

HEALTH INSURANCE POOL

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Chad E. Bennion

LONG TITLE

General Description:

This bill amends the Budgetary Procedures Act to provide guidance to the governor and the Legislature regarding factors to consider when preparing the budget to fund the Utah Comprehensive Health Insurance Pool.

Highlighted Provisions:

This bill:

- ▶ amends the Budgetary Procedures Act to provide guidance to the governor and the Legislature regarding factors to consider when preparing the budget to fund the Utah Comprehensive Health Insurance Pool.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2004.

Utah Code Sections Affected:

AMENDS:

63-38-2 (Effective 07/01/04), as last amended by Chapter 171, Laws of Utah 2003

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **63-38-2 (Effective 07/01/04)** is amended to read:

63-38-2 (Effective 07/01/04). Governor to submit budget to Legislature --

Contents -- Preparation -- Appropriations based on current tax laws and not to exceed estimated revenues.

(1) (a) The governor shall, within three days after the convening of the Legislature in

the annual general session, submit a budget for the ensuing fiscal year by delivering it to the presiding officer of each house of the Legislature together with a schedule for all of the proposed appropriations of the budget, clearly itemized and classified.

(b) The budget message shall include a projection of estimated revenues and expenditures for the next fiscal year.

(2) At least 34 days before the submission of any budget, the governor shall deliver a confidential draft copy of his proposed budget recommendations to the Office of the Legislative Fiscal Analyst.

(3) (a) The budget shall contain a complete plan of proposed expenditures and estimated revenues for the next fiscal year based upon the current fiscal year state tax laws and rates.

(b) The budget may be accompanied by a separate document showing proposed expenditures and estimated revenues based on changes in state tax laws or rates.

(4) The budget shall be accompanied by a statement showing:

(a) the revenues and expenditures for the last fiscal year;

(b) the current assets, liabilities, and reserves, surplus or deficit, and the debts and funds of the state;

(c) an estimate of the state's financial condition as of the beginning and the end of the period covered by the budget;

(d) a complete analysis of lease with an option to purchase arrangements entered into by state agencies;

(e) the recommendations for each state agency for new full-time employees for the next fiscal year; which recommendation should be provided also to the State Building Board under Subsection 63A-5-103(2);

(f) any explanation the governor may desire to make as to the important features of the budget and any suggestion as to methods for the reduction of expenditures or increase of the state's revenue; and

(g) the information detailing certain regulatory fee increases required by Section 63-38-3.2.

(5) The budget shall include an itemized estimate of the appropriations for:

(a) the Legislative Department as certified to the governor by the president of the Senate and the speaker of the House;

(b) the Executive Department;

(c) the Judicial Department as certified to the governor by the state court administrator;

(d) payment and discharge of the principal and interest of the indebtedness of the state;

(e) the salaries payable by the state under the Utah Constitution or under law for the lease agreements planned for the next fiscal year;

(f) other purposes that are set forth in the Utah Constitution or under law; and

(g) all other appropriations.

(6) Deficits or anticipated deficits shall be included in the budget.

(7) (a) (i) For the purpose of preparing and reporting the budget, the governor shall require from the proper state officials, including public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state moneys, and all institutions applying for state moneys and appropriations, itemized estimates of revenues and expenditures.

(ii) (A) The governor may also require other information under these guidelines and at times as the governor may direct.

(B) These guidelines may include a requirement for program productivity and performance measures, where appropriate, with emphasis on outcome indicators.

(b) The estimate for the Legislative Department as certified by the presiding officers of both houses shall be included in the budget without revision by the governor.

(c) The estimate for the Judicial Department, as certified by the state court administrator, shall also be included in the budget without revision, but the governor may make separate recommendations on it.

(d) The governor may require the attendance at budget meetings of representatives of public and higher education, state departments and institutions, and other institutions or individuals applying for state appropriations.

(e) The governor may revise all estimates, except those relating to the Legislative Department, the Judicial Department, and those providing for the payment of principal and interest to the state debt and for the salaries and expenditures specified by the Utah Constitution or under the laws of the state.

(8) The total appropriations requested for expenditures authorized by the budget may not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing fiscal year.

(9) If any item of the budget as enacted is held invalid upon any ground, the invalidity does not affect the budget itself or any other item in it.

(10) (a) In submitting the budgets for the Departments of Health and Human Services and the Office of the Attorney General, the governor shall consider a separate recommendation in his budget for funds to be contracted to:

- (i) local mental health authorities under Section 62A-15-110;
- (ii) local substance abuse authorities under Section 62A-15-110;
- (iii) area agencies under Section 62A-3-104.2;
- (iv) programs administered directly by and for operation of the Divisions of Substance Abuse and Mental Health and Aging and Adult Services;
- (v) local health departments under Title 26A, Chapter 1, Local Health ~~[Department Act]~~ Departments; and
- (vi) counties for the operation of Children's Justice Centers under Section 67-5b-102.

(b) In his budget recommendations under Subsections (10)(a)(i), (ii), and (iii), the governor shall consider an amount sufficient to grant local health departments, local mental health authorities, local substance abuse authorities, and area agencies the same percentage increase for wages and benefits that he includes in his budget for persons employed by the state.

(c) If the governor does not include in his budget an amount sufficient to grant the increase described in Subsection (10)(b), he shall include a message to the Legislature regarding his reason for not including that amount.

(11) (a) In submitting the budget for the Division of Services for People with Disabilities,

the Division of Child and Family Services, and the Division of Juvenile Justice Services within the Department of Human Services, the governor shall consider an amount sufficient to grant employees of corporations that provide direct services under contract with those divisions, the same percentage increase for cost-of-living that he includes in his budget for persons employed by the state.

(b) If the governor does not include in his budget an amount sufficient to grant the increase described in Subsection (11)(a), he shall include a message to the Legislature regarding his reason for not including that amount.

(12) (a) The Families, Agencies, and Communities Together Council may propose to the governor under Subsection 63-75-4(4)(e) a budget recommendation for collaborative service delivery systems operated under Section 63-75-6.5.

(b) The Legislature may, through a specific program schedule, designate funds appropriated for collaborative service delivery systems operated under Section 63-75-6.5.

(13) The governor shall include in his budget the state's portion of the budget for the Utah Communications Agency Network established in Title 63C, Chapter 7, Utah Communications Agency Network Act.

(14) (a) The governor shall include a separate recommendation in the governor's budget for funds to maintain the operation and administration of the Utah Comprehensive Health Insurance Pool.

(b) In making the recommendation the governor may consider:

(i) actuarial analysis of growth or decline in enrollment projected over a period of at least three years;

(ii) actuarial analysis of the medical and pharmacy claims costs projected over a period of at least three years;

(iii) the annual Medical Care Consumer Price Index;

(iv) the annual base budget for the pool established by the Commerce and Revenue Appropriations Subcommittee for each fiscal year;

(v) the growth or decline in insurance premium taxes and fees collected by the tax

commission and the insurance department; and

(vi) the availability of surplus General Fund revenue under Section 63-38-2.5 and Subsection 59-14-204(5)(b).

~~[(14)]~~ (15) In adopting a budget for each fiscal year, the Legislature shall consider an amount sufficient to grant local health departments, local mental health authorities, local substance abuse authorities, and area agencies on aging the same percentage increase for wages and benefits that is included in the budget for persons employed by the state.

(16) (a) In adopting a budget each year for the Utah Comprehensive Health Insurance Pool, the Legislature shall determine an amount that is sufficient to fund the pool for each fiscal year.

(b) When making a determination under Subsection (16)(a), the Legislature shall consider factors it determines are appropriate, which may include:

(i) actuarial analysis of growth or decline in enrollment projected over a period of at least three years;

(ii) actuarial analysis of the medical and pharmacy claims costs projected over a period of at least three years;

(iii) the annual Medical Care Consumer Price Index;

(iv) the annual base budget for the pool established by the Commerce and Revenue Appropriations Subcommittee for each fiscal year;

(v) the growth or decline in insurance premium taxes and fees collected by the tax commission and the insurance department from the previous fiscal year; and

(vi) the availability of surplus General Fund revenue under Section 63-38-2.5 and Subsection 59-14-204(5)(b).

(c) The funds appropriated by the Legislature to fund the Utah Comprehensive Health Insurance Pool as determined under Subsection (16)(a):

(i) shall be deposited into the enterprise fund established by Section 31A-29-120; and

(ii) are restricted and are to be used to maintain the operation, administration, and management of the Utah Comprehensive Health Insurance Pool created by Section 31A-29-104.

(17) In considering the factors in Subsections (14)(b)(i), (ii), and (iii) and Subsections (16)(b)(i), (ii), and (iii), the governor and the Legislature may consider the actuarial data and projections prepared for the board of the Utah Comprehensive Health Insurance Pool as it develops its financial statements and projections for each fiscal year.

Section 2. Effective date.

This bill takes effect on July 1, 2004.