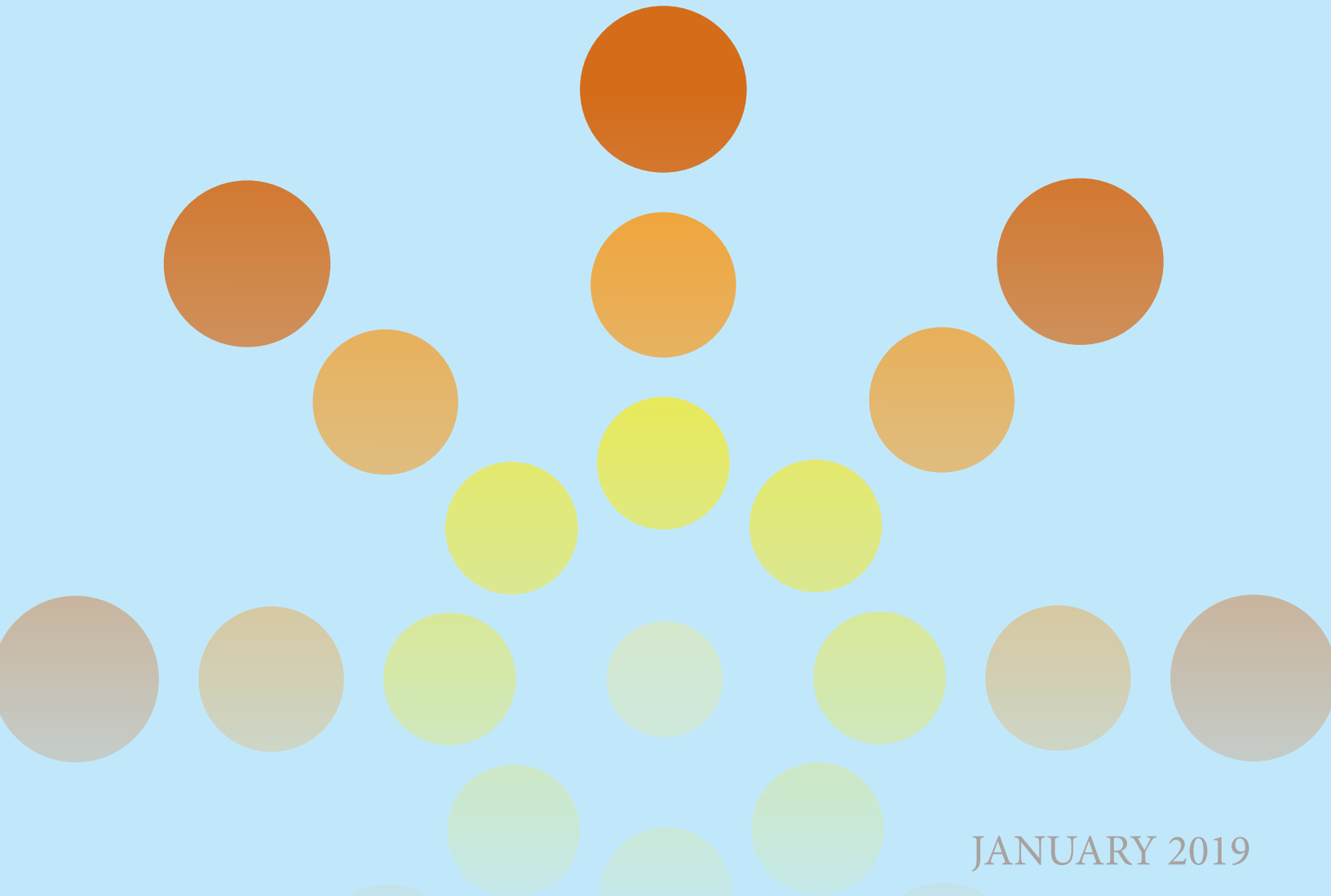


UTAH FOUNDATION
RESEARCH • ANALYZE • INFORM

2018 ANNUAL REPORT



JANUARY 2019

UTAH FOUNDATION ANNUAL REPORT

2018

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About Utah Foundation

Utah Foundation's mission is to produce objective, thorough and well-reasoned research and analysis that promotes the effective use of public resources, a thriving economy, a well-prepared workforce and a high quality of life for Utahns. Utah Foundation seeks to help decision-makers and citizens understand and address complex issues. Utah Foundation also offers constructive guidance to improve governmental policies, programs and structures.

Utah Foundation is an independent, nonpartisan, nonprofit research organization.

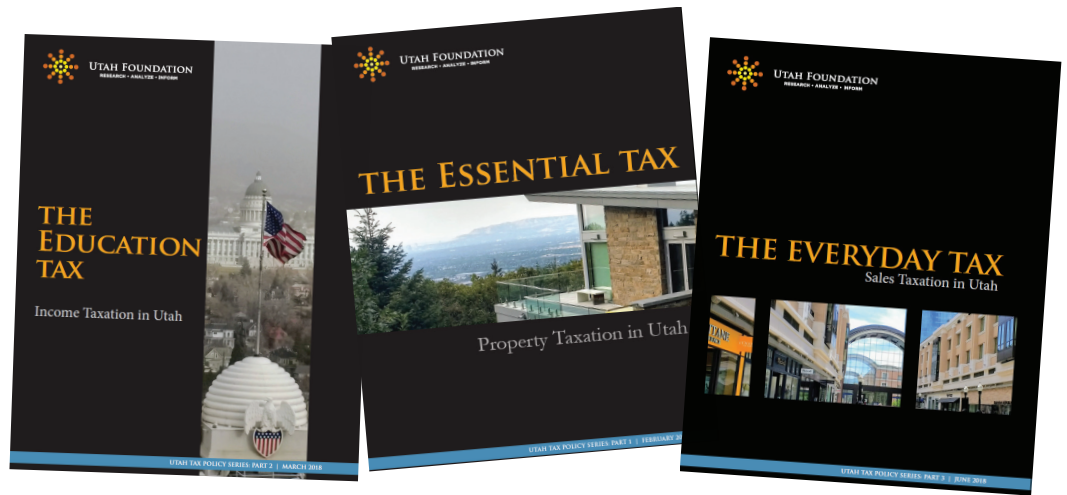
Support Our Work

Utah Foundation relies on the support of business and civic leaders and average citizens to produce the high-quality, independent research for which we're known. To become a member or sponsor one of our projects or programs, contact us at 801-355-1400.



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Another National Award-Winner: The Tax Policy Series

BY THE NUMBERS:

2

NATIONAL AWARDS

In 2018 we presented a three-part Utah Tax Policy Series. The series was supported by a brief on the income tax during the legislative session; an income tax calculator tool showing citizens how the changes in the income tax affect them; an online video explaining our findings; outreach to policymakers; a podcast; interviews with both broadcast and print media; and three op-ed articles in the Salt Lake Tribune and Deseret News. The income tax report in particular stirred discussion by revealing that the changes would quietly result in state tax decreases for wealthier households – but increases for large, middle-class families. This led to public outcry, chatter on talk radio, an editorial in the Salt Lake Tribune – and, ultimately, amendments from the Legislature to address the issue. The sales tax report, meanwhile, has been instrumental in recent public discussions over whether to expand the base; in the coming months, the Legislature is expected to consider major reforms on that front. Research Analyst Christopher Colvard was the principal author of the series. The Tax Policy Series also won a national award this summer, for Most Effective Education. In fact, Utah Foundation won national awards in two out of the Governmental Research Association’s three categories – the only two categories in which Utah Foundation was eligible to make entries.

LEADERSHIP CHANGES

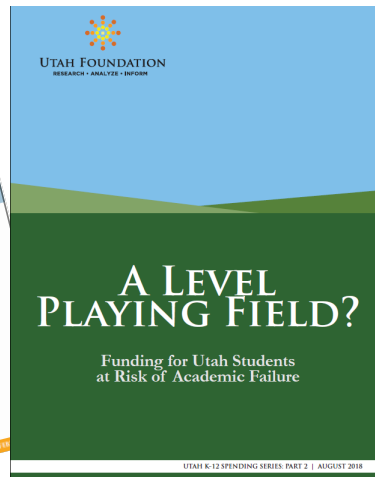
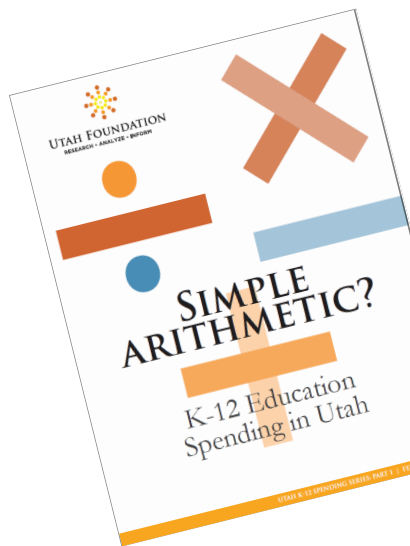
At its Board of Trustees meeting on December 6, 2018, Utah Foundation announced the following new officers for 2019:

Elizabeth Hitch, Associate Commissioner for Academic Affairs in the Utah System of Higher Education, is the new chair. Dr. Hitch previously served as vice chair and replaces outgoing chair Brent Jensen, vice president of HDR Engineering.

Chad Westover, CEO of University of Utah Health Plans, is the new vice chair.

R. Dan Eldredge, General Manager of Intermountain Power Agency, is the new treasurer. Mr. Eldredge replaces Peter Mann, Audit Managing Director at Deloitte & Touche.

In addition, Utah Foundation announced that **Annalisa Holcombe**, Vice President and Chief Advancement Officer at Westminster College, will take over as Fund-Raising Chair. She replaces Mark Buchi, partner at Holland & Hart.



Launching the 2018-19 Education Spending Series

In 2018 we launched our ongoing K-12 education spending series, with two reports now out. The series so far has been supported by a presentation to the Salt Lake Chamber; outreach to policymakers; a podcast; interviews with both broadcast and print media; and an op-ed article in the Salt Lake Tribune. The state plans to upgrade its cost transparency in response to *Simple Arithmetic?* (February), the first report. The second report, *A Level Playing Field?* (August) addressed funding for special needs students, a priority funding area in the Governor's 2019 budget proposal. Thanks to the Lawrence T. & Janet T. Dee Foundation and the Brent and Bonnie Jean Beesley Foundation for providing grants to help fund the two reports. The series will yield two more reports in 2019.

SPECIAL EVENTS

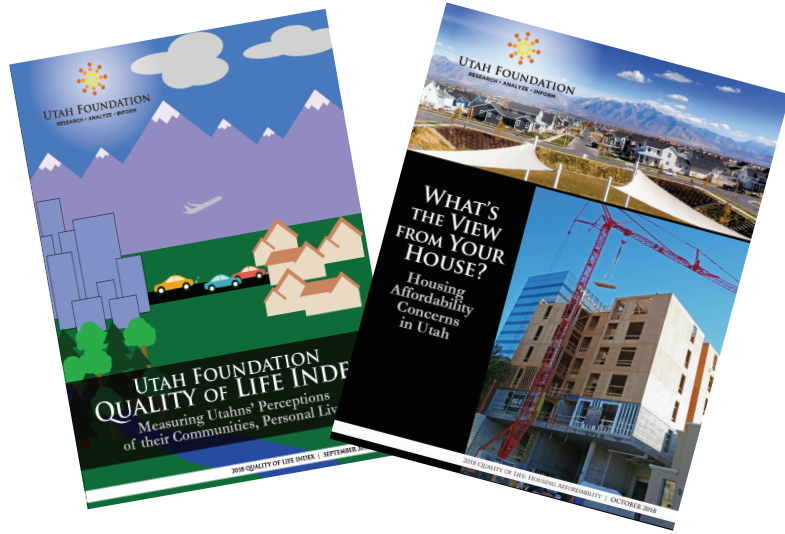
In 2018, Utah Foundation staged three Breakfast Briefings and our Annual Luncheon.

The February briefing, "Practical Solutions for Utah's Air Quality Problems," featured Dr. Kerry Kelly, Associate Professor of Chemical Engineering at the University of Utah and a past member of Utah's Air Quality Board; Bryce Bird, Executive Director of the Utah Division of Air Quality; Jessica Reimer of HEAL Utah; and Lee Peacock from the Utah Petroleum Association. Max Roth of Fox 13 News moderated. UTA sponsored the event, Magnum Development provided breakfast and Zions Bank hosted.

Our second briefing, in July, focused on the future of transportation. It featured David Christensen, Executive Director of USU's Sustainable Electrified Transportation Research Center; Teri Newell, Deputy Director at UDOT; Jaron Robertson, UTA's Program Manager of Innovative Mobility Solutions; Martin Ritter, CEO at Stadler US; and Representative Robert Spendlove. Emily Means of KCPW emceed. Larry H. Miller Dealerships sponsored the event, and Salt Lake County hosted and provided breakfast.

Our third briefing, in December, addressed the state's 2019 budget. It featured Kristen Cox and Phil Dean from the Governor's Office of Management and Budget. Rod Arquette of KNRS moderated. Intermountain Healthcare sponsored the event and Zions Bank hosted.

Our Annual Luncheon in October was a great success. BYU professor Adam Brown, author of *Utah Politics and Government: American Democracy among a Unique Electorate*, was the keynote speaker. Utah Foundation honored Ret. Utah Supreme Court Chief Justice Christine Durham with our 2018 Insight Award and Union Pacific with our new Civic Cornerstone Award. Special thanks to the Garbett family for the Presenting Sponsorship and to Rio Tinto and Zions Bank for the Major Sponsorships. We sold the room out and are looking forward to an even bigger crowd at our 2019 luncheon on May 21, with the renowned Harvard political scientist Robert Putnam. Thanks to the many supporters of our Annual Luncheon, Utah Foundation's sole fund-raising event of the year.



The Quality of Life Survey: Bigger and Better

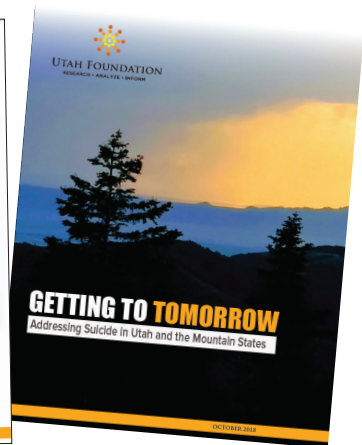
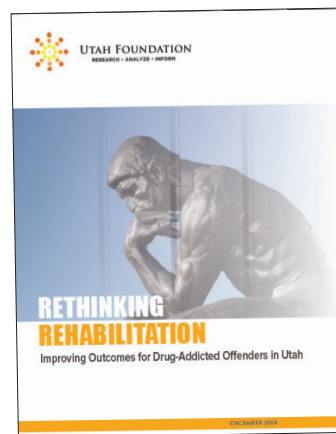
Every few years, we conduct our Quality of Life survey and issue a report. This time, we expanded the range of questions and issued two reports, with the second report focused on housing affordability concerns. The series was supported by a podcast, interviews with both broadcast and print media, and op-ed articles in both the Salt Lake Tribune and Deseret News. Thanks to Intermountain Healthcare for assisting and Lighthouse Research for co-sponsoring. Thanks also to Wasatch Front Regional Council and Weber, Davis and Salt Lake counties for supporting oversampling survey work and customized local reports.

BY THE NUMBERS:
100+
 MEDIA APPEARANCES

Mental Health: An Emerging Area of Exploration

An emerging line of research for Utah Foundation pertains to mental health. In October, we released our report on suicide in Utah and the Mountain States. That report was supported by a presentation at a suicide prevention conference at UVU; outreach to policymakers; a podcast; and interviews with both broadcast and print media. Thanks to the Sorenson Legacy Foundation and the McCarthy Family Foundation for funding the study.

A second report, *Rethinking Rehabilitation* (December), focused on drug rehabilitation in the criminal justice system. The report has received significant media attention, including a Deseret News editorial addressing its findings. Thanks to the Semnani Family Foundation for major grant support.



In 2018, Utah Foundation saw an increase in revenue of about 20% over 2017.

Consulting Work

As part of its portfolio, Utah Foundation conducts consulting work and projects commissioned by public and private entities. The work completed in 2018 indicates the variety of contract projects we might undertake in a given year. They included: an economic impact study on the aggregates industry; a community assessment for a regional United Way office; and a survey of local governments for the Utah League of Cities and Towns.

Expanding Our Reach, Planning for Growth

Starting last year, we began making our “Utah Thrives” podcast a more regular affair, and Dan Bammes is now producing them on a monthly basis. Some of them are now taking on a longer form than in the past. We also wrote op-ed commentaries highlighting our work on a monthly basis, primarily for the Deseret News and the Salt Lake Tribune.

In addition, this year we began producing online videos summarizing our work. We produced two this year – on health care and taxes. We also created an online tool to help taxpayers see the effects of 2018 reforms.

Finally, we completed our 2025 Strategic Plan, which set goals, strategies and actions in five priority areas: ensuring financial stability, expanding outreach to policymakers, clarifying our identity, building our name recognition and increasing our focus on local issues. We have already begun making good progress on all of those fronts.

Of course, we depend on our supporters to make our work possible, and in 2018 they stepped forward in a big way: Utah Foundation saw an increase in revenue of about 20% over 2017.

Looking Ahead

Looking ahead to 2019, the calendar is already popping with new releases.

We have embarked on a multi-part study on economic development incentives at the state and local levels. We also began a study on confronting the cost of growth, examining how Utah can grow in a manner that avoids diminishing returns fiscally and in terms of quality of life. We have begun work on a social capital index comparing Utah to other states. We also have two more K-12 spending studies underway. The first to emerge will cover teacher pay; the second will examine our K-12 spending in Utah in light of outcomes. By the summer, we plan to release a multi-part series on how we pay for water in Utah, taking into account conservation, fairness and fiscal considerations. Finally, we will be conducting our study on incentives and disincentives for alternative fuel vehicles in Utah.

That’s just part of what we anticipate for 2019. So we’re looking forward to another great year. Thanks to all of our supporters for helping to make it possible.

BY THE NUMBERS:
12
PODCASTS



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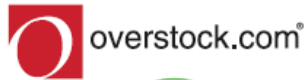


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Top 10* Utah Foundation Findings of 2018

1. Despite the perceptions of many Utahns that large portions of education spending go toward administrative costs, only 7% is spent on administration – the 13th lowest percentage in the nation and the second-lowest amount per pupil. (Tie.)
1. During the past 45 years, Utah has seen the nation’s second biggest decline in taxable sales as a proportion of consumer expenditures. (Tie.)
3. Four of the top-ranked Utah counties for suicide are also among the top five for opioid prescriptions.
4. Despite improvements in the economy, Utahns’ perceptions of their community quality of life has declined since 2013 from a score of 73 to 70. (Tie.)
4. When adjusting for inflation, Utah homeowners’ monthly costs have decreased by 10% since 2007, while renters’ costs have increased by 14%. (Tie.)
6. Enrollment in high-deductible health insurance plans in Utah increased from 3% to 30% during the past decade.
7. Utah Foundation determined the net effect of federal and state income tax changes disproportionately benefited the wealthy at the expense of middle-income households with large families. The Legislature later acted to address the disparity.
8. Despite perceptions to the contrary, Utah’s Truth in Taxation law has not prevented local governments from keeping pace with population growth and inflation. (Tie.)
8. In Utah, individuals with disabilities make up less than 15% of Medicaid enrollment, but account for nearly half of all spending. (Tie.)
10. Compared with other states, Utah comes up short in English learner educational spending, providing only about a 3% increase in combined federal and state funding over base per-pupil spending.

*As determined by Utah Foundation’s Board of Trustees in December 2018.



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