

OFFICE OF THE
LEGISLATIVE
FISCAL
ANALYST

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MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE

FROM: Jonathan Ball, Director
DATE: November 13, 2013
SUBJECT: Factors Driving the Budget

Please see below a list of major cost drivers we believe will underlie budget negotiations in the 2014 General Session. We will define these numbers as we get more information and complete our analysis. Ultimately, the cost will depend upon your policy decisions. We provide these as a frame of reference for revenue data you will receive in the December meeting.

Potential Ongoing General/Education Fund Costs

\$20 m - \$25 m for state/higher education employee 1% Salary
\$45 m - \$50 m for state/higher education employee benefits
\$75 m - \$80 m for 3% WPU value increase (rough proxy for salary and benefits above)
\$60 m - \$65 m for public education enrollment growth
\$55 m - \$60 m for building maintenance (to 1.1%)
\$10 m - \$15 m for Medicaid growth/inflation
\$10 m - \$15 m for corrections (contracting/reimbursement)
~\$5 m for Internal Service Fund cost increases
~\$2 m for structural imbalance
\$282 m - \$317 m total BEFORE other discretionary ongoing programmatic increases

Potential One-time General/Education Fund Costs

\$170 m - \$175 m for buildings already in planning/design, etc.
\$35 m to build rainy day and disaster reserves to pre-recession levels
\$5 m - \$10 m for teacher supplies & materials
\$3 m to repay rainy day funds for settlements
\$1 m for Juror, Witness, Interpreter deficit
\$214 m - \$224 m total BEFORE other discretionary one-time programmatic increases

Notes: All numbers are very rough estimates. Public Ed enrollment costs will depend upon how WPUs are allocated and how much property tax is available from the basic levy to offset Education Fund costs.

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