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LEGISLATURE

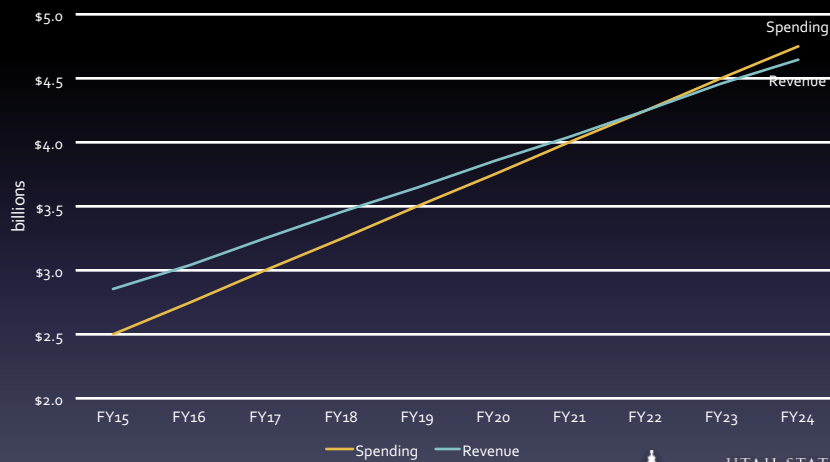
# Maintaining Structural Balance with Federal Funds

Jonathan C. Ball

Federal Funds Commission

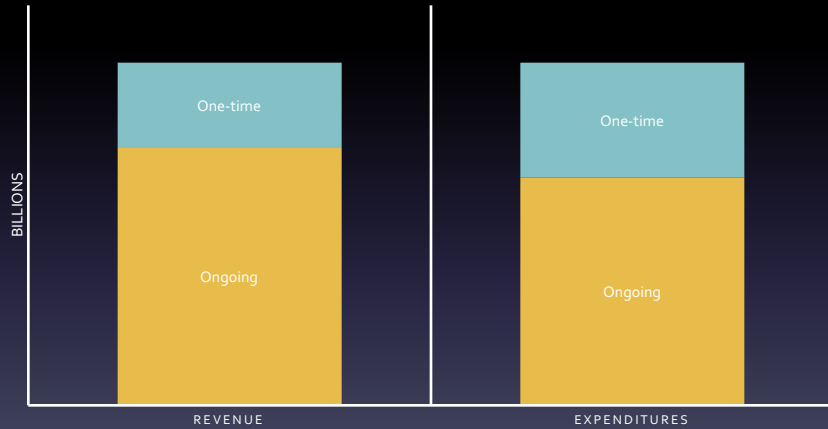
September 12, 2016

# Long-term Structural Balance



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# Short-term Structural Balance



# One-time vs. Ongoing

Ongoing

One-time

123 - John R. Doe				Pay Period 06/02/06 to 06/16/06		Required Deductions	
<b>Earnings</b>				Federal Income Tax	00.00	00.00	
Hours	Rate	This Period	YTD	FICA - Medicare	06.08	12.16	
50	9.00	450.00	900.00	WI State Income Tax	00.00	00.00	
<b>Gross Pay</b>				FICA - Social Security	25.92	51.84	
				<b>Other Deductions</b>			
				Health Insurance	00.00	00.00	
				401k	00.00	00.00	
				Parking	00.00	00.00	
				<b>NET PAY</b>	<b>\$418.00</b>	<b>\$836.00</b>	

Your Employer 1234 Some Street Milwaukee, WI ZIPCODE	Check Number: XXXXXX Pay Date: 06/19/06
PAY ***Four hundred eighteen dollars and 00 cents*****\$418.00	
To the Order of John R. Doe 555 Some Street Milwaukee, WI ZIP CODE	



# How It Should Work: *An Act*

## Item 1: To Department of Government

From Federal Funds - TANF.....\$5,000,000

From Federal Funds - TANF, One-time.....\$3,000,000

### *Schedule of Programs:*

Client Services.....\$5,000,000

Equipment.....\$3,000,000



# Partial Success

Enrolled Copy

H.B. 2

1	<b>NEW FISCAL YEAR SUPPLEMENTAL APPROPRIATIONS ACT</b>	
2	2016 GENERAL SESSION	
3	STATE OF UTAH	
4	<b>Chief Sponsor: Dean Sanpei</b>	
5	Senate Sponsor: Lyle W. Hillyard	
6	<hr/>	
618	ITEM 60 To Department of Health - Medicaid Optional Services	
619	From General Fund	1,100,000
620	From General Fund, One-Time	1,000,000
621	From Federal Funds	2,532,500
622	From Federal Funds, One-Time	2,300,000
623	Schedule of Programs:	
624	Home and Community Based Waiver Services	333,100
625	Pharmacy	666,200
626	Capitated Mental Health Services	31,312,500



# Expectation Setting

## This year's Budget

**Item 2: To Dept. of Government**

From FF - TANF.....\$9,000,000

From FF - TANF, One-time.....\$2,000,000

*Schedule of Programs:*

Client Services.....\$11,000,000

## Next year's budget

**Item 2: To Dept. of Government**

From FF - TANF.....\$9,000,000

*Schedule of Programs:*

Client Services.....\$9,000,000

# Soft Landing

## This year's Budget

**Item 2: To Dept. of Government**

From Gen Fund.....\$3,000,000

From ARRA, One-time.....\$2,000,000

*Schedule of Programs:*

Client Services.....\$5,000,000

## Next year's budget

**Item 2: To Dept. of Government**

From Gen Fund.....\$3,000,000

*Schedule of Programs:*

Client Services.....\$3,000,000

# Targeted ZBB

## This year's Budget

<b>Item 3: To Dept. of Government</b>	
From Gen Fund, One-time.....	\$3,000,000
<i>Schedule of Programs:</i>	
New Services.....	\$3,000,000

## Next year's budget

<b>Item 3: To Dept. of Government</b>	
From Gen Fund.....	\$0
<i>Schedule of Programs:</i>	
New Services.....	\$0

# Gotcha!

- 63J-5-102(1)(g): "New federal funds" means:
  - (i) federal assistance or other federal funds that are available from the federal government that:
    - (A) the state is not currently receiving; or
    - (B) exceed the federal funds amount most recently approved by the Legislature by more than 25% for a federal grant or program in which the state is currently participating;

## Gotcha 2:

- 63J-2-202(2)(a)(i)(A): Except as provided in Subsection (2)(a)(i)(B) or (2)(b), each agency that receives dedicated credits and fixed collections revenues greater than the amount appropriated to them by the Legislature in the annual appropriations act may expend the excess up to 25% of the amount appropriated if the expenditure is authorized by an amended work program approved as provided in Section 63J-1-209.

## Expectation Setting?

### This year's Budget

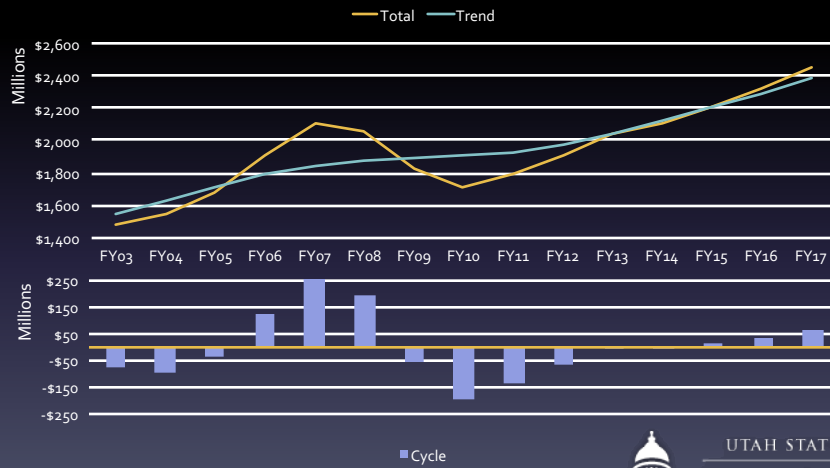
<b>Item 2: To Dept. of Government</b>	
From FF - TANF.....	\$9,000,000
From FF - TANF, One-time.....	\$2,000,000
<i>Schedule of Programs:</i>	
Client Services.....	\$11,000,000

### Next year's budget

<b>Item 2: To Dept. of Government</b>	
From FF - TANF.....	\$11,250,000
<i>Schedule of Programs:</i>	
Client Services.....	\$11,250,000

# Trend and Cycle

Sales Tax Collections



# Policy Application



**Fiscal Note**  
**S.B. 77**  
 2016 General Session  
 Medicaid Expansion Proposal  
 by Davis, G.

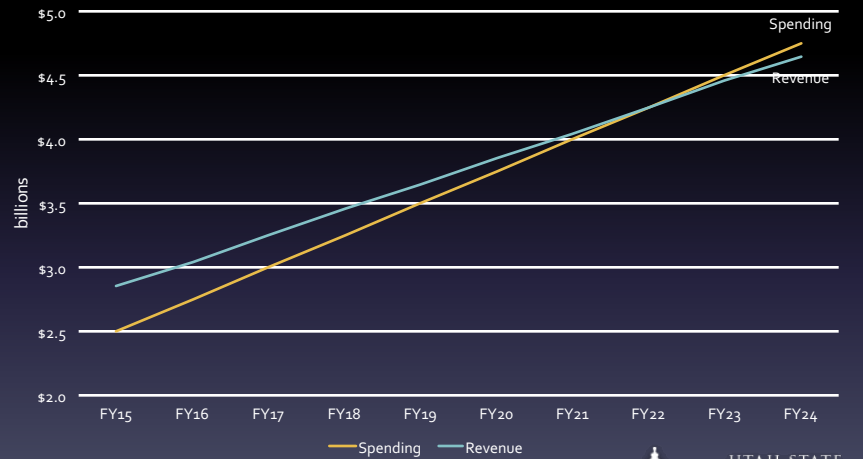


**General, Education, and Uniform School Funds**

JR4-5-101

	Ongoing	One-time	Total
<b>Net GF/EF/USF (rev.-exp.)</b>	<b>\$(49,444,300)</b>	<b>\$49,847,900</b>	<b>\$403,600</b>
<b>Expenditures</b>	<i>FY 2016</i>	<i>FY 2017</i>	<i>FY 2018</i>
General Fund	\$0	\$49,444,300	\$49,444,300
General Fund, One-Time	\$813,800	\$(50,661,700)	\$(37,500,000)
Federal Funds	\$3,513,900	\$335,017,400	\$437,455,700
<b>Total Expenditures</b>	<b>\$4,327,700</b>	<b>\$333,800,000</b>	<b>\$449,400,000</b>
<b>Net All Funds</b>	<b>\$(827,700)</b>	<b>\$1,200,000</b>	<b>\$(11,400,000)</b>

## Long-term Structural Balance



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## Potential Actions

- Amend Fed Funds Review Act to tighten definition of Federal Funds
- Treat Federal Funds as Fixed Funding in Budgetary Procedures Act
- Include Fed Funds in Trend Analysis
- Show one-time Federal Funds in Fiscal Notes

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## Other Areas

- Build “What Ifs” for Fed Gov’t Shutdown
- Identify Essential Operations (National Guard? Child Care?)
- Identify Costs of Essential Operations
- Execute Agreements with Fed Agencies (NPS Example)
- Authorize Use and Repayment of RDF

