

1 **CONCURRENT RESOLUTION TO REDUCE UTAH'S**
2 **DEPENDENCE ON FEDERAL FUNDS**

3 2013 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Aaron Osmond**

6 House Sponsor: Eric K. Hutchings

7
8 **LONG TITLE**

9 **General Description:**

10 This concurrent resolution of the Legislature and the Governor supports the Financial
11 Ready Utah enterprise risk management process to assess the risks from any reductions
12 of federal funds to the state of Utah and its political subdivisions and urges political
13 subdivisions across the state to adopt and implement comprehensive financial risk
14 management measures as soon as possible.

15 **Highlighted Provisions:**

16 This resolution:

17 ▶ supports the Financial Ready Utah initiative of fostering within the state of Utah an
18 enterprise risk management process to assess the immediacy, severity, and
19 probability of risks from any reductions of federal funds to the state of Utah and
20 how the state will marshal its resources, both human and capital, to prioritize and
21 provide the most essential government services;

22 ▶ strongly urges local, state, and national representatives to take immediate and
23 sustained action to eliminate deficit spending and secure economic self-reliance to
24 the state of Utah and to the United States;

25 ▶ strongly urges the President of the United States and the United States Congress to
26 pass a budget each year and adopt a credible and sustainable plan to balance those
27 budgets; and



28 ▶ strongly urges Utah's towns, cities, and counties to adopt and implement
29 comprehensive financial risk management measures as soon as possible.

30 **Special Clauses:**

31 None



33 *Be it resolved by the Legislature of the state of Utah, the Governor concurring therein:*

34 WHEREAS, the Legislature of the state of Utah declares that the nation's fiscal
35 recklessness poses a great, clear, and present threat to America's future;

36 WHEREAS, David Walker, former Comptroller General of the United States warns
37 "The most serious threat to the United States is not someone hiding in a cave in Afghanistan or
38 Pakistan, but our own fiscal irresponsibility";

39 WHEREAS, the federal government is now in its fourth year of not passing a budget;

40 WHEREAS, the national debt has now surpassed \$16.4 trillion, more than \$136,000 per
41 household;

42 WHEREAS, annual deficits have exceeded \$1 trillion for each of the last four years,
43 and unfunded obligations for social programs now exceed \$85 trillion, with no apparent
44 Congressional resolution on the horizon;

45 WHEREAS, it took 200 years for the United States to accumulate the first trillion
46 dollars in debt and only 286 days to accumulate the most recent trillion;

47 WHEREAS, \$85 billion per month of the national debt and annual deficits are now
48 offset through Federal Reserve operations such as "quantitative easing" and "operation twist";

49 WHEREAS, more than 40 cents of every dollar the state of Utah spends comes from
50 the federal government that borrows and prints more than 40 cents of every dollar it sends to
51 Utah;

52 WHEREAS, last New Year's Eve, the United States Congress merely delayed until
53 March 1, 2013, the implementation of the automatic cuts or "sequestration" of 8-9% of federal
54 discretionary spending, including funds to state and local governments, and 10% of military
55 spending under the Budget Control Act of 2011;

56 WHEREAS, in its recently released audit of the Federal Government's financial
57 statements, the Government Accountability Office declared, "Over the long term, the structural
58 imbalance between spending and revenue will lead to continued growth of debt held by the

59 public as a share of GDP [Gross Domestic Product]; this means the current structure of the
60 federal budget is unsustainable";

61 WHEREAS, this fiscal scenario is by all accounts unsustainable for the nation as well
62 as for our state;

63 WHEREAS, in May 2012, the American Institute of Certified Public Accountants, in
64 its review of the federal government's most recent annual financial statements, warned, "The
65 U.S. is not exempt from the laws of prudent finance. We must take steps to put our financial
66 house in order. The credit rating agencies have recently issued renewed warnings of U.S.
67 credit downgrades unless substantive reforms are made. Our current fiscal policy results in
68 mortgaging our nation's future without investing in it, leaving our children, grandchildren and
69 future generations to suffer the consequences. This is irresponsible, unethical and immoral";

70 WHEREAS, restoring fiscal sanity and sustainability is at the heart of jumpstarting
71 economic growth and fostering a business climate where companies can grow and begin to
72 hire; and

73 WHEREAS, absent credible actions to address this fiscal irresponsibility, uncertainty
74 will continue to dominate business decision making and economic recovery will languish:

75 NOW THEREFORE BE IT RESOLVED that the Legislature of the state of Utah, the
76 Governor concurring therein, wholeheartedly supports the Financial Ready Utah initiative of
77 fostering within the state of Utah an enterprise risk management process to assess the
78 immediacy, severity, and probability of risks from any reductions of federal funds to the state
79 of Utah and how the state will marshal its resources, both human and capital, to prioritize and
80 provide the most essential government services.

81 BE IT FURTHER RESOLVED that the Legislature and the Governor strongly urge
82 local, state, and national representatives to take immediate and sustained action to eliminate
83 deficit spending and secure economic self-reliance to the state of Utah and to the United States.

84 BE IT FURTHER RESOLVED that the Legislature and the Governor strongly urge the
85 President of the United States and the United States Congress to pass a budget each year and
86 adopt a credible and sustainable plan to balance those budgets.

87 BE IT FURTHER RESOLVED that the Legislature and the Governor strongly urge
88 Utah's towns, cities, and counties to adopt and implement comprehensive financial risk
89 management measures as soon as possible.

90 BE IT FURTHER RESOLVED that copies of this resolution be sent to the Attorney
91 General of the United States, the President of the United States, the Majority Leader of the
92 United States Senate, the Speaker of the United States House of Representatives, the Utah
93 Association of Counties, the Utah League of Cities and Towns, Financial Ready Utah, the Utah
94 State Chamber of Commerce, the Utah Board of Regents, the Utah State Board of Education,
95 and the members of Utah's congressional delegation.

Legislative Review Note
as of 2-11-13 8:36 AM

Office of Legislative Research and General Counsel