

BUDGETING AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad R. Wilson

Senate Sponsor: Jerry W. Stevenson

LONG TITLE

General Description:

This bill modifies provisions relating to budgeting requirements.

Highlighted Provisions:

This bill:

▶ requires the Office of Legislative Fiscal Analyst to:

• prepare, before each annual general session of the Legislature, a summary showing the current status of debt, long-term liabilities, contingent liabilities,

General Fund borrowing, reserves, fund and nonlapsing balances, and cash

funded capital investments as compared to the past nine fiscal years; and

• make recommendations for addressing the items in the upcoming annual general session of the Legislature;

▶ requires the Office of Legislative Fiscal Analyst to include in the review and analysis of revenue estimates for existing and proposed revenue a comparison of current estimates to 15-year trends by tax type;

▶ requires the Office of Legislative Fiscal Analyst to report the review and analysis of revenue estimates for existing and proposed revenue acts to the Executive

Appropriations Committee of the Legislature before each upcoming annual general session of the Legislature;

▶ requires the governor to include in the proposed budget submitted to the presiding officer of each house of the Legislature a projection of:

• estimated revenues by major tax type; and

• 15-year trends for each major tax type; and

30 ▶ makes technical corrections.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **36-12-13**, as last amended by Laws of Utah 2013, Chapter 190

38 **63J-1-201**, as last amended by Laws of Utah 2013, Chapters 158, 167, and 413

39

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

41 Section 1. Section **36-12-13** is amended to read:

42 **36-12-13. Office of Legislative Fiscal Analyst established -- Powers, functions,**
43 **and duties -- Qualifications.**

44 (1) There is established an Office of Legislative Fiscal Analyst as a permanent staff
45 office for the Legislature.

46 (2) The powers, functions, and duties of the Office of Legislative Fiscal Analyst under
47 the supervision of the fiscal analyst are:

48 (a) to analyze in detail the executive budget before the convening of each legislative
49 session and make recommendations to the Legislature on each item or program appearing in
50 the executive budget;

51 (b) to prepare cost estimates on all proposed bills that anticipate state government
52 expenditures;

53 (c) to prepare cost estimates on all proposed bills that anticipate expenditures by
54 county, municipal, local district, or special service district governments;

55 (d) to prepare cost estimates on all proposed bills that anticipate direct expenditures by
56 any Utah resident, and the cost to the overall impacted Utah resident population;

57 (e) to prepare a review and analysis of revenue estimates for existing and proposed

58 revenue acts, which shall include a comparison of current estimates to 15-year trends by tax
59 type;

60 (f) to report instances in which the administration may be failing to carry out the
61 expressed intent of the Legislature;

62 (g) to direct attention to each new proposed service contained in the governor's budget;

63 (h) to direct attention to each budget item previously denied by the Legislature;

64 (i) to propose and analyze statutory changes for more effective operational economies
65 or more effective administration;

66 (j) to prepare, before each annual general session of the Legislature, a summary
67 showing the current status of the following as compared to the past nine fiscal years:

68 (i) debt;

69 (ii) long-term liabilities;

70 (iii) contingent liabilities;

71 (iv) General Fund borrowing;

72 (v) reserves;

73 (vi) fund and nonlapsing balances; and

74 (vii) cash funded capital investments;

75 (k) to make recommendations for addressing the items described in Subsection (2)(j) in
76 the upcoming annual general session of the Legislature;

77 [~~(j)~~] (l) to prepare, after each session of the Legislature, a summary showing the effect
78 of the final legislative program on the financial condition of the state;

79 [~~(k)~~] (m) to conduct organizational and management improvement studies;

80 [~~(l)~~] (n) to prepare and deliver upon request of any interim committee or the Legislative
81 Management Committee, reports on the finances of the state and on anticipated or proposed
82 requests for appropriations;

83 [~~(m)~~] (o) to recommend areas for research studies by the executive department or the
84 interim committees;

85 [~~(n)~~] (p) to assist in prescribing the format for the presentation of the governor's budget

86 to facilitate program and in-depth review of state expenditures in accordance with Sections
87 63J-1-701 and 63J-1-702;

88 ~~[(p)]~~ (q) to recommend to the appropriations subcommittees the agencies or programs
89 for which an in-depth budget review should be requested, and to recommend to the Legislative
90 Management Committee the priority in which the request should be made;

91 ~~[(p)]~~ (r) to appoint and develop a professional staff within budget limitations;

92 ~~[(q)]~~ (s) to prepare and submit the annual budget request for the office;

93 ~~[(r)]~~ (t) to develop a taxpayer receipt:

94 (i) available to taxpayers through a website; and

95 (ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's tax
96 dollars are expended for government purposes; and

97 ~~[(s)]~~ (u) to publish or provide other information on taxation and government
98 expenditures that may be accessed by the public.

99 (3) The Office of Legislative Fiscal Analyst shall report the review and analysis
100 required under Subsection (2)(e) to the Executive Appropriations Committee of the Legislature
101 before each upcoming annual general session of the Legislature.

102 ~~[(3)]~~ (4) (a) In accordance with Subsection ~~[(3)]~~ (4)(b) and subject to Subsection ~~[(3)]~~
103 (4)(c), the Office of Legislative Fiscal Analyst shall submit an annual report to the Executive
104 Appropriations Committee of the Legislature, at the committee's November meeting, on funds
105 expended by the state during the preceding state fiscal year to provide financial assistance or
106 services to low-income individuals and families.

107 (b) The report described in Subsection ~~[(3)]~~ (4)(a) shall:

108 (i) separate the funds expended into categories by program, service, or population
109 served;

110 (ii) indicate whether the expended funds described in Subsection ~~[(3)]~~ (4)(a) are state
111 or federal funds; and

112 (iii) include a total of all state funds and federal funds expended by the state in the
113 preceding fiscal year to provide financial assistance or services to low-income individuals and

114 families.

115 (c) If the Executive Appropriations Committee of the Legislature does not meet in
116 November, the Office of Legislative Fiscal Analyst shall submit the report described in
117 Subsection [~~(3)~~] (4)(a) at the committee's next meeting.

118 [~~(4)~~] (5) The legislative fiscal analyst shall have a master's degree in public
119 administration, political science, economics, accounting, or the equivalent in academic or
120 practical experience.

121 [~~(5)~~] (6) In carrying out the duties provided for in this section, the legislative fiscal
122 analyst may obtain access to all records, documents, and reports necessary to the scope of the
123 legislative fiscal analyst's duties according to the procedures contained in Title 36, Chapter 14,
124 Legislative Subpoena Powers.

125 Section 2. Section **63J-1-201** is amended to read:

126 **63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation**
127 **-- Appropriations based on current tax laws and not to exceed estimated revenues.**

128 (1) The governor shall deliver, not later than 30 days before the date the Legislature
129 convenes in the annual general session, a confidential draft copy of the governor's proposed
130 budget recommendations to the Office of the Legislative Fiscal Analyst according to the
131 requirements of this section.

132 (2) (a) When submitting a proposed budget, the governor shall, within the first three
133 days of the annual general session of the Legislature, submit to the presiding officer of each
134 house of the Legislature:

135 (i) a proposed budget for the ensuing fiscal year;

136 (ii) a schedule for all of the proposed changes to appropriations in the proposed budget,
137 with each change clearly itemized and classified; and

138 (iii) as applicable, a document showing proposed changes in estimated revenues that
139 are based on changes in state tax laws or rates.

140 (b) The proposed budget shall include:

141 (i) a projection of [~~the total~~];

- 142 (A) estimated revenues[~~,-including~~] by major tax type;
- 143 (B) 15-year trends for each major tax type;
- 144 (C) estimated receipts of federal funds[~~,-~~]; and
- 145 (D) appropriations for the next fiscal year;
- 146 (ii) the source of changes to all direct, indirect, and in-kind matching funds for all
- 147 federal grants or assistance programs included in the budget;
- 148 (iii) a plan of proposed changes to appropriations and estimated revenues for the next
- 149 fiscal year that is based upon the current fiscal year state tax laws and rates and considers
- 150 projected changes in federal grants or assistance programs included in the budget;
- 151 (iv) an itemized estimate of the proposed changes to appropriations for:
- 152 (A) the Legislative Department as certified to the governor by the president of the
- 153 Senate and the speaker of the House;
- 154 (B) the Executive Department;
- 155 (C) the Judicial Department as certified to the governor by the state court
- 156 administrator;
- 157 (D) changes to salaries payable by the state under the Utah Constitution or under law
- 158 for lease agreements planned for the next fiscal year; and
- 159 (E) all other changes to ongoing or one-time appropriations, including dedicated
- 160 credits, restricted funds, nonlapsing balances, grants, and federal funds;
- 161 (v) for each line item, the average annual dollar amount of staff funding associated
- 162 with all positions that were vacant during the last fiscal year;
- 163 (vi) deficits or anticipated deficits;
- 164 (vii) the recommendations for each state agency for new full-time employees for the
- 165 next fiscal year, which shall also be provided to the State Building Board as required by
- 166 Subsection [63A-5-103\(2\)](#);
- 167 (viii) any explanation that the governor may desire to make as to the important features
- 168 of the budget and any suggestion as to methods for the reduction of expenditures or increase of
- 169 the state's revenue; and

170 (ix) information detailing certain fee increases as required by Section 63J-1-504.

171 (3) For the purpose of preparing and reporting the proposed budget:

172 (a) The governor shall require the proper state officials, including all public and higher
173 education officials, all heads of executive and administrative departments and state institutions,
174 bureaus, boards, commissions, and agencies expending or supervising the expenditure of the
175 state money, and all institutions applying for state money and appropriations, to provide
176 itemized estimates of changes in revenues and appropriations.

177 (b) The governor may require the persons and entities subject to Subsection (3)(a) to
178 provide other information under these guidelines and at times as the governor may direct,
179 which may include a requirement for program productivity and performance measures, where
180 appropriate, with emphasis on outcome indicators.

181 (c) The governor may require representatives of public and higher education, state
182 departments and institutions, and other institutions or individuals applying for state
183 appropriations to attend budget meetings.

184 (4) In submitting the budgets for the Departments of Health and Human Services and
185 the Office of the Attorney General, the governor shall consider a separate recommendation in
186 the governor's budget for changes in funds to be contracted to:

187 (a) local mental health authorities under Section 62A-15-110;

188 (b) local substance abuse authorities under Section 62A-15-110;

189 (c) area agencies under Section 62A-3-104.2;

190 (d) programs administered directly by and for operation of the Divisions of Substance
191 Abuse and Mental Health and Aging and Adult Services;

192 (e) local health departments under Title 26A, Chapter 1, Local Health Departments;
193 and

194 (f) counties for the operation of Children's Justice Centers under Section 67-5b-102.

195 (5) (a) In making budget recommendations, the governor shall consider an amount
196 sufficient to grant the following entities the same percentage increase for wages and benefits
197 that the governor includes in the governor's budget for persons employed by the state:

198 (i) local health departments, local mental health authorities, local substance abuse
199 authorities, and area agencies;

200 (ii) local conservation districts and Utah Association of Conservation District
201 employees, as related to the budget for the Department of Agriculture; and

202 (iii) employees of corporations that provide direct services under contract with:

203 (A) the Utah State Office of Rehabilitation and the Division of Services for People
204 with Disabilities;

205 (B) the Division of Child and Family Services; and

206 (C) the Division of Juvenile Justice Services within the Department of Human
207 Services.

208 (b) If the governor does not include in the governor's budget an amount sufficient to
209 grant an increase for any entity described in Subsection (5)(a), the governor shall include a
210 message to the Legislature regarding the governor's reason for not including that amount.

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

214 (7) (a) The governor shall include a separate recommendation in the governor's budget
215 for funds to maintain the operation and administration of the Utah Comprehensive Health
216 Insurance Pool. In making the recommendation, the governor may consider:

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

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

221 (iii) the annual Medical Care Consumer Price Index;

222 (iv) the annual base budget for the pool established by the Business, Economic
223 Development, and Labor Appropriations Subcommittee for each fiscal year;

224 (v) the growth or decline in insurance premium taxes and fees collected by the State
225 Tax Commission and the Insurance Department; and

226 (vi) the availability of surplus General Fund revenue under Section 63J-1-312 and
227 Subsection 59-14-204(5).

228 (b) In considering the factors in Subsections (7)(a)(i), (ii), and (iii), the governor may
229 consider the actuarial data and projections prepared for the board of the Utah Comprehensive
230 Health Insurance Pool as it develops the governor's financial statements and projections for
231 each fiscal year.

232 (8) (a) In submitting the budget for the Department of Public Safety, the governor shall
233 include a separate recommendation in the governor's budget for maintaining a sufficient
234 number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to
235 or below the number specified in Subsection 32B-1-201(2).

236 (b) If the governor does not include in the governor's budget an amount sufficient to
237 maintain the number of alcohol-related law enforcement officers described in Subsection
238 (8)(a), the governor shall include a message to the Legislature regarding the governor's reason
239 for not including that amount.

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

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

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

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