
5. Daggett	2.39	5. Cache	2.37
6. Davis	0.82	6. Rich	2.11
7. Duchesne	1.92	7. Iron	2.04
8. Emery	1.51	8. Duchesne	1.92
9. Garfield	1.88	9. Wayne	1.92
10. Grand	0.83	10. Beaver	1.91
11. Iron	2.04	11. Garfield	1.88
12. Juab	1.74	12. Sevier	1.88
13. Kane	1.12	13. Juab	1.74
14. Millard	1.55	14. Millard	1.55
15. Morgan	0.97	15. Emery	1.51
16. Piute	4.26	16. Carbon	1.44
17. Rich	2.11	17. Uintah	1.14
18. Salt Lake	0.80	18. Kane	1.12
19. San Juan	4.03	19. Box Elder	1.11
20. Sanpete	4.35	20. Weber	1.05
21. Sevier	1.88	21. Wasatch	1.04
22. Summit	0.12	22. Utah	1.03
23. Tooele	0.96	23. Morgan	0.97
24. Uintah	1.14	24. Tooele	0.96
25. Utah	1.03	25. Washington	0.93
26. Wasatch	1.04	26. Grand	0.83
27. Washington	0.93	27. Davis	0.82
28. Wayne	1.92	28. Salt Lake	0.80
29. Weber	1.05	29. Summit	0.12

Source: See subsequent charts and their data sources. Calculations and compilation by Utah Foundation.

Figure 2

Spending to Revenue Ratio by County



Source: See Figure 1.

the most from state spending are in the poorer, more rural parts of the state. Figure 2 illustrates the geographic patterns of this redistribution. Utah's most urban counties have higher levels of income and are net exporters of tax revenues, receiving less in return from state spending than they pay in state taxes. The difference is exported to the areas of the state that do not have the economic resources to support important programs. These donor counties are clustered around, and include, Salt Lake County. Exceptions are Washington and Grand Counties, which also are net exporters of tax revenues. Most noteworthy among these counties is Summit County, which receives only 12 cents in state spending for every dollar paid in state taxes. This is largely due to high incomes in Park City, little need for state assistance in public education funding, and the lack of higher education or state correctional institutions in Summit County.

On the other side of the ledger, Sanpete, Piute, and San Juan Counties stand apart from their neighbors in receiving state spending benefits of more than four times the amount of taxes paid in those counties. For Sanpete County, this results from a combination of public education funding, higher education spending at Snow College, and corrections spending at the state prison in Gunnison. Piute County's relative benefits almost entirely derive from public education funding formulas. San Juan's ratio is high due to a mix of public education, human services, Medicaid, and higher education spending that is higher than most counties. Figure 3 shows how major spending categories influence this ratio of spending to tax revenues. For most counties, the most significant influence on this redistribution is public education funding.

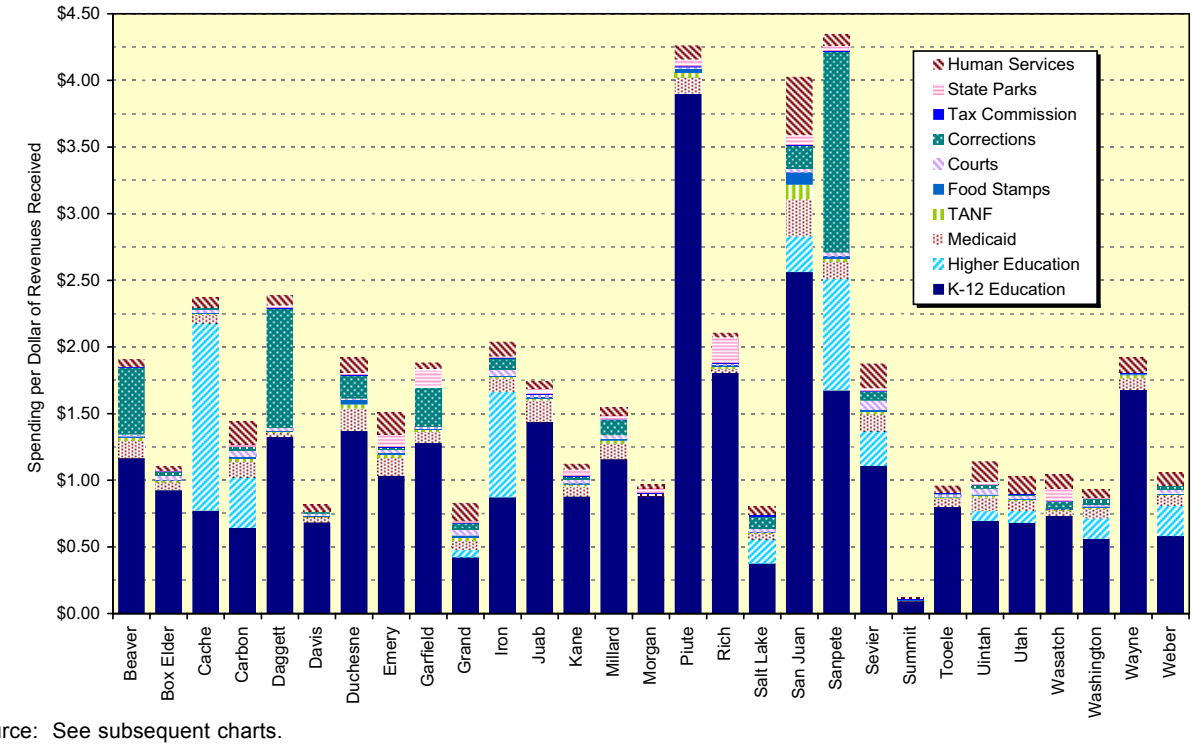
Caution should be exercised in developing conclusions about "fairness" from the data in this report. It is the nature of state government to apply its resources in a way that serves public needs throughout the state. Because the rural parts of Utah produce far fewer tax dollars than the urban areas, it is to be expected that the state would redistribute tax dollars from urban to rural areas. However, public policy is usually crafted incrementally, in disconnected efforts to create and improve specific programs and meet specific needs. This report is an attempt to step back and look at the bigger picture to see what effects these programs have had on the overall distribution of Utah's financial resources.

Methodology

As part of the background research leading to this report, Utah Foundation attempted to find an existing methodology to emulate using state and county-level data. That search turned up little useful

Figure 3

State Spending by County and Category in Proportion to Tax Revenue Received from that County



Source: See subsequent charts.

information. Some states, such as Texas, produce a report that is provided to the Legislature every year in which all warrants or checks written by the state treasurer are accounted for by the county in which the addressee resides or does business. This is especially useful in determining cross-border activity between counties. For example, state employee payrolls can be allocated to the county in which the employees reside, or the county in which they work. It is also useful in determining the impacts of state government spending on local businesses that depend on state contracts for a portion of their business activity. One limiting factor to this type of study is its inability to determine if a check written in fiscal year 2002 was for a purchase made in FY 2002 or made in the prior year. It is also difficult to separate out one-time capital expenditures from ongoing operations expenditures.

Caution should be exercised in developing conclusions about "fairness" from the data in this report.

For these reasons and because Utah does not track expenditures in the same manner, Utah Foundation had to create a different methodology. Information was sought from fiscal analysts in the state's largest agencies to allow a breakdown of agency spending at the county level if possible. When data was not available at the county level, proxy measures were used to allocate expenditures to counties in a reasonable manner. A short discussion at the beginning of each section will explain if a proxy was used and the justification behind selecting that particular surrogate.

Additionally, when reviewing the state's budget, a decision was made to only look at those revenue streams that provide funding for ongoing operations and maintenance and did not have wide variance year to year. The variance in the geographic origination of inheritance taxes collected, for example, is too great year over year, to provide an accurate representation of which counties provide the largest portions of this tax.

Figure 4

State Revenues and Expenditures Included in This Analysis

General and School Fund Revenues	General and School Fund Expenditures
State Portion of Sales Tax	Public Education
Personal Income Tax	Higher Education
Tax on Alcohol	State Portion of Medicaid
	State Portion of TANF
	State Portion of Food Stamps
	State Courts
	Corrections
	Tax Commission with DMV
	State Parks
	Department of Human Services

Capital expenditures, such as highway construction and the tax on gasoline and diesel fuel that provides a portion of funding for those projects, were also excluded from this analysis. Capital expenditures vary from location to location each year, based on need. Thus, they are too variable to accurately gauge ongoing state spending within a county.

Finally, any department that accounted for less than 10 percent of the state's total expenditures or that did not have offices outside of Salt Lake City was not included in this analysis. The amount of funds expended by these departments within the counties was too small in scale to influence the overall pattern of state spending by county. Figure 4 details the revenue and expenditure categories that will be analyzed in this report. Fiscal Year 2001 (July 2000 to June 2001) was chosen for this analysis because final figures were not available for more recent years at the time this analysis was undertaken.

Those counties with larger economic bases will always contribute more than those with limited economic opportunities.

Revenues

The largest revenue streams for most states are income taxes and sales taxes. Utah is no exception. Sales tax revenue accounted for 87.8 percent of General Fund revenue during FY 2001. Personal income tax accounted for 89.5 percent of School Fund revenue. In Figure 5, sales taxes and personal income taxes are apportioned out by the county from which the revenue was received. These data were provided by the Utah State Tax Commission. As the figure shows, the largest share of both taxes comes from Salt Lake County. The other counties' contributions to these funds follow, for the most part, the size of the population in those counties. This is to be expected, because those counties with larger economic bases will always contribute more than those with limited economic opportunities.

Unfortunately, the analysis of income tax revenue could not be broadened to include the corporate franchise tax. Although corporate taxes accounted for $171 million of School Fund

Figure 5

Allocable State Revenues by County

County	Individual Income Tax Revenue	State Allocation of Sales Tax	Total Alcoholic Beverage Tax Revenue by County	Total	Percent of Statewide Total	County Personal Income	Revenues as a Percent of County Personal Income	Rank
Beaver	$2,035,832	$2,812,425	$24,079	$4,872,337	0.2%	$128,549,000	3.8%	27
Box Elder	21,859,757	18,384,917	172,387	40,417,061	1.3%	956,967,000	4.2%	24
Cache	43,403,717	42,376,798	526,765	86,307,280	2.8%	1,714,698,000	5.0%	16
Carbon	9,860,029	15,962,951	238,899	26,061,879	0.9%	443,203,000	5.9%	6
Daggett	367,574	736,733	7,251	1,111,557	0.0%	13,178,000	8.4%	2
Davis	165,547,878	124,431,580	1,117,753	291,097,211	9.5%	5,790,266,000	5.0%	18
Duchesne	5,380,084	7,653,592	51,055	13,084,731	0.4%	255,652,000	5.1%	14
Emery	4,612,660	4,458,804	26,001	9,097,466	0.3%	189,504,000	4.8%	22
Garfield	1,381,134	3,354,379	69,397	4,804,910	0.2%	82,789,000	5.8%	9
Grand	4,151,942	7,702,107	332,573	12,186,623	0.4%	169,214,000	7.2%	4
Iron	11,912,163	19,837,073	303,756	32,052,993	1.0%	546,902,000	5.9%	7
Juab	3,067,742	3,326,792	44,149	6,438,682	0.2%	125,979,000	5.1%	15
Kane	2,290,241	4,870,943	31,509	7,192,693	0.2%	142,999,000	5.0%	17
Millard	4,452,176	5,386,438	47,133	9,885,747	0.3%	209,576,000	4.7%	23
Morgan	4,997,654	2,614,068	12,199	7,623,922	0.2%	157,597,000	4.8%	20
Piute	313,625	251,302	172,645	737,573	0.0%	21,374,000	3.5%	29
Rich	813,014	839,303	4,399	1,656,716	0.1%	34,300,000	4.8%	21
Salt Lake	677,481,600	746,798,015	14,753,646	1,439,033,261	47.1%	24,588,744,000	5.9%	8
San Juan	2,521,885	4,007,760	19,608	6,549,253	0.2%	181,510,000	3.6%	28
Sanpete	6,831,471	7,229,731	92,471	14,153,674	0.5%	339,036,000	4.2%	25
Sevier	6,928,436	10,214,177	116,510	17,259,122	0.6%	334,965,000	5.2%	13
Summit	63,357,114	37,446,835	2,582,239	103,386,188	3.4%	1,214,861,000	8.5%	1
Tooele	22,238,036	16,099,339	243,984	38,581,360	1.3%	772,123,000	5.0%	19
Uintah	10,532,834	22,209,594	210,581	32,953,009	1.1%	433,959,000	7.6%	3
Utah	201,825,021	200,734,992	1,216,097	403,776,110	13.2%	7,088,778,000	5.7%	10
Wasatch	9,597,149	8,113,884	90,735	17,801,769	0.6%	332,034,000	5.4%	12
Washington	42,695,005	61,135,541	575,877	104,406,422	3.4%	1,726,795,000	6.0%	5
Wayne	809,601	1,088,841	56,675	1,955,117	0.1%	47,491,000	4.1%	26
Weber	122,459,992	116,852,031	2,070,907	241,382,929	7.9%	4,489,107,000	5.4%	11
Other Utah	405,490	7,342,395	N/A	7,747,885	0.3%	N/A	N/A	
Out of State	73,395,651	N/A	N/A	73,395,651	2.4%	N/A	N/A	
Total	$1,527,526,509	$1,504,273,342	$25,211,281	$3,057,011,133	100.0%	$52,532,150,000	5.8%	
Total Tax Revenue Collected According to GOPB Budget Documents				3,723,706,000				
Percent of Total Tax Revenue Allocated to Counties				82.1%				

Source: Utah State Tax Commission. Calculations and compilation by Utah Foundation.

money in FY 2001, revenues cannot be allocated to the county level. Many corporate taxes are paid from companies with out-of-state headquarters and the tax revenue is not specified for an individual site. The other revenue source analyzed is the revenue from the sale of alcoholic beverages within state liquor stores.

Sales Tax Revenue

In FY 2001, the state's share of sales tax revenue was $1.5 billion. Salt Lake County provided the bulk of this revenue, collecting $746.8 million or 49.6 percent of the statewide total. Salt Lake is followed by Utah County with 13.3 percent, then Davis and Weber Counties. Figure 6 shows the dollar value and percent each county contributed during 2001. While these numbers are helpful in determining a county's contribution to state revenues, they do not account for cross-county spending. If a resident of Tooele County, for example, makes a purchase while in Salt Lake City, the revenue is earmarked as originating from Salt Lake County, although the money used to pay the tax came from Tooele.

One way to examine which counties are magnets for retail sales activity is to calculate the percentage of economic activity that is absorbed in sales taxes. In the strictest utilitarian terms, this is the "burden" government places on commerce. Using county personal income as a measure of economic activity, the last two columns of Figure 7 highlight this burden for each county. Some of Utah's smallest counties have the largest sales tax burden, although the inclusion of Carbon, Washington, and Summit counties in the top ten precludes the assumption that a high sales tax burden is unique to counties with the smallest economic base. Washington and Summit are both large tourism draws for the state and much of the sales tax paid within those counties are probably paid by visitors, thus skewing those counties' rankings upward. For the large counties of Salt Lake, Weber, Davis and Utah, sale tax revenue relative to personal income places them squarely in the middle of the counties, with the exception of Davis County, which ranks 24th among the 29 counties.

Figure 6

State Portion of Sales Tax Revenue by County

County	State Sales Taxes	Percent of Statewide Total	Rank	County Personal Income	Sales Tax as a % of County Personal Income	Rank
Beaver	$2,812,425	0.2%	24	$128,549,000	2.2%	23
Box Elder	18,384,917	1.2%	10	956,967,000	1.9%	27
Cache	42,376,798	2.8%	6	1,714,698,000	2.5%	17
Carbon	15,962,951	1.1%	12	443,203,000	3.6%	6
Daggett	736,733	0.0%	28	13,178,000	5.6%	1
Davis	124,431,580	8.3%	3	5,790,266,000	2.1%	24
Duchesne	7,653,592	0.5%	16	255,652,000	3.0%	12
Emery	4,458,804	0.3%	20	189,504,000	2.4%	20
Garfield	3,354,379	0.2%	22	82,789,000	4.1%	4
Grand	7,702,107	0.5%	15	169,214,000	4.6%	3
Iron	19,837,073	1.3%	9	546,902,000	3.6%	5
Juab	3,326,792	0.2%	23	125,979,000	2.6%	14
Kane	4,870,943	0.3%	19	142,999,000	3.4%	8
Millard	5,386,438	0.4%	18	209,576,000	2.6%	16
Morgan	2,614,068	0.2%	25	157,597,000	1.7%	28
Piute	251,302	0.0%	29	21,374,000	1.2%	29
Rich	839,303	0.1%	27	34,300,000	2.4%	18
Salt Lake	746,798,015	49.6%	1	24,588,744,000	3.0%	11
San Juan	4,007,760	0.3%	21	181,510,000	2.2%	22
Sanpete	7,229,731	0.5%	17	339,036,000	2.1%	25
Sevier	10,214,177	0.7%	13	334,965,000	3.0%	10
Summit	37,446,835	2.5%	7	1,214,861,000	3.1%	9
Tooele	16,099,339	1.1%	11	772,123,000	2.1%	26
Uintah	22,209,594	1.5%	8	433,959,000	5.1%	2
Utah	200,734,992	13.3%	2	7,088,778,000	2.8%	13
Wasatch	8,113,884	0.5%	14	332,034,000	2.4%	19
Washington	61,135,541	4.1%	5	1,726,795,000	3.5%	7
Wayne	1,088,841	0.1%	26	47,491,000	2.3%	21
Weber	116,852,031	7.8%	4	4,489,107,000	2.6%	15
Unallocable	7,342,395	0.5%		N/A	N/A	
Totals	$1,504,273,342	100.0%		$52,532,150,000	2.9%	

Source: Ibid.

Figure 7

Individual Income Tax Revenue by County

County	Individual Income Tax Revenue	Percent of Statewide Total	Rank	County Personal Income	Income Tax as a % of County Personal Income	Rank
Beaver	$2,035,832	0.1%	24	$128,549,000	1.6%	27
Box Elder	21,859,757	1.4%	9	956,967,000	2.3%	17
Cache	43,403,717	2.8%	6	1,714,698,000	2.5%	10
Carbon	9,860,029	0.6%	12	443,203,000	2.2%	18
Daggett	367,574	0.0%	28	13,178,000	2.8%	7
Davis	165,547,878	10.8%	3	5,790,266,000	2.9%	5
Duchesne	5,380,084	0.4%	16	255,652,000	2.1%	21
Emery	4,612,660	0.3%	18	189,504,000	2.4%	14
Garfield	1,381,134	0.1%	25	82,789,000	1.7%	25
Grand	4,151,942	0.3%	20	169,214,000	2.5%	12
Iron	11,912,163	0.8%	10	546,902,000	2.2%	19
Juab	3,067,742	0.2%	21	125,979,000	2.4%	13
Kane	2,290,241	0.1%	23	142,999,000	1.6%	26
Millard	4,452,176	0.3%	19	209,576,000	2.1%	20
Morgan	4,997,654	0.3%	17	157,597,000	3.2%	2
Piute	313,625	0.0%	29	21,374,000	1.5%	28
Rich	813,014	0.1%	26	34,300,000	2.4%	16
Salt Lake	677,481,600	44.4%	1	24,588,744,000	2.8%	8
San Juan	2,521,885	0.2%	22	181,510,000	1.4%	29
Sanpete	6,831,471	0.4%	15	339,036,000	2.0%	23
Sevier	6,928,436	0.5%	14	334,965,000	2.1%	22
Summit	63,357,114	4.1%	5	1,214,861,000	5.2%	1
Tooele	22,238,036	1.5%	8	772,123,000	2.9%	4
Uintah	10,532,834	0.7%	11	433,959,000	2.4%	15
Utah	201,825,021	13.2%	2	7,088,778,000	2.8%	6
Wasatch	9,597,149	0.6%	13	332,034,000	2.9%	3
Washington	42,695,005	2.8%	7	1,726,795,000	2.5%	11
Wayne	809,601	0.1%	27	47,491,000	1.7%	24
Weber	122,459,992	8.0%	4	4,489,107,000	2.7%	9
Out of State	73,395,651	4.8%		N/A		
Other Utah	405,490	0.0%		N/A		
Total	$1,527,526,509	100.0%		$52,532,150,000	2.9%	

Source: Ibid.

Figure 8

Alcoholic Beverage Tax by County

County	Wine & Liquor Tax Revenue	Beer Tax Revenue	Total Alcoholic Beverage Tax Revenue	Percent of Statewide Total
Beaver	$14,037	$10,043	$24,079	0.1%
Box Elder	100,489	71,898	172,387	0.7%
Cache	307,067	219,699	526,765	2.1%
Carbon	139,261	99,638	238,899	0.9%
Daggett	4,227	3,024	7,251	0.0%
Davis	651,570	466,182	1,117,753	4.4%
Duchesne	29,762	21,294	51,055	0.2%
Emery	15,157	10,844	26,001	0.1%
Garfield	40,453	28,943	69,397	0.3%
Grand	193,867	138,707	332,573	1.3%
Iron	177,068	126,688	303,756	1.2%
Juab	25,735	18,413	44,149	0.2%
Kane	18,367	13,141	31,509	0.1%
Millard	27,475	19,658	47,133	0.2%
Morgan	7,111	5,088	12,199	0.0%
Piute	100,640	72,005	172,645	0.7%
Rich	2,565	1,835	4,399	0.0%
Salt Lake	8,600,324	6,153,322	14,753,646	58.5%
San Juan	11,430	8,178	19,608	0.1%
Sanpete	53,904	38,567	92,471	0.4%
Sevier	67,917	48,593	116,510	0.5%
Summit	1,505,261	1,076,978	2,582,239	10.2%
Tooele	142,226	101,759	243,984	1.0%
Uintah	122,754	87,827	210,581	0.8%
Utah	708,898	507,199	1,216,097	4.8%
Wasatch	52,892	37,843	90,735	0.4%
Washington	335,695	240,182	575,877	2.3%
Wayne	33,038	23,638	56,675	0.2%
Weber	1,207,191	863,716	2,070,907	8.2%
Total	$14,696,381	$10,514,901	$25,211,281	100.0%

Source: Department of Alcoholic Beverage Control. Calculations and compilation by Utah Foundation.

Personal Income Tax Revenue

A review of Utah's income tax brackets shows that the threshold for the highest bracket is a taxable income of $8,626 for married filers and $4,313 for single filers. Most Utahns have incomes that place them in this top bracket making the personal income tax essentially a "flat" tax. When an analysis of calendar year 2000 state income tax returns is performed, 64.8 percent of all filers paid at the top rate. These taxpayers provided 81.7 percent of income within the state, valued at $19.5 billion.

The allocation of revenue from each county is detailed in Figure 8. Figure 8 also breaks out each county as a percent of income tax revenue and as a percent of state personal income. As the data indicate, there is little variance between the percentage of revenue each county provides and its percentage of state personal income. This is a function of the above "flat" tax rates on income. The largest deviations from this are Salt Lake and Summit counties. Salt Lake provides 46.8 percent of the state's personal income but only 44.4 percent of the income tax revenue. This variance may be the result of a larger proportion of poor residents that do not earn enough to be counted in the higher brackets, or underreporting of income by service industry workers or any number of other factors. At the other end of the spectrum is Summit County. In FY 2001, the county had a personal income of $1.2 billion, which ranked it the 7th largest in the state, between Cache and Box Elder counties. However, the state collected $63.5 million in personal income tax revenue from residents of Summit County. This placed the county fifth in the state for gross revenue, between Weber and Cache counties. Weber County has a personal income four times as large as Summit County but only paid double the income tax of Summit County. This gives Weber County an income tax "burden" of 2.7 percent. Cache County earned approximately $500 million more in personal income than Summit County during this time period, but paid less in income taxes. The state received $43.4 million from Cache residents. This gives the county a "burden" of 2.5 percent. Summit County's burden is double that of Weber or Cache, at 5.2 percent. Again, this is a function of the nature of Utah's income tax brackets. Since residents of Summit County have larger incomes per capita, a greater amount of revenue is generated from income tax than in the other counties highlighted here.

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Alcoholic Beverage Tax Revenue

The Department of Alcoholic Beverage Control provided to Utah Foundation data regarding tax revenue collected in the state-run liquor stores, by county. Figure 9 provides that data. The revenue from beer sales shown in the third column is revenue derived from barrels of beer either brewed in Utah or imported. It does not account for beer sold in convenience or grocery stores. As the figures show, Salt Lake and Summit counties account for a little more than two-thirds of the revenue. Utah and Davis counties with 16.5 and 10.7 percent of the population respectively, only account for a combined 9.3 percent of the revenue.

Revenues Accounted for Compared to Actual Revenue

The three taxes detailed in this section total to $3,057,011,133. According to budget documents provided by the Governor's Office of Planning and Budget, actual revenue collections during FY 2001 totaled to $3,723,706,000. With the analysis above, Utah Foundation has accounted for 82.1 percent of the actual collections.

Expenditures

Determining state spending in the counties was more difficult than allocating revenues. As the majority of state business is conducted in Salt Lake County and outlying state offices may not be serving solely the residents of the county in which they operate, it is difficult to state that the residents of a particular county enjoy a particular dollar value of state services. However, Utah Foundation attempted to track those expenditures that either are a direct benefit to residents in a particular county, such as public education funding, Medicaid funds expended, Temporary Assistance to Needy Families (TANF) and Food Stamp maintenance of effort funds, and Human Services contracts to counties for services, or spending by agencies that had facilities statewide, such as higher education, the judicial courts, corrections, the Tax Commission and State Parks. These components accounted for 87.1 percent of the state's expenditures, excluding capital spending, during FY 2001. An estimate was also made of each county's portion of the state's debt service on outstanding General Obligation debt (see Appendix A).

Figure 9

K-12 Ed. Funding from State Sources by County

County	Total Revenue to all Funds from State Sources	Percent of Statewide Total	County School Enrollment 2000-01	Percent of Statewide Total	Per Pupil Spending by County
Beaver	$5,679,961	0.4%	1,426	0.3%	$3,983
Box Elder	37,396,412	2.4%	10,927	2.3%	3,422
Cache	66,634,838	4.2%	18,948	4.0%	3,517
Carbon	16,698,125	1.1%	4,100	0.9%	4,073
Daggett	1,472,744	0.1%	164	0.0%	8,980
Davis	198,829,165	12.5%	58,867	12.4%	3,378
Duchesne	17,920,239	1.1%	4,140	0.9%	4,329
Emery	9,415,310	0.6%	2,714	0.6%	3,469
Garfield	6,158,407	0.4%	1,115	0.2%	5,523
Grand	5,136,924	0.3%	1,560	0.3%	3,293
Iron	27,928,990	1.8%	7,176	1.5%	3,892
Juab	9,254,839	0.6%	2,097	0.4%	4,413
Kane	6,320,721	0.4%	1,335	0.3%	4,735
Millard	11,439,905	0.7%	3,321	0.7%	3,445
Morgan	6,716,475	0.4%	2,019	0.4%	3,327
Piute	2,878,079	0.2%	354	0.1%	8,130
Rich	2,992,092	0.2%	473	0.1%	6,326
Salt Lake	540,454,057	34.1%	175,147	36.9%	3,086
San Juan	16,778,131	1.1%	3,146	0.7%	5,333
Sanpete	23,699,437	1.5%	5,230	1.1%	4,531
Sevier	19,112,417	1.2%	4,477	0.9%	4,269
Summit	9,462,726	0.6%	6,194	1.3%	1,528
Tooele	30,974,697	2.0%	9,177	1.9%	3,375
Uintah	22,867,091	1.4%	5,974	1.3%	3,828
Utah	274,984,641	17.3%	81,403	17.1%	3,378
Wasatch	13,041,218	0.8%	3,678	0.8%	3,546
Washington	58,537,164	3.7%	18,261	3.8%	3,206
Wayne	3,282,606	0.2%	550	0.1%	5,968
Weber	140,032,212	8.8%	40,759	8.6%	3,436
Total	$1,586,099,623	100.0%	475,269	100.0%	$3,337

Source: Utah State Office of Education. Calculations and compilation by Utah Foundation.

Regarding departmental administrative costs, a theoretical choice was made when analyzing expenditures. Within the main body of the report, those administrative costs, such as the $16.8 million the Board of Regents received during FY 2001 are allocated out to their subsidiary institutions by the size of those institutions. Therefore, it is assumed that since Utah State University receives 26.4 percent of all Higher Education funding, it benefits in the same proportion from the funds that are spent for the Board of Regents. Obviously, the other side of the argument is that administrative expenditures are, for the most part, expended in the county in which the agency has its offices. Therefore, Appendix B offers a chart detailing an alternative allocation assuming that administrative expenditures remain in Salt Lake County, where state offices have their headquarters. Additionally, the data presented in Appendix B includes General Fund expenditures for departments that have their primary functions in Salt Lake County, such as the Department of Administrative Services, Elected Officials and the Legislature. While these offices provide support to those in outlying areas, the day-to-day operations are within Salt Lake County. Using that alternative allocation increases Salt Lake County's return on state taxes to $0.96 instead of $0.80 and reduces other counties' ratios. However, this method was not relied upon for the body of this report, because the allocation of administrative support seems more correctly distributed to operations around the state that could not operate without that support.

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Figure 10

Higher Education Funding from State Sources by County

County	Uniform School Fund	Income Tax	State General Fund	Total Direct State Funding	Percent of Statewide Total	Allocation of State Administration Expenditures**	Total
Salt Lake*	$50,000	$121,362,500	$130,835,100	$252,247,600	47.5%	$8,009,706	$260,257,306
Cache	0	21,233,600	96,360,150	117,593,750	22.2%	3,733,995	121,327,745
Weber	0	7,985,300	45,782,600	53,767,900	10.1%	1,707,311	55,475,211
Utah	0	5,034,600	31,516,300	36,550,900	6.9%	1,160,613	37,711,513
Iron	0	2,354,600	22,233,700	24,588,300	4.6%	780,761	25,369,061
Washington	0	1,480,400	14,076,800	15,557,200	2.9%	493,993	16,051,193
Sanpete	0	1,233,400	10,296,500	11,529,900	2.2%	366,113	11,896,013
Carbon	0	1,610,800	8,070,200	9,681,000	1.8%	307,404	9,988,404
Sevier*	167,100	3,328,500	861,800	4,357,400	0.8%	138,362	4,495,762
Uintah	0	193,100	2,208,700	2,401,800	0.5%	76,265	2,478,065
San Juan	0	48,100	1,656,900	1,705,000	0.3%	54,139	1,759,139
Grand	0	3,700	671,400	675,100	0.1%	21,437	696,537
Total	$217,100	$165,868,600	$364,570,150	$530,655,850	100.0%	$16,850,100	$547,505,950

*Uniform School Funds earmarked for secondary education programs run by higher education institutions in these counties.

**Board of Regents expenditures allocated to each county in proportion to that county's share of statewide direct state funding.

Source: Utah System of Higher Education 2002-03 Data Book. Calculations and compilation by Utah Foundation.

Public Education Funding

Public K-12 education is the largest line item expenditure in Utah's budget. Personal and corporate income taxes are earmarked for the School Fund to pay for public education, although the Legislature may also direct some income tax funds to higher education. In FY 2001, state education spending was $1,586,099,623. Figure 10 shows the allocation of that funding by county. The final column of the chart divides state expenditures per pupil by county. The statewide total is $3,337 and county figures range from $1,528 in Summit County to almost $9,000 in Daggett. The disparity between counties can be explained by the state's funding of necessarily existent small schools and other factors that direct more funding per pupil to rural or disadvantaged schools.

When comparing counties by the size of their school district enrollments versus the percentage of total state funding received, the counties that are the net beneficiaries are those with enrollments between 1,000 and 5,000 students. As a group, these counties comprise 7.4 percent of total statewide K-12 enrollment, but receive 9.1 percent of the funding. The very smallest school districts are also net beneficiaries, but on a lesser scale. The school districts in counties with less than 500 students account for 0.7 percent of total state spending, while their enrollments make up only 0.3 percent of the statewide total. Additionally, the school districts in the counties north and south of Salt Lake are nominal winners. Together, the districts in Utah, Davis and Weber counties make up 38.1 percent of total statewide enrollments, while receiving 38.7 percent of state funds. On the downside, Salt Lake County has 36.9 percent of the state's K-12 school children, while the school districts within the county only receive 34.1 percent of the state's funds.

Figure 11

Department of Health:

State Funds for Medicaid by County

County	State Funds For Medicaid	County as a Percent of Total
Beaver	$656,817	0.4%
Box Elder	2,411,535	1.4%
Cache	5,641,738	3.4%
Carbon	3,117,829	1.9%
Daggett	33,452	0.0%
Davis	11,526,251	6.9%
Duchesne	2,185,785	1.3%
Emery	1,253,541	0.8%
Garfield	397,015	0.2%
Grand	871,950	0.5%
Iron	3,184,732	1.9%
Juab	1,033,801	0.6%
Kane	536,230	0.3%
Millard	1,180,028	0.7%
Morgan	83,129	0.0%
Piute	91,542	0.1%
Rich	51,680	0.0%
Salt Lake	64,753,487	38.9%
San Juan	1,817,615	1.1%
Sanpete	1,829,834	1.1%
Sevier	2,187,388	1.3%
Summit	797,836	0.5%
Tooele	2,250,285	1.4%
Uintah	3,309,526	2.0%
Utah	29,704,405	17.8%
Wasatch	727,326	0.4%
Washington	7,377,626	4.4%
Wayne	163,253	0.1%
Weber	17,324,431	10.4%
Total	$166,500,067	100.0%

Source: U.S. Bureau of Economic Analysis, County Personal Income Transfer Series; State of Utah, Governor's Office of Planning and Budget, Budget Summary 2001 & 2003. Calculations and compilation by Utah Foundation.

Higher Education Funding

Data provided by summaries of each institution's Consolidated Annual Financial Reports (CAFRs) were used to determine higher education expenditures in each county. While Utah State University has been expanding its network of satellite campuses, during FY 2001, only two outlying campuses had published summaries of revenues and expenditures. Figure 11 details the revenues provided to institutions by the state, allocated to the county in which they operate. Revenues are used as a proxy for expenditures to highlight the amount of tax funds each institution receives from state coffers. Actual expenditures will exceed revenues from state funds, because the colleges and universities also receive revenue in the form of tuition and federal funding. Additionally, the $16.8 million in funds expended on the Board of Regents is allocated out as administrative

expenses to each school based on its percentage of total General and School Fund revenues.

General Fund monies provide the largest percentage of state funding for most of the colleges and universities around the state. The exceptions to this are institutions in Salt Lake and Sevier counties. Colleges in both of these counties receive the majority of their state funding from income tax revenues and even some uniform school fund monies. The uniform school monies help to cover the costs of providing high school classes at these institutions.

Cache County receives the largest economic benefit from higher education funding. Utah State University receives $1.41 of the county's $2.37 in state expenditures per dollar of tax revenue. Cache County is also the only county in the state in which higher education funding is a larger portion of state spending than K-12 public education funding. Iron County is a close second but K-12 funding still exceeds higher education funding. The county receives $0.78 of its total $1.90 from higher education while receiving $0.86 for public education.

Figure 12

State Maintenance of Effort Funds for TANF by County

County	State MOE Funds	% of State Total	Number of Households Receiving Public Assistance Income	County Public Assistance Households as a Percentage of Statewide Total	State MOE Funds Per Household Receiving Public Assistance Income
Beaver	$92,954	0.4%	79	0.4%	$1,177
Box Elder	460,793	1.8%	351	1.6%	1,313
Cache	825,452	3.2%	680	3.1%	1,214
Carbon	445,845	1.8%	346	1.6%	1,289
Daggett	10,735	0.0%	15	0.1%	716
Davis	1,811,528	7.1%	2,059	9.4%	880
Duchesne	434,076	1.7%	347	1.6%	1,251
Emery	192,031	0.8%	167	0.8%	1,150
Garfield	65,759	0.3%	31	0.1%	2,121
Grand	227,733	0.9%	211	1.0%	1,079
Iron	420,479	1.7%	414	1.9%	1,016
Juab	99,713	0.4%	162	0.7%	616
Kane	102,655	0.4%	61	0.3%	1,683
Millard	212,307	0.8%	196	0.9%	1,083
Morgan	41,746	0.2%	50	0.2%	835
Piute	27,035	0.1%	31	0.1%	872
Rich	31,011	0.1%	28	0.1%	1,108
Salt Lake	9,977,797	39.2%	8,777	40.1%	1,137
San Juan	726,218	2.9%	436	2.0%	1,666
Sanpete	328,320	1.3%	280	1.3%	1,173
Sevier	326,492	1.3%	274	1.3%	1,192
Summit	98,758	0.4%	148	0.7%	667
Tooele	418,412	1.6%	375	1.7%	1,116
Uintah	509,696	2.0%	431	2.0%	1,183
Utah	3,584,963	14.1%	2,433	11.1%	1,473
Wasatch	118,637	0.5%	117	0.5%	1,014
Washington	933,276	3.7%	905	4.1%	1,031
Wayne	53,752	0.2%	15	0.1%	3,583
Weber	2,895,568	11.4%	2,477	11.3%	1,169
Total	$25,473,742	100.0%	21,896	100.0%	$1,163

Source: U.S. Bureau of Economic Analysis, County Personal Income and Transfer Payments Series; U.S. Census Bureau, SF3 Series; U.S. Department of Health and Human Services, Administration for Children and Families; and Utah Department of Workforce Services. Calculations and compilation by Utah Foundation.

Medicaid Funding

For any state health department, the single largest outlay is for Medicaid payments. Each state receives a portion of its Medicaid funding from the federal government. Utah has one of the highest federal reimbursement rates in the country. For every dollar of Utah state funds spent on Medicaid, the federal government spends three. This is an average of funding for Medicaid and funding for the Children's Health Insurance Program (CHIP). FY 2001 was the first year that states were offered a larger reimbursement for CHIP expenditures separate from Medicaid.

The federal government also tracks expenditures for retirement income support and health and welfare programs by county. These figures are included in the personal income series that the U.S. Bureau of Economic Analysis provides on each county. Multiplying the state's percentage of total Medicaid expenditures by the federal data on Medicaid spending for each county provides an estimate of the counties' share of state Medicaid expenditures. State Medicaid programs are funded with revenue from other state sources in addition to General Fund monies. However, those other sources are not a general tax levy, meaning that all residents of the state are not contributing to the funding, like they are with the General Fund. Therefore, the analysis of Medicaid state funds takes the percentages by county derived from the federal data above and imposes those on the General Fund portion only. Figure 12 shows the estimate, using this

Cache County is also the only county in the state in which higher education funding is a larger portion of state spending than K-12 public education funding.

Figure 13

State Maintenance of Effort Funds for Food Stamps by County

County	State MOE Funds	% of State Total	Number of Households Receiving Public Assistance Income	County Public Assistance Households as a Percentage of Statewide Total	State MOE Funds Per Household Receiving Public Assistance Income
Beaver	$42,349	0.3%	79	0.4%	$536
Box Elder	231,659	1.5%	351	1.6%	660
Cache	514,136	3.3%	680	3.1%	756
Carbon	409,066	2.6%	346	1.6%	1,182
Daggett	6,584	0.0%	15	0.1%	439
Davis	1,100,838	7.0%	2,059	9.4%	535
Duchesne	461,487	3.0%	347	1.6%	1,330
Emery	122,239	0.8%	167	0.8%	732
Garfield	33,879	0.2%	31	0.1%	1,093
Grand	176,262	1.1%	211	1.0%	835
Iron	383,885	2.5%	414	1.9%	927
Juab	70,276	0.4%	162	0.7%	434
Kane	72,565	0.5%	61	0.3%	1,190
Millard	141,239	0.9%	196	0.9%	721
Morgan	6,584	0.0%	50	0.2%	132
Piute	17,397	0.1%	31	0.1%	561
Rich	11,903	0.1%	28	0.1%	425
Salt Lake	5,525,479	35.4%	8,777	40.1%	630
San Juan	602,497	3.9%	436	2.0%	1,382
Sanpete	206,936	1.3%	280	1.3%	739
Sevier	235,322	1.5%	274	1.3%	859
Summit	49,216	0.3%	148	0.7%	333
Tooele	234,177	1.5%	375	1.7%	624
Uintah	271,490	1.7%	431	2.0%	630
Utah	1,838,393	11.8%	2,433	11.1%	756
Wasatch	62,722	0.4%	117	0.5%	536
Washington	807,602	5.2%	905	4.1%	892
Wayne	13,048	0.1%	15	0.1%	870
Weber	1,975,740	12.6%	2,477	11.3%	798
Total	$15,625,307	100.0%	21,896	100.0%	$714

Source: U.S. Bureau of Economic Analysis, County Personal Income and Transfer Payments Series; U.S. Census Bureau, SF3 Series; U.S. Department of Health and Human Services, Administration for Children and Families; U.S. Department of Agriculture; and Utah Department of Workforce Services. Calculations and compilation by Utah Foundation.

allocation formula, of Medicaid expenditures by county that were paid with state funds. The total spending figure derived from this estimation is $166,500,067.

Since Medicaid payments are made to doctors, hospitals and other health care providers, rather than directly to those utilizing the service, the county percentages reflect the incidence of Medicaid usage within the county, but not necessarily by residents of that county. For example, Utah County received 17.8 percent of total state General Fund Medicaid expenditures, but only accounts for 11.1 percent of households receiving public assistance. Therefore, it is assumed that because Utah County has a regional medical center that draws patients from surrounding rural counties, out-of-county patients account for the difference.

TANF and Food Stamp State Maintenance of Effort Funding

Another line of the personal income series assists in tracking state funding for the Temporary Assistance to Needy Families program. TANF is the program under which welfare payments are provided to needy families. Each state is required to provide what is termed "Maintenance of Effort" or MOE money. Using the percentage distribution of TANF funds to the counties from the federal government and applying those to the state's MOE funds for FY 2001 derives a figure of state expenditures for TANF by county. This is expressed in Figure 13. In order to examine issues of supply and demand, an additional data source is used. The U.S. Census Bureau provides the number of households within a geographic area that are receiving public assistance. This data is found in the SF3 file for Utah and is available on the Census Bureau's web site. The data is derived from households that received the "long form" questionnaire during the 2000 Census. Therefore, the timing is not exactly harmonious with that of FY 2001, however it is close enough to provide relevant information. From this data and the information above on expenditures per county, a calculation of State MOE expenditures per recipient household was derived. These per household calculations will not equal the average payment to welfare recipients, as this is state funding only and payments are a combination of federal and state monies. This figure is useful in determining where state funds are being expended and if expenditures are congruent with demand. In all but four counties, the ratio between expenditures and households is close to 1:1. This means that, in percentage terms, these counties are receiving their "fair share" or more of state MOE monies. Utah County has the largest positive discrepancy in the ratio of recipients versus funding.

Figure 14

Judicial Branch Expenditures by County

County	District Court	Juvenile Court	Court Adminstration	Justices of the Peace	Information Technology	Supreme Court & Law Library	Court of Appeals	County Total	County as a Percent of Statewide Total
Beaver	$66,883	$0	$2,799	$174	$0	$0	$0	$69,856	0.1%
Box Elder	693,342	461,845	48,348	3,004	0	0	0	1,206,539	1.6%
Cache	1,174,253	635,776	75,756	4,707	0	0	0	1,890,492	2.5%
Carbon	602,919	617,060	51,060	3,173	0	0	0	1,274,212	1.7%
Daggett	24,352	0	1,019	63	0	0	0	25,434	0.0%
Davis	2,701,718	1,756,126	186,575	11,593	0	0	0	4,656,013	6.2%
Duchesne	96,247	0	4,028	250	0	0	0	100,525	0.1%
Emery	120,909	49,075	7,114	442	0	0	0	177,540	0.2%
Garfield	77,390	0	3,239	201	0	0	0	80,830	0.1%
Grand	319,286	253,849	23,988	1,491	0	0	0	598,613	0.8%
Iron	738,690	612,382	56,547	3,514	0	0	0	1,411,132	1.9%
Juab	89,199	0	3,733	232	0	0	0	93,164	0.1%
Kane	98,150	113,449	8,856	550	0	0	0	221,006	0.3%
Millard	80,592	160,905	10,107	628	0	0	0	252,232	0.3%
Morgan	23,463	0	982	61	0	0	0	24,506	0.0%
Piute	9,637	0	403	25	0	0	0	10,066	0.0%
Rich	9,380	0	393	24	0	0	0	9,797	0.0%
Salt Lake	13,169,081	7,691,067	1,367,434	54,250	3,957,172	5,196,998	2,688,520	34,124,521	45.7%
San Juan	146,811	41,475	7,880	490	0	0	0	196,656	0.3%
Sanpete	165,255	179,976	14,449	898	0	0	0	360,578	0.5%
Sevier	684,291	494,562	49,339	3,066	0	0	0	1,231,258	1.7%
Summit	243,584	0	10,195	633	0	0	0	254,412	0.3%
Tooele	217,903	335,911	23,179	1,440	0	0	0	578,434	0.8%
Uintah	644,715	692,487	55,966	3,478	0	0	0	1,396,646	1.9%
Utah	4,057,807	3,322,999	308,911	19,195	0	0	0	7,708,912	10.3%
Wasatch	92,054	0	3,853	239	0	0	0	96,146	0.1%
Washington	951,797	907,115	77,801	4,834	0	0	0	1,941,548	2.6%
Wayne	10,111	0	423	26	0	0	0	10,560	0.0%
Weber	3,510,535	2,342,590	244,972	15,222	0	0	0	6,113,319	8.2%
Unallocable	3,553,661	4,451,391	335,037	20,818	0	0	0	8,360,908	11.2%
Total	$34,374,015	$25,120,040	$3,114,397	$154,723	$3,957,172	$5,196,998	$2,688,520	$74,605,865	100.0%

Source: State of Utah Administrative Office of the Courts. Calculations and compilations by Utah Foundation.

Utah County has 11.1 percent of state's household receiving public assistance, but 14.1 of state MOE monies are expended in the county. The three counties on the other end of the spectrum are Davis, Salt Lake and Washington counties. Of these, Davis County has the largest difference in the percentage of monies and the percentage of households. The state expends 7.1 percent of its MOE monies on residents of Davis County. However, the county has 9.4 percent of the state's households that are receiving public assistance income.

Food Stamp state MOE monies are calculated in the same fashion, using the same data sources. There is more variation in the equity of counties. Figure 13 details this. Seven counties: Carbon, Duchesne, Iron, San Juan, Utah, Washington and Weber counties receive more in food stamp expenditures than their share of households receiving public assistance income. Together, these counties received approximately $6.5 million or 41.5 percent of state food stamp MOE monies during FY 2001 while only accounting for 33.6 percent of the households in the state that are receiving public assistance. Most of the other counties had a ratio of households to expenditures very close to 1:1, with Davis and Salt Lake counties as the exceptions. Davis again received 7.0 percent of food stamp expenditures while having 9.4 percent of the households. Salt Lake County had the largest discrepancy, while the county has 40.1 percent of households receiving public assistance it only received 35.4 percent of food stamp expenditures.

Caution must be used when reviewing these figures. It should not be

Figure 15

Corrections Expenditures by County

County	Jail Reimbursement	Jail Contracts	Probation & Parole	Corrections & Administration	Total	County as a Percent of Statewide Total
Beaver	$45,005	$2,403,435	$0	$242,861	$2,691,301	1.3%
Box Elder	170,573	641,355	459,558	126,119	1,397,605	0.7%
Cache	304,951	139,030	779,142	121,322	1,344,445	0.7%
Carbon	57,964	159,617	544,222	75,563	837,367	0.4%
Daggett	8,657	984,623	0	98,524	1,091,804	0.5%
Davis	957,523	171,763	2,582,400	368,163	4,079,849	2.0%
Duchesne	112,197	2,065,896	87,215	224,696	2,490,004	1.2%
Emery	69,903	0	109,891	17,834	197,627	0.1%
Garfield	18,027	1,392,108	0	139,871	1,550,006	0.8%
Grand	61,126	181,368	287,810	52,601	582,905	0.3%
Iron	271,675	0	674,291	2,022,799	2,968,765	1.5%
Juab	40,425	0	0	4,010	44,435	0.0%
Kane	3,790	137,479	0	14,012	155,281	0.1%
Millard	117,717	964,596	69,403	114,239	1,265,955	0.6%
Morgan	689	0	0	68	757	0.0%
Piute	0	0	0	0	0	0.0%
Rich	3,575	0	0	355	3,929	0.0%
Salt Lake*	2,839,901	0	10,950,452	110,574,731	124,365,084	61.9%
San Juan	37,729	933,542	132,567	109,490	1,213,328	0.6%
Sanpete	155,611	115,341	0	23,200,332	23,471,284	11.7%
Sevier	182,853	1,009,475	0	118,267	1,310,595	0.7%
Summitt	68,524	235,464	186,167	48,619	538,773	0.3%
Tooele	254,716	12,620	165,482	42,931	475,748	0.2%
Uintah	104,165	348,652	582,596	102,703	1,138,115	0.6%
Utah	2,387,792	0	3,583,397	801,129	6,772,317	3.4%
Wasatch	131,914	726,203	0	85,117	943,235	0.5%
Washington	313,013	3,005,295	868,709	415,311	4,602,328	2.3%
Wayne	0	0	0	0	0	0.0%
Weber	2,578,354	1,498,491	3,507,700	4,323,801	11,908,346	5.9%
Statewide	0	0	3,193,200	316,734	3,509,934	1.7%
Total	$11,298,372	$17,126,354	$28,764,200	$143,762,200	$200,951,125	100.0%

* Includes expenditures for statewide administration of Corrections programs.
Source: Utah Department of Corrections. Calculations and compilation by Utah Foundation.

assumed that food stamp recipients in Salt Lake County are net "losers" in the funding allocation. Since the figures regarding recipients are for households, not individuals, those counties with larger expenditures than households may have more people within a household who are receiving food stamps.

Judicial Branch and Corrections Expenditures

Figure 14 details judicial branch expenditures by court type. This information comes from the Administrative Office of the Courts. All expenditures for juvenile and district courts are allocated to the county in which the court is physically located, while appeals court and the state supreme court are allocated to Salt Lake County. While these offices provide judicial support to all the counties, there is no equitable way to disaggregate these expenditures by county. Administration costs are allocated to the counties based on the percentage of court expenditures they represent. It is assumed that the larger that percentage, the more administrative resources that county uses. Justice of the Peace expenditures were allocated using the percentages from district court expenditures. The courts' expenditures are perhaps the most difficult to accurately allocate. Court jurisdiction is determined by the county in which the crime or infraction was committed, not the one in which the accused lives. Therefore, the expenditures in this section should be viewed as the impact of having a court physically located in a particular county. The figures cannot speak to the cost per county resident of administering the courts. Nor should they be used to determine whether funding is equitably divided between counties.

Perhaps the most significant information this chart can provide is to show how important corrections expenditures, especially those in the form of jail reimbursements or contracts, are to the small, rural counties.

In Figure 15 an analysis of the corrections department's expenditures by county is offered. Again, administrative costs are distributed based on the expenditures in each county as a percent of total expenditures. The expenditures for correctional facilities, however, are not prorated but rather allotted to the county in which the facility is located. Perhaps the most significant information this chart can provide is to show how important corrections expenditures, especially those in the form of jail reimbursements or contracts, are to the small, rural counties. Comparing Daggett County's Personal Income with the amount of funding the county receives for housing inmates, these contracts equal approximately 7.5 percent of total county personal income. For Sanpete County, total corrections expenditures equal 6.3 percent of total personal income. These figures are for direct expenditures by the corrections department, they do not take into account the value of correctional personnel living and spending within those counties. These "multiplier effects" can boost the importance of state government spending. This is true as well for the other expenditure

categories listed above. Multiplier effects are something that economists spend a great deal of time calculating and they are invaluable to determining the overall impacts of spending by a particular industry or sector. Later in this report, Utah Foundation will attempt to measure the impact of state government spending for each county.

Tax Commission including the Department of Motor Vehicles

In the budget documents provided by the Governor's Office of Planning and Budget, state departments are organized into budgetary groups by the functions they provide. For this report, Utah Foundation attempted to analyze the largest departments within each budget group. The Commerce and Revenue group has two departments that are the primary recipients of General Fund monies. The first is the Department of Workforce Services (DWS). General Fund money is expended to provide the state's maintenance of effort funding (MOE) for the federal income support programs listed above. With the analysis of TANF and Food Stamp expenditures, Utah Foundation calculated in which counties approximately 75 percent of DWS General Fund expenditures were made during FY 2001. Other DWS functions, including Unemployment Insurance operations as well as the Job Service centers are funded through federal funds or self-perpetuating accounts, such as the Unemployment Insurance Fund and the Workers' Compensation Fund.

The second largest allocation of General Fund monies within the Commerce and Revenue budget group is to the Tax Commission. The Commission is responsible to collect all taxes due to the state, including the taxes and registration fees that are associated with the purchase and licensing of a new motor vehicle. Figure 16 highlights Tax Commission expenditures of General Fund monies by county. The bulk of Tax Commission funds remains in Salt Lake County and is used for both DMV expenditures within the county and to pay for the other duties of the Tax Commission. Allocations out to the other counties shown in Figure 16 are for DMV operations only.

Figure 16

Tax Commission and DMV Spending by County

County	General Fund Allocation by County*	Percent of Total General Fund Allocation
Beaver	$18,700	0.1%
Box Elder	71,300	0.3%
Cache	135,800	0.6%
Carbon	63,400	0.3%
Daggett	5,800	0.0%
Davis	320,400	1.3%
Duchesne	38,300	0.2%
Emery	25,600	0.1%
Garfield	15,200	0.1%
Grand	29,400	0.1%
Iron	184,500	0.8%
Juab	23,500	0.1%
Kane	21,800	0.1%
Millard	24,900	0.1%
Morgan	16,300	0.1%
Piute	5,100	0.0%
Rich	7,400	0.0%
Salt Lake	20,099,100	84.0%
San Juan	28,100	0.1%
Sanpete	41,600	0.2%
Sevier	52,100	0.2%
Summit	79,600	0.3%
Tooele	73,200	0.3%
Uintah	70,100	0.3%
Utah	963,300	4.0%
Wasatch	37,000	0.2%
Washington	328,600	1.4%
Wayne	10,300	0.0%
Weber	1,136,000	4.7%
Total	$23,926,400	100.0%

* This includes both direct DMV expenditures and contracts with counties to provide DMV services.

Source: Utah State Tax Commission. Calculations and compilation by Utah Foundation.

Figure 17

State Parks General Fund Expenditures by County

County	Funds to State Parks and Park Administration Monies by County	Percent of Total Park General Fund Expenditures
Beaver	$0	0.0%
Box Elder	249,661	2.2%
Cache	189,122	1.6%
Carbon	292,824	2.5%
Daggett	22,467	0.2%
Davis	1,323,934	11.4%
Duchesne	247,894	2.1%
Emery	886,891	7.6%
Garfield	656,567	5.7%
Grand	194,044	1.7%
Iron	289,967	2.5%
Juab	236,437	2.0%
Kane	364,444	3.1%
Millard	317,037	2.7%
Morgan	280,474	2.4%
Piute	37,233	0.3%
Rich	326,127	2.8%
Salt Lake	239,690	2.1%
San Juan	494,965	4.3%
Sanpete	627,009	5.4%
Sevier	388,031	3.3%
Summit	217,504	1.9%
Tooele	0	0.0%
Uintah	617,624	5.3%
Utah	510,336	4.4%
Wasatch	1,815,900	15.6%
Washington	739,837	6.4%
Wayne	0	0.0%
Weber	39,560	0.3%
Total	$11,605,579	100.0%

Source: Utah Dept. of Natural Resources, Division of State Parks. Calculations and compilation by Utah Foundation.

State Parks

State parks are somewhat different in their funding mechanism. State parks usually charge a small fee for use, whether that is a park admission fee or campground or boat-docking charge and each state park has revenue that is self-generated. However, often this revenue is not enough to sustain park operations, especially maintenance of remote parks that may cover many acres of land. Therefore, park administrators use General Fund revenue to supplement parks' own revenue. During FY 2001, state parks received $11.6 million in General Fund revenue, according to the Department of Natural Resources annual report. Of those monies, $3.3 million was actually transferred to the individual state parks for use and $8.3 million was retained within the administrative offices of the division. However, these funds are used to provide services and pay for overhead that all the parks use, to avoid duplication of effort. One example of this is printing contracts for park brochures. Instead of each park or visitor's center printing brochures, the state has one contract and each park receives its brochures from the administrative offices. Therefore, these administrative funds are allocated to each park and by extension, the county in which park is located, based on the percentage the park is of total spending. This assumes that administrative staff time and resources

Figure 18

Department of Human Services, General Fund Expenditures for Division Services by County

County	Child and Family Services	Services for People with Disabilities	Division of Mental Health*	Youth Corrections	Total by County	County as a Percent
Beaver	$118,300	$117,120	$66,102	$0	$301,521	0.1%
Box Elder	630,000	343,551	491,704	0	1,465,255	0.7%
Cache	1,360,400	1,393,724	1,051,289	2,256,067	6,061,480	2.7%
Carbon	1,481,700	640,254	351,665	2,158,737	4,632,357	2.1%
Daggett	70,400	3,904	13,985	0	88,289	0.0%
Davis	3,567,200	3,361,335	2,371,893	6,151,831	15,452,259	7.0%
Duchesne	1,092,800	218,623	218,221	0	1,529,644	0.7%
Emery	781,400	39,040	187,008	456,060	1,463,508	0.7%
Garfield	88,400	93,696	52,122	0	234,217	0.1%
Grand	628,500	156,160	146,111	749,194	1,679,965	0.8%
Iron	666,400	558,271	371,831	1,955,519	3,552,021	1.6%
Juab	117,800	148,352	113,673	0	379,825	0.2%
Kane	115,200	124,928	66,553	0	306,681	0.1%
Millard	169,500	261,567	171,173	0	602,240	0.3%
Morgan	106,300	7,808	99,556	0	213,664	0.1%
Piute	26,800	31,232	19,801	0	77,833	0.0%
Rich	28,900	3,904	22,558	0	55,362	0.0%
Salt Lake	30,086,700	16,736,405	12,364,337	27,231,186	86,418,628	38.9%
San Juan	1,049,300	343,551	258,920	1,225,123	2,876,894	1.3%
Sanpete	443,100	421,631	314,099	0	1,178,830	0.5%
Sevier	366,000	378,687	259,995	2,194,639	3,199,321	1.4%
Summit	430,000	445,055	212,677	0	1,087,732	0.5%
Tooele	1,135,900	620,734	356,890	0	2,113,524	1.0%
Uintah	1,943,700	612,926	383,021	2,191,466	5,131,114	2.3%
Utah	5,302,500	6,656,303	32,683,503	6,642,326	51,284,632	23.1%
Wasatch	219,200	261,567	1,349,338	0	1,830,105	0.8%
Washington	1,823,800	1,409,340	994,595	1,991,929	6,219,664	2.8%
Wayne	47,900	50,752	34,621	91,108	224,381	0.1%
Weber	2,922,100	3,599,479	2,744,560	13,017,425	22,283,564	10.0%
Total	$56,820,200	$39,039,900	$57,771,801	$68,312,610	$221,944,511	100.0%

* Mental Health data was provided by the Department of Human Services on a regional basis for most counties. Some counties, such as Salt Lake and Tooele were provided individually. Therefore, for those counties contained within Division of Mental Health regions, expenditures by county are calculated by multiplying total regional spending by the percent each county makes up of the region's population.

Source: Utah Department of Human Services. Calculations and compilation by Utah Foundation.

are used by the parks in direct proportion to the public demand that is placed on a particular park. Figure 17 highlights the allocation of state parks' General Fund expenditures by county. Appendix B, as discussed earlier, allocates the $8.3 million in administrative expenditures to Salt Lake County. A note when reviewing the county allocations: parks were assigned to the county in which they have their mailing address. Antelope Island, for example, has its mailing address in Bountiful; therefore park funds were assigned to Davis County. This is an important consideration, since some parks do overlap county boundaries and the most used portions of a park may be in a different county than that where the ranger station is located.

Human Services

The Department of Human Services is perhaps the most opaque piece of the funding puzzle. Most of the services that the department provides are done so through contracts with county or nonprofit agencies. Additionally, although the funds for youth correctional programs are provided under the Corrections budget group in the state's budget documents, Department of Human Services, not Corrections, provides these services to youth and their families. No outside data source, such as the Transfer Payments series from the U.S. Bureau of Economic Analysis that was used to calculate Medicaid, TANF and Food Stamps expenditures by county, exists for Human Services. Therefore, at the request of Utah Foundation, the Department of Human Services asked its largest departments to provide information regarding General Fund expenditures to the counties. These expenditures were either in the form of "block grants" to the counties to provide the services or in direct state spending, such as the State Hospital in Provo. The allocation of this funding is provided in Figure 18.

The State Hospital in Provo and the Utah State Developmental Center in American Fork are two entities that serve the entire state, but are located within one county and generally spend their resources in that county.

Again, when reviewing the percentages in Figure 18, it is important to remember that spending is based on the locality of institutions, not on the residents of the county that utilize services. This is especially clear when examining spending in Utah County. The county receives 23.1 percent of DHS funding. For example, the State Hospital in Provo and the Utah State Developmental Center in American Fork are two entities that serve the entire state, but are located within one county and generally spend their resources in that county. An important note regarding Division of Mental Health figures, only five counties have funding directly allocated to entities within the county. These five are Davis, Salt Lake, Tooele, Summit and

San Juan. The other 24 counties are bundled into regional service areas and funding could not be allocated any further than the regional level. However, discussion with DHS staff revealed that dividing regional funding by the percent of population each county represents to the region would be a fair proxy measure. Therefore, all Mental Health funding for counties other than the five listed above is an estimate.

Direct State Expenditures versus the Importance of State Government to a Local Economy

These ten budgetary items represent 87.1 percent of the General and School Funds. However, the expenditures detailed in the above paragraphs cannot adequately explain the dependence a local economy has on state government functions located within a county's boundary. The brief discussion contained within the section on correctional spending attempts to raise the question of "what does the state provide to county residents, other than services?" This may seem like a rather facile question, in light of the magnitude of state spending on services. However, there are residents of the state that may never utilize public or higher education institutions or have need of income support or other human services. It is for those residents, and their elected representatives that Utah Foundation tries to determine the value of state government in terms of employment and employee wages to each county and the effects on the local economy.

Location Quotients

A common economic adage is that for every dollar expended directly by one person or entity within a given locale, that dollar will cycle through the economy of that locale seven times before leaving. A whole discipline of economic science is devoted to measuring these multiplier effects on local economies and building models to estimate the impacts of businesses entering and exiting a local economy. These models have become extremely sophisticated; in larger areas they are able to calculate the impacts of a national fast food chain opening in a given area, as opposed to a gourmet

Figure 19

Location Quotients (LQs) for State Government by County

State Government Employee Earnings by County

County ($000s)	Non-Farm Earnings	State Government Earnings	State Gov't Earnings as Percent of Statewide Total	State Gov't Earnings as a Percent of Non Farm	Location Quotient
Beaver	$57,389	$1,726	0.1%	3.0%	0.58
Box Elder	742,986	7,662	0.4%	1.0%	0.20
Cache	1,189,828	167,519	8.0%	14.1%	2.72
Carbon	303,726	22,449	1.1%	7.4%	1.43
Daggett	14,130	1,177	0.1%	8.3%	1.61
Davis	3,463,604	30,081	1.4%	0.9%	0.17
Duchesne	155,135	4,366	0.2%	2.8%	0.54
Emery	158,680	2,256	0.1%	1.4%	0.27
Garfield	58,941	2,732	0.1%	4.6%	0.90
Grand	113,128	3,369	0.2%	3.0%	0.58
Iron	369,840	48,645	2.3%	13.2%	2.54
Juab	72,829	1,794	0.1%	2.5%	0.48
Kane	79,934	2,843	0.1%	3.6%	0.69
Millard	132,620	4,292	0.2%	3.2%	0.63
Morgan	59,236	1,079	0.1%	1.8%	0.35
Piute	7,251	845	0.0%	11.7%	2.25
Rich	13,568	1,226	0.1%	9.0%	1.75
Salt Lake	22,030,336	1,362,222	65.0%	6.2%	1.20
San Juan	126,806	10,705	0.5%	8.4%	1.63
Sanpete	177,255	27,936	1.3%	15.8%	3.05
Sevier	212,967	11,423	0.5%	5.4%	1.04
Summit	602,563	6,118	0.3%	1.0%	0.20
Tooele	455,526	7,207	0.3%	1.6%	0.31
Uintah	314,361	5,928	0.3%	1.9%	0.36
Utah	5,325,909	175,344	8.4%	3.3%	0.64
Wasatch	146,760	5,364	0.3%	3.7%	0.71
Washington	1,062,662	24,064	1.1%	2.3%	0.44
Wayne	28,452	1,069	0.1%	3.8%	0.73
Weber	3,024,131	152,941	7.3%	5.1%	0.98
State Total	40,500,553	2,094,382	100.0%	5.2%	1.00

State Government Employees by County

County	Non-Farm Employment	State Government Employment	State Gov't Employees by County as a Percent of the State Total	State Gov't Employment as a Percent of Non Farm	Location Quotient
Beaver	2,714	37	0.1%	1.4%	0.30
Box Elder	22,923	196	0.3%	0.9%	0.19
Cache	52,334	4,912	8.0%	9.4%	2.09
Carbon	11,512	754	1.2%	6.5%	1.46
Daggett	604	21	0.0%	3.5%	0.77
Davis	119,341	773	1.3%	0.6%	0.14
Duchesne	6,839	107	0.2%	1.6%	0.35
Emery	4,824	54	0.1%	1.1%	0.25
Garfield	2,730	65	0.1%	2.4%	0.53
Grand	5,599	79	0.1%	1.4%	0.31
Iron	18,473	1,779	2.9%	9.6%	2.15
Juab	3,386	38	0.1%	1.1%	0.25
Kane	3,807	59	0.1%	1.5%	0.35
Millard	5,180	97	0.2%	1.9%	0.42
Morgan	2,589	21	0.0%	0.8%	0.18
Piute	321	15	0.0%	4.7%	1.04
Rich	856	22	0.0%	2.6%	0.57
Salt Lake	671,471	38,655	62.7%	5.8%	1.28
San Juan	5,300	355	0.6%	6.7%	1.49
Sanpete	9,203	1,000	1.6%	10.9%	2.42
Sevier	9,455	335	0.5%	3.5%	0.79
Summit	23,008	176	0.3%	0.8%	0.17
Tooele	15,033	176	0.3%	1.2%	0.26
Uintah	12,648	134	0.2%	1.1%	0.24
Utah	197,673	5,881	9.5%	3.0%	0.66
Wasatch	7,182	159	0.3%	2.2%	0.49
Washington	46,883	808	1.3%	1.7%	0.38
Wayne	1,446	20	0.0%	1.4%	0.31
Weber	110,548	4,951	8.0%	4.5%	1.00
State Total	1,373,882	61,679	100.0%	4.5%	1.00

Source: U.S. Bureau of Economic Analysis, County Business Patterns Series. Calculations and compilation by Utah Foundation.

restaurant, for example. The most well known of these models is the RIMS model operated by the U.S. Bureau of Labor Statistics but others, produced in the private sector, are also available. Unfortunately, these models concentrate on the impacts of the private sector. There isn't a handy way to determine the impact of state or local government spending in a given area. Therefore, in order to estimate those, a more rough analysis must be employed.

This analysis, called a location quotient or LQ, provides an estimate of the dependence a local area has on a given sector compared to a larger area that is assumed to be at equilibrium. In more concrete terms, employment and earnings of state government workers in a given county are compared with state government employment and earnings statewide. To derive the calculation, state government employment and earnings for Utah during FY 2001 are divided by total nonfarm employment and earnings for the state during the same time period. The percentages for each are 4.5 and 5.2, respectively. Therefore, state employees comprise 4.5 percent of the state's total workforce and 5.2 percent of total wages earned. These calculations are then repeated for each county. Once the percentages are derived, the county figures are placed over the state totals listed above. A ratio, or location quotient is then estimated. Figure 19 gives the results of this exercise. An LQ of 1.00 means the county is no more or less dependent on state government than the state as a whole. An LQ greater than one indicates greater dependence, less than one, less dependence. For example, Iron County is two-and-a-half times more dependent on state government earnings than the state as a whole. Thus, any changes in state government within the county will have an effect of a magnitude greater than in Davis County, for example.

Iron County is two-and-a-half times more dependent on state government earnings than the state as a whole. Thus, any changes in state government within the county will have an effect of a magnitude greater than in Davis County, for example.

Another gauge that location quotients provide is that of measuring state government dependence versus actual dollars expended on particular programs. This is an attempt to quantify those state offices that are housed in Salt Lake City that were not accounted for in the expenditures listed above. Most of the charts in this report show Salt Lake County as a net "payer"; that is more tax revenue comes from Salt Lake County than is provided back in expenditures. Additionally, the comparisons of personal income, population and school enrollments show that the county usually receives less in expenditures, as a percentage of the state's total, than it comprises of any of those indicators. Location quotients provide the ability to account for state government operations that are unique to the state's capital. Both the salary and employment LQ show that Salt Lake County is slightly more dependent on state government than the state as a whole. Additionally, when earnings and employment are apportioned by county, 62.7 percent of state employees work in Salt Lake County and account for 65.0 percent of employee earnings statewide. The magnitude of the local economy within Salt Lake County mutes the effect of state government employment relative to its importance in other counties.

Conclusion

Like the Tax Foundation report listing states as net "payers" or "beneficiaries" of federal expenditures relative to taxes paid, Figure 20 lists the counties by the amount of expenditures received relative to taxes paid into the state's coffers. Since Utah Foundation was only able to account for 82 percent of revenues and 87.1 percent of Operations and Maintenance expenditures, these figures are estimates.

As with most estimates, some analysts could make different assumptions and come to different conclusions. As mentioned earlier in the report, one

Figure 20

Selected State Expenditure Categories by County

County	K-12 Funds	Higher Ed Funds	Medicaid	MOE TANF	MOE Food Stamps	Courts	Corrections	Tax Commision incl DMV	State Parks	Human Services	Total by County	County as a % of Statewide Total	Spending per $1.00 of Revenue
Beaver	$5,679,961	$0	$656,817	$92,954	$42,349	$67,057	$2,448,440	$18,700	$0	$301,521	$9,307,799	0.3%	$1.91
Box Elder	37,396,412	0	2,411,535	460,793	231,659	1,158,191	1,271,486	71,300	249,661	1,465,255	44,716,293	1.6%	1.11
Cache	66,634,838	121,327,745	5,641,738	825,452	514,136	1,814,737	1,223,123	135,800	189,122	6,061,480	204,368,172	7.1%	2.37
Carbon	16,698,125	9,988,404	3,117,829	445,845	409,066	1,223,152	761,803	63,400	292,824	4,632,357	37,632,804	1.3%	1.44
Daggett	1,472,744	0	33,452	10,735	6,584	24,415	993,280	5,800	22,467	88,289	2,657,766	0.1%	2.39
Davis	198,829,165	0	11,526,251	1,811,528	1,100,838	4,469,438	3,711,687	320,400	1,323,934	15,452,259	238,545,500	8.3%	0.82
Duchesne	17,920,239	0	2,185,785	434,076	461,487	96,497	2,265,308	38,300	247,894	1,529,644	25,179,231	0.9%	1.92
Emery	9,415,310	0	1,253,541	192,031	122,239	170,426	179,794	25,600	886,891	1,463,508	13,709,340	0.5%	1.51
Garfield	6,158,407	0	397,015	65,759	33,879	77,591	1,410,135	15,200	656,567	234,217	9,048,770	0.3%	1.88
Grand	5,136,924	696,537	871,950	227,733	176,262	574,626	530,304	29,400	194,044	1,679,965	10,117,745	0.4%	0.83
Iron	27,928,990	25,369,061	3,184,732	420,479	383,885	1,354,585	2,700,866	184,500	289,967	3,552,021	65,369,087	2.3%	2.04
Juab	9,254,839	0	1,033,801	99,713	70,276	89,431	40,425	23,500	236,437	379,825	11,228,246	0.4%	1.74
Kane	6,320,721	0	536,230	102,655	72,565	212,150	141,269	21,800	364,444	306,681	8,078,514	0.3%	1.12
Millard	11,439,905	0	1,180,028	212,307	141,239	242,125	1,151,716	24,900	317,037	602,240	15,311,496	0.5%	1.55
Morgan	6,716,475	0	83,129	41,746	6,584	23,524	689	16,300	280,474	213,664	7,382,584	0.3%	0.97
Piute	2,878,079	0	91,542	27,035	17,397	9,662	0	5,100	37,233	77,833	3,143,881	0.1%	4.26
Rich	2,992,092	0	51,680	31,011	11,903	9,404	3,575	7,400	326,127	55,362	3,488,554	0.1%	2.11
Salt Lake	540,454,057	260,257,306	64,753,487	9,977,797	5,525,479	35,871,484	130,316,653	20,099,100	239,690	86,418,628	1,153,913,682	40.2%	0.80
San Juan	16,778,131	1,759,139	1,817,615	726,218	602,497	188,776	1,103,838	28,100	494,965	2,876,894	26,376,173	0.9%	4.03
Sanpete	23,699,437	11,896,013	1,829,834	328,320	206,936	346,129	21,353,252	41,600	627,009	1,178,830	61,507,361	2.1%	4.35
Sevier	19,112,417	4,495,762	2,187,388	326,492	235,322	1,181,919	1,192,328	52,100	388,031	3,199,321	32,371,079	1.1%	1.88
Summit	9,462,726	0	797,836	98,758	49,216	244,217	490,155	79,600	217,504	1,087,732	12,527,745	0.4%	0.12
Tooele	30,974,697	0	2,250,285	418,412	234,177	555,255	432,817	73,200	0	2113524	37,052,367	1.3%	0.96
Uintah	22,867,091	2,478,065	3,309,526	509,696	271,490	1,340,680	1,035,413	70,100	617,624	5,131,114	37,630,798	1.3%	1.14
Utah	274,984,641	37,711,513	29,704,405	3,584,963	1,838,393	7,400,001	6,161,188	963,300	510,336	51,284,632	414,143,373	14.4%	1.03
Wasatch	13,041,218	0	727,326	118,637	62,722	92,294	858,118	37,000	1,815,900	1,830,105	18,583,320	0.6%	1.04
Washington	58,537,164	16,051,193	7,377,626	933,276	807,602	1,863,746	4,187,017	328,600	739,837	6,219,664	97,045,726	3.4%	0.93
Wayne	3,282,606	0	163,253	53,752	13,048	10,137	0	10,300	0	224381	3,757,477	0.1%	1.92
Weber	140,032,212	55,475,211	17,324,431	2,895,568	1,975,740	5,868,347	7,584,545	1,136,000	39,560	22,283,564	254,615,178	8.9%	1.05
Unallocable	0	0	0	0	0	8,025,870	6,442,400		0		14,468,270	0.5%	1.87
Totals	$1,586,099,623	$547,505,950	$166,500,067	$25,473,742	$15,625,307	$74,605,865	$199,991,625	$23,926,400	$11,605,579	$221,944,511	$2,873,278,670		
Total State O&M spending according to GOPB Budget Documents											$3,300,531,663	87.1%	

Source: Various previously cited tables. Calculations and compilation by Utah Foundation.

could assume that Salt Lake County benefits to a greater extent than these figures show, because most state employees work in Salt Lake County and much the spending done by state offices occurs in the county. Although Appendix B includes an alternative scenario to illustrate some of the effect of allocating more of the state's spending to Salt Lake County, this analysis concluded that such an allocation is not as accurate as that shown in Figure 20. If administrative and support functions were not performed centrally, those agencies would need to perform those functions at their many locations throughout the state. They would not be able to perform their work without this "overhead" and it seems reasonable to allocate those funds to operations throughout the state.

One criticism of the data used in forming the ratios in Figure 20 and throughout this report could be that since this analysis accounted for 87 percent of spending and 82 percent of revenues, it may bias the spending-to-revenue ratio to the high side. As an alternative, Appendix A shows how the ratios would look if all spending and revenues were accounted for, allocating the otherwise unallocable revenues and spending per capita to each county. By then adding debt service, this approximates an allocation of total state General and School Fund spending. After completing this analysis, the relative position of most counties did not change; mostly, the magnitude of dollars in expenditures relative to one dollar in tax revenue changed. Since the revenue and expenditure streams chosen for this report are the largest of the state's budget, this is not surprising. Therefore, we are relatively confident that our analysis is sound.

Additionally, while it is possible to track state revenues based on the county in which a taxpayer resides, it is not possible, except in the case of federal-state programs, such as Medicaid, to track expenditures by residence. While over 60 percent of state government employees work in Salt Lake County, not all of them are also residents of that county. A state employee that works in Salt Lake County but lives in Davis County will spend a greater percentage of his/her salary in the county of residence. Therefore, impacts of state government expenditures may be greater in

The impacts of state government expenditures may be greater in Davis County than can be accounted for by direct expenditures or by simple location quotients.

Appendix A

State Revenues and Expenditures by County, plus Debt Service

County	Tax Revenue by County	Taxes per $1,000 of Personal Income	Taxes Per Capita	Taxes Per Worker*	Total Spending per County	Debt Service by County	Spending Per Capita	Spending Per Worker*	Spending per $1.00 of Revenue
Beaver	$4,872,337	$37.90	$811	$2,138	$9,307,799	$147,899	$1,575	$4,150	$1.94
Box Elder	40,417,061	42.23	946	2,477	44,716,293	1,225,284	1,075	2,816	1.14
Cache	86,307,280	50.33	944	2,000	204,368,172	2,625,611	2,265	4,796	2.40
Carbon	26,061,879	58.80	1,276	3,169	37,632,804	797,434	1,882	4,673	1.47
Daggett	1,111,557	84.35	1,207	2,619	2,657,766	33,842	2,922	6,341	2.42
Davis	291,097,211	50.27	1,218	2,446	238,545,500	8,817,788	1,035	2,078	0.85
Duchesne	13,084,731	51.18	910	2,392	25,179,231	396,404	1,780	4,675	1.95
Emery	9,097,466	48.01	838	2,623	13,709,340	275,063	1,288	4,032	1.54
Garfield	4,804,910	58.04	1,015	1,927	9,048,770	148,476	1,942	3,688	1.91
Grand	12,186,623	72.02	1,436	2,517	10,117,745	385,577	1,238	2,169	0.86
Iron	32,052,993	58.61	949	2,230	65,369,087	981,320	1,964	4,615	2.07
Juab	6,438,682	51.11	782	1,881	11,228,246	196,154	1,387	3,337	1.77
Kane	7,192,693	50.30	1,190	2,604	8,078,514	218,101	1,372	3,004	1.15
Millard	9,885,747	47.17	797	2,414	15,311,496	299,982	1,258	3,812	1.58
Morgan	7,623,922	48.38	1,069	2,237	7,382,584	229,959	1,068	2,233	1.00
Piute	737,573	34.51	514	1,409	3,143,881	32,102	2,213	6,069	4.31
Rich	1,656,716	48.30	845	1,781	3,488,554	50,072	1,805	3,804	2.14
Salt Lake	1,439,033,261	58.52	1,602	3,075	1,153,913,682	44,120,948	1,334	2,560	0.83
San Juan	6,549,253	36.08	454	1,638	26,376,173	198,069	1,844	6,644	4.06
Sanpete	14,153,674	41.75	622	1,684	61,507,361	430,928	2,721	7,367	4.38
Sevier	17,259,122	51.53	916	2,204	32,371,079	525,693	1,746	4,202	1.91
Summit	103,386,188	85.10	3,477	7,322	12,527,745	3,257,327	531	1,118	0.15
Tooele	38,581,360	49.97	947	3,270	37,052,367	1,174,198	938	3,240	0.99
Uintah	32,953,009	75.94	1,306	3,022	37,630,798	1,003,029	1,532	3,543	1.17
Utah	403,776,110	56.96	1,096	2,425	414,143,373	12,211,793	1,157	2,560	1.06
Wasatch	17,801,769	53.61	1,170	2,885	18,583,320	540,530	1,257	3,099	1.07
Washington	104,406,422	60.46	1,156	2,696	97,045,726	3,172,690	1,109	2,588	0.96
Wayne	1,955,117	41.17	779	1,335	3,757,477	62,050	1,522	2,609	1.95
Weber	241,382,929	53.77	1,228	2,486	254,615,178	7,377,620	1,333	2,698	1.09
Other Utah	7,747,885	N/A	N/A	N/A	14,468,270	N/A	N/A	N/A	N/A
Out of State	73,395,651	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	$3,057,011,133	$58.19	$1,369	$2,856	$2,873,278,670	$93,376,000	$1,328	$2,772	$0.97

*Number of workers equals total non-farm employment by county.

Revenues and Expenditures by County Including Debt Service & Remainder Apportioned Per Capita

County	Remainder of Revenue Apportioned per Capita	Total Revenues plus Apportioned Remainder	Remainder of Expenditures Apportioned per Capita	Debt Service	Total Expenditures plus Apportioned Remainder plus Debt Service	Spending per $1.00 of Revenue
Beaver	$1,792,745	$6,665,082	$1,148,886	$147,899	$10,604,585	$1.59
Box Elder	12,761,180	53,178,242	8,178,039	1,225,284	54,119,617	1.02
Cache	27,284,057	113,591,337	17,485,067	2,625,611	224,478,849	1.98
Carbon	6,096,826	32,158,705	3,907,168	797,434	42,337,407	1.32
Daggett	274,957	1,386,515	176,207	33,842	2,867,816	2.07
Davis	71,349,760	362,446,971	45,724,700	8,817,788	293,087,989	0.81
Duchesne	4,290,348	17,375,079	2,749,482	396,404	28,325,116	1.63
Emery	3,242,167	12,339,632	2,077,752	275,063	16,062,155	1.30
Garfield	1,413,597	6,218,506	905,907	148,476	10,103,154	1.62
Grand	2,533,129	14,719,752	1,623,363	385,577	12,126,685	0.82
Iron	10,084,452	42,137,445	6,462,650	981,320	72,813,057	1.73
Juab	2,459,389	8,898,072	1,576,107	196,154	13,000,507	1.46
Kane	1,804,985	8,997,679	1,156,730	218,101	9,453,345	1.05
Millard	3,703,414	13,589,161	2,373,344	299,982	17,984,822	1.32
Morgan	2,128,306	9,752,228	1,363,931	229,959	8,976,474	0.92
Piute	428,408	1,165,981	274,546	32,102	3,450,530	2.96
Rich	585,441	2,242,157	375,182	50,072	3,913,807	1.75
Salt Lake	268,206,303	1,707,239,564	171,880,783	44,120,948	1,369,915,413	0.80
San Juan	4,302,887	10,852,140	2,757,517	198,069	29,331,759	2.70
Sanpete	6,795,713	20,949,387	4,355,052	430,928	66,293,341	3.16
Sevier	5,625,129	22,884,251	3,604,880	525,693	36,501,652	1.60
Summit	8,877,447	112,263,635	5,689,137	3,257,327	21,474,210	0.19
Tooele	12,161,111	50,742,471	7,793,483	1,174,198	46,020,048	0.91
Uintah	7,530,425	40,483,434	4,825,895	1,003,029	43,459,721	1.07
Utah	110,023,496	513,799,606	70,508,875	12,211,793	496,864,041	0.97
Wasatch	4,542,317	22,344,086	2,910,957	540,530	22,034,807	0.99
Washington	26,974,469	131,380,891	17,286,666	3,172,690	117,505,083	0.89
Wayne	749,042	2,704,159	480,026	62,050	4,299,552	1.59
Weber	58,673,366	300,056,296	37,600,996	7,377,620	299,593,794	1.00
Unallocable	0	81,143,536	0	2,440,056	16,908,326	N/A
Total	$666,694,867	$3,723,705,999	$427,253,330	$93,376,000	$3,393,907,663	$0.91

Source: Data not previously apportioned provided by GOPB. Calculations and compilation by Utah Foundation.

Appendix B

Selected State Expenditure Categories by County with Administrative Costs Allocated to Salt Lake County

County	K-12 Funds	Higher Ed Funds	Medicaid	MOE TANF	MOE Food Stamps	Courts	Corrections	Tax Commision incl DMV	State Parks	Human Services	Departmental Expenditures in Salt Lake County not Otherwise Allocated*	Total by County	County as a % of Statewide Total	Spending per $1.00 of Revenue
Beaver	$5,679,961	$0	$656,817	$92,954	$42,349	$67,057	$2,448,440	$18,700	$0	$301,521		$9,307,799	0.3%	$1.91
Box Elder	37,396,412	0	2,411,535	460,793	231,659	1,158,191	1,271,486	71,300	0	1465255		44,466,632	1.4%	1.10
Cache	66,634,838	117,593,750	5,641,738	825,452	514,136	1,814,737	1,223,123	135,800	58,853	6,061,480		200,503,907	6.5%	2.32
Carbon	16,698,125	9,681,000	3,117,829	445,845	409,066	1,223,152	761,803	63,400	135,814	4,632,357		37,168,391	1.2%	1.43
Daggett	1,472,744	0	33,452	10,735	6,584	24,415	993,280	5,800	0	88,289		2,635,300	0.1%	2.37
Davis	198,829,165	0	11,526,251	1,811,528	1,100,838	4,469,438	3,711,687	320,400	550,023	15,452,259		237,771,589	7.7%	0.82
Duchesne	17,920,239	0	2,185,785	434,076	461,487	96,497	2,265,308	38,300	75,216	1,529,644		25,006,552	0.8%	1.91
Emery	9,415,310	0	1,253,541	192,031	122,239	170,426	179,794	25,600	357,591	1,463,508		13,180,039	0.4%	1.45
Garfield	6,158,407	0	397,015	65,759	33,879	77,591	1,410,135	15,200	230,537	234,217		8,622,740	0.3%	1.79
Grand	5,136,924	675,100	871,950	227,733	176,262	574,626	530,304	29,400	0	1,679,965		9,902,264	0.3%	0.81
Iron	27,928,990	24,588,300	3,184,732	420,479	383,885	1,354,585	2,700,866	184,500	170,446	3,552,021		64,468,805	2.1%	2.01
Juab	9,254,839	0	1,033,801	99,713	70,276	89,431	40,425	23,500	49,450	379,825		11,041,259	0.4%	1.71
Kane	6,320,721	0	536,230	102,655	72,565	212,150	141,269	21,800	57,806	306,681		7,771,876	0.3%	1.08
Millard	11,439,905	0	1,180,028	212,307	141,239	242,125	1,151,716	24,900	186,185	602,240		15,180,644	0.5%	1.54
Morgan	6,716,475	0	83,129	41,746	6,584	23,524	689	16,300	62,408	213,664		7,164,519	0.2%	0.94
Piute	2,878,079	0	91,542	27,035	17,397	9,662	0	5,100	22,600	77,833		3,129,249	0.1%	4.24
Rich	2,992,092	0	51,680	31,011	11,903	9,404	3,575	7,400	0	55362		3,162,427	0.1%	1.91
Salt Lake	540,454,057	269,097,700	64,753,487	9,977,797	5,525,479	35,871,484	130,316,653	20,099,100	8,259,412	86,418,628	205,740,571	1,376,514,369	44.7%	0.96
San Juan	16,778,131	1,705,000	1,817,615	726,218	602,497	188,776	1,103,838	28,100	277,094	2,876,894		26,104,163	0.8%	3.99
Sanpete	23,699,437	11,529,900	1,829,834	328,320	206,936	346,129	21,353,252	41,600	195,605	1,178,830		60,709,844	2.0%	4.29
Sevier	19,112,417	4,357,400	2,187,388	326,492	235,322	1,181,919	1,192,328	52,100	201,562	3,199,321		32,046,248	1.0%	1.86
Summit	9,462,726	0	797,836	98,758	49,216	244,217	490,155	79,600	29,741	1,087,732		12,339,981	0.4%	0.12
Tooele	30,974,697	0	2,250,285	418,412	234,177	555,255	432,817	73,200	0	2113524		37,052,367	1.2%	0.96
Uintah	22,867,091	2,401,800	3,309,526	509,696	271,490	1,340,680	1,035,413	70,100	269,613	5,131,114		37,206,522	1.2%	1.13
Utah	274,984,641	36,550,900	29,704,405	3,584,963	1,838,393	7,400,001	6,161,188	963,300	153,649	51,284,632		412,626,073	13.4%	1.02
Wasatch	13,041,218	0	727,326	118,637	62,722	92,294	858,118	37,000	5,532	1,830,105		16,772,952	0.5%	0.94
Washington	58,537,164	15,557,200	7,377,626	933,276	807,602	1,863,746	4,187,017	328,600	256,442	6,219,664		96,068,338	3.1%	0.92
Wayne	3,282,606	0	163,253	53,752	13,048	10,137	0	10,300	0	224381		3,757,477	0.1%	1.92
Weber	140,032,212	53,767,900	17,324,431	2,895,568	1,975,740	5,868,347	7,584,545	1,136,000	0	22283564		252,868,307	8.2%	1.05
Statewide	0	0	0	0	0	8,025,870	6,442,400					14,468,270	0.5%	1.87
Totals	$1,586,099,623	$547,505,950	$166,500,067	$25,473,742	$15,625,307	$74,605,865	$199,991,625	$23,926,400	$11,605,579	$221,944,511	205,740,571	$3,079,019,241		
Total State O&M spending according to GOPB Budget Documents												3,300,531,663	93.3%	

* Departments included in this are Administrative Services, remainder of Commerce and Revenue, Economic Development and Human Resources, Elected Officials, Department of Environmental Quality, Legislature, National Guard, and remainder of Natural Resources.

Davis County than can be accounted for by direct expenditures or by simple location quotients. Since there has never been an attempt to quantify this cross-county transfer of funds, it is difficult to accurately gauge true impacts. However, the impact of direct government expenditures by county is a helpful first step to truly understanding how the business of state government impacts the individual counties.

Endnotes

[1] Tax Foundation Special Report No. 116, July 2002, "Federal Tax Burdens and Expenditures By State…" available online at: http://www.taxfoundation.org/SR116.pdf.

[2] This study was sponsored by the Department of Community and Economic Development, Salt Lake County, Salt Lake City, Utah State Office of Education, Salt Lake City School District, Utah State Board of Regents, and the Economic Development Corporation of Utah.

[3] For example, many corporations earn their income by doing business in various counties around the state. A retail chain store would be a good example; when that corporation files an income tax return, its accountants do not try to declare in which communities the income was earned—they merely report on statewide earnings.

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