



UTAH
LEGISLATURE



Utah's Budget, FY 2024-2025

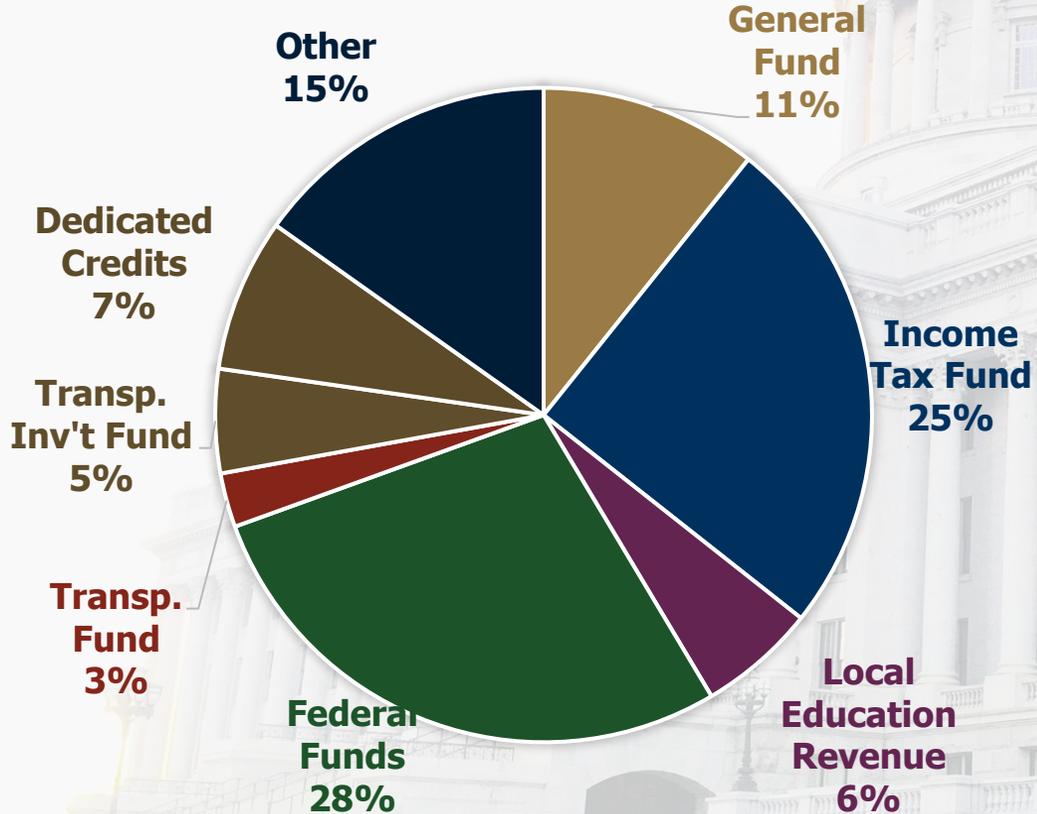
Utah's Budget, FY 2024-2025

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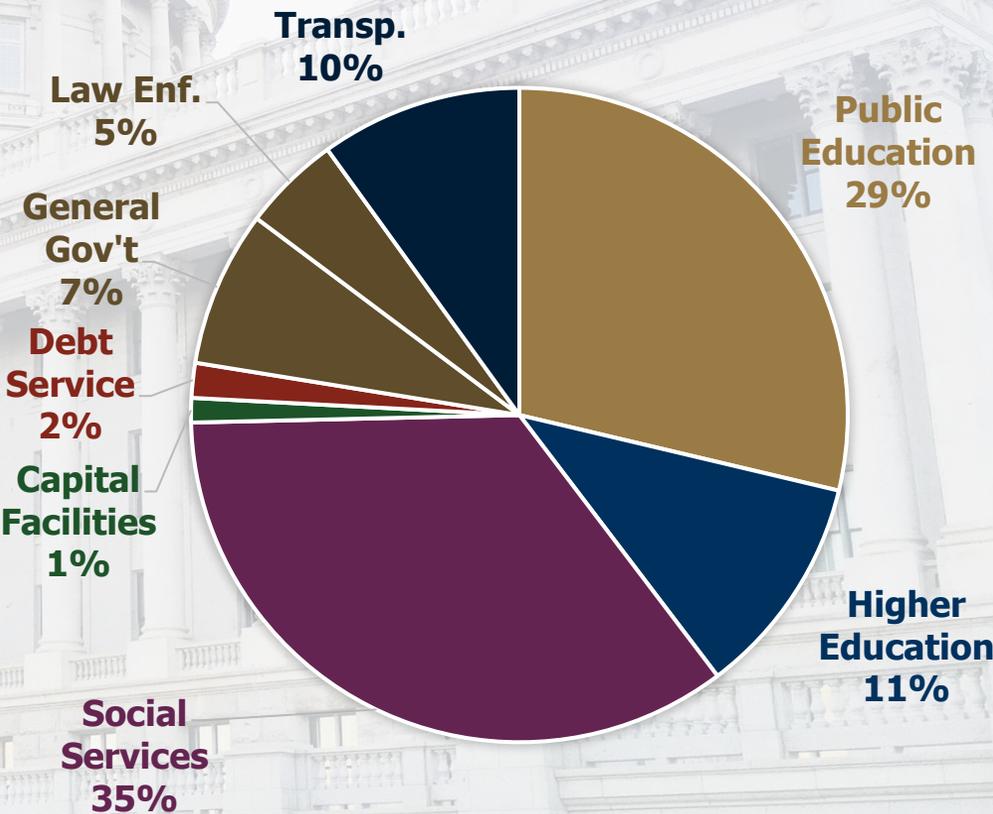


All Sources - \$29.4 billion

BY SOURCE

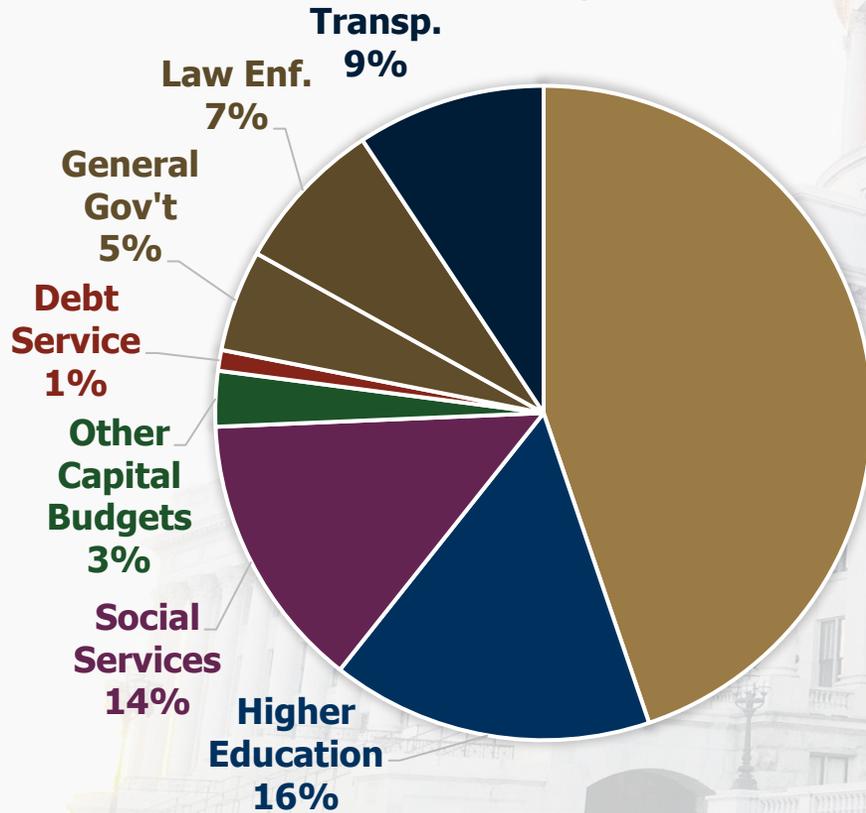


BY USE

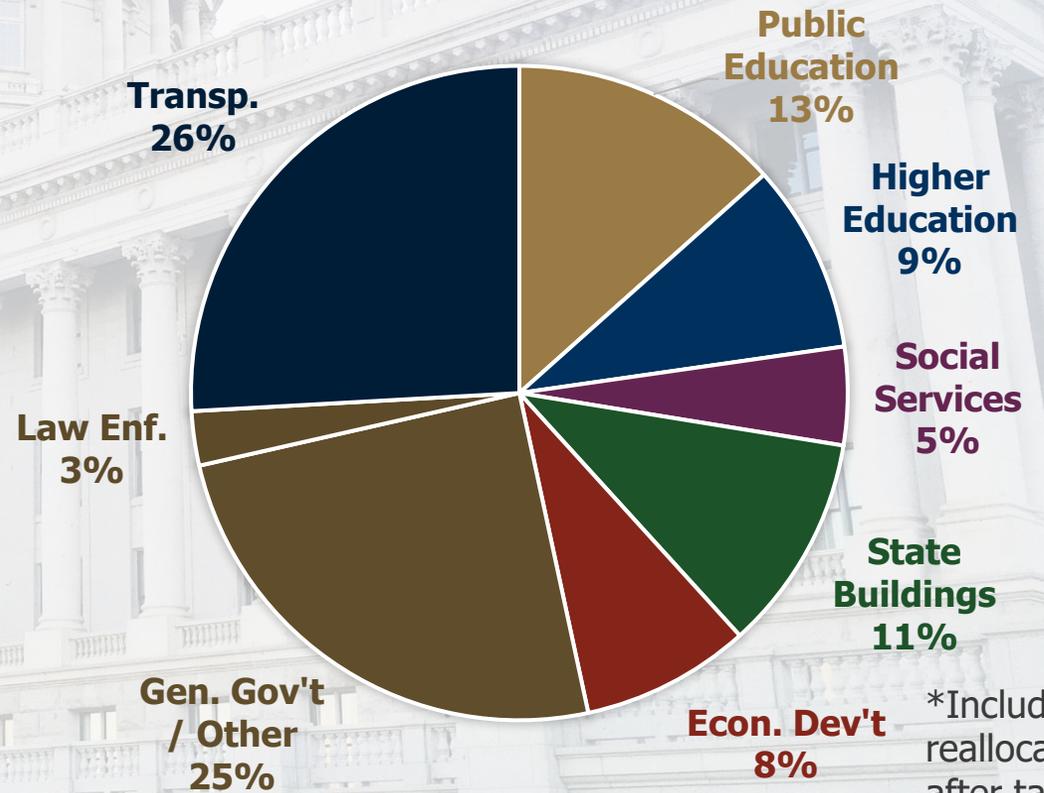


General and Income Tax Funds

BY USE - \$12.9 B



NEW MONEY - \$2.7 B*



*Including reallocations and after tax cuts





Part 2

GF/ITF Revenue

GF/ITF Revenue

Revenue Estimates*

- FY 2024
 - GF \$4.2 billion
 - ITF \$7.3 billion
 - Total \$11.5 billion
- FY 2025
 - GF \$4.2 billion
 - ITF \$7.4 billion
 - Total \$11.6 billion

Available GF/ITF Revenue

- Ongoing \$630 million
(including \$150 m high-risk revenue)
- One-time \$340 million
(including \$99 m food sales tax phase-out)
- \$1.9 billion reductions and reallocations

*Incl. high risk revenue



Internal Reallocations

- \$1.1 billion from debt service to cash-funded infrastructure
- \$521 million from the Public Education Stabilization Account
- \$120 million from Medicaid savings
- \$51 million in interest on ARPA deposits
- \$170 million restricted account balances and other



Tax Reductions - \$228 million

- \$168 million ongoing and \$37 million one-time for income tax rate change (4.65% to 4.55%)
- \$2.3 million ongoing beginning in 2026 for expanded child tax credit eligibility
- \$1 million ongoing and \$22 million one-time to reauthorize rural film incentives





Part 3

GF/ITF Funding Priorities

State Agency and Higher Education Compensation

- \$119.3 million from all sources (including \$76.1 million GF/ITF) for a 3% general salary increase in state agencies and higher education
- \$19.1 million from the General and Income Tax Funds for performance-based salary increases for state agency employees
- \$14.1 million from all sources (including \$13.4 million GF/ITF) for a 7.2 percent health insurance increase and 0.9 percent dental insurance increase in state agencies
- Other Increases:
 - \$3.2 million for a 0.7% COLA for employees on Tier II retirement
 - \$1.5 million for Utah Schools for the Deaf and the Blind
 - \$5.7 million one-time for 401k matching; and
 - \$2.5 million for public safety/firefighter retirement enhancements.



Education

- \$211.7 million ongoing for a 5% increase in the value of the WPU (from \$4,280 to \$4,494)
- \$521.0 million one-time from the Public Education Stabilization Account, including:
 - \$150.0 million for Excellence in Education and Leadership
 - \$101.2 million for K-12 School Property Insurance
 - \$100.0 million for School Safety
 - \$74.0 million for Educator Professional Time
 - \$35.5 million for School Fees Amendments
 - \$15.0 million for Small/Rural District Capital Needs (with another \$15.0 from the USF)
 - \$8.4 million for Teacher Supplies
 - \$8.4 million for Stipends for Future Educators
- \$57.0 million for at-risk students and digital teaching tool
- \$40.0 million for Utah Fits All scholarships
- \$20.0 million for university performance funding
- \$6.7 million ongoing for growth and \$5.0 million one-time for equipment at tech colleges
- \$2.7 million one-time to back-fill eliminated higher education application fees



Infrastructure

- **Transportation:**
 - \$330.0 million ongoing and \$775.0 million one-time for transportation infrastructure
 - \$50.0 million one-time for the Point of the Mountain transit stop
- **Higher Education:**
 - \$0.7 million ongoing and \$75.0 million one-time for the Huntsman Cancer Institute's Vineyard Cancer Research and Academic Building
 - \$0.6 million ongoing and \$64.9 million one-time for the Ogden-Weber Technical College's Pathway Building;
 - \$0.5 million ongoing and \$19.4 million one-time for Snow College's Social Science Classroom and Laboratory Building
- **General Government:**
 - \$10.0 million one-time for the Salt Lake City Veterans' Home Construction
 - \$20.0 million one-time for a loan to replace the San Juan Hospital Building
 - \$100.0 million one-time for statewide master plan (contingent on sufficient revenue collections)



Homeless, Housing, and Social Services

- \$17.0 million one-time for \$300 million in loans under the Utah Homes Investment Program
- \$3.0 million one-time for the Shared Equity Revolving Loan Program
- \$3.0 million one-time for the Law Enforcement First Time Homebuyers Program
- \$10.0 million ongoing and \$11.8 million one-time for statewide homeless system support
- \$1.2 million one-time in FY 2024 and \$23.8 million one-time in FY 2025 for low-barrier shelters
- \$2.5 million for Homeless Shelter Cities Mitigation
- \$10.4 million to provide services for youth with disabilities transitioning from programs for younger individuals
- \$5.0 million to provide services for individuals with disabilities on the waiting list for services



Criminal Justice and General Gov't

- \$13.0 million ongoing for Corrections targeted compensation and \$2.0 million ongoing to support Corrections officer overtime
- \$8.5 million one-time, plus \$5.0 million one-time from the Wildlife Resources Restricted Account and \$5.0 million one-time from the State Park Fees Restricted Account to purchase land for Wildlife Resources in Morgan County
- \$9.0 million one-time for Kane County Water District and Washington County Water Conservancy District to construct a reservoir
- \$5.3 million one-time for Rural Communities Opportunities Grants
- \$3.0 million one-time to purchase open space to protect the mission of Camp Williams





Part 4

Special Funding Sources

Remaining American Rescue Plan Act (ARPA) Funds

- \$5.0 million one-time for Ogden Canyon water line
- \$50 m Capital Projects Funds for middle-mile broadband at UDOT freeing-up General Fund for:
 - \$25 million for Wasatch Canyons Behavioral Health facility
 - \$12.5 million for UU Redwood Road Clinic
 - \$12.5 million for San Juan Hospital





Part 5

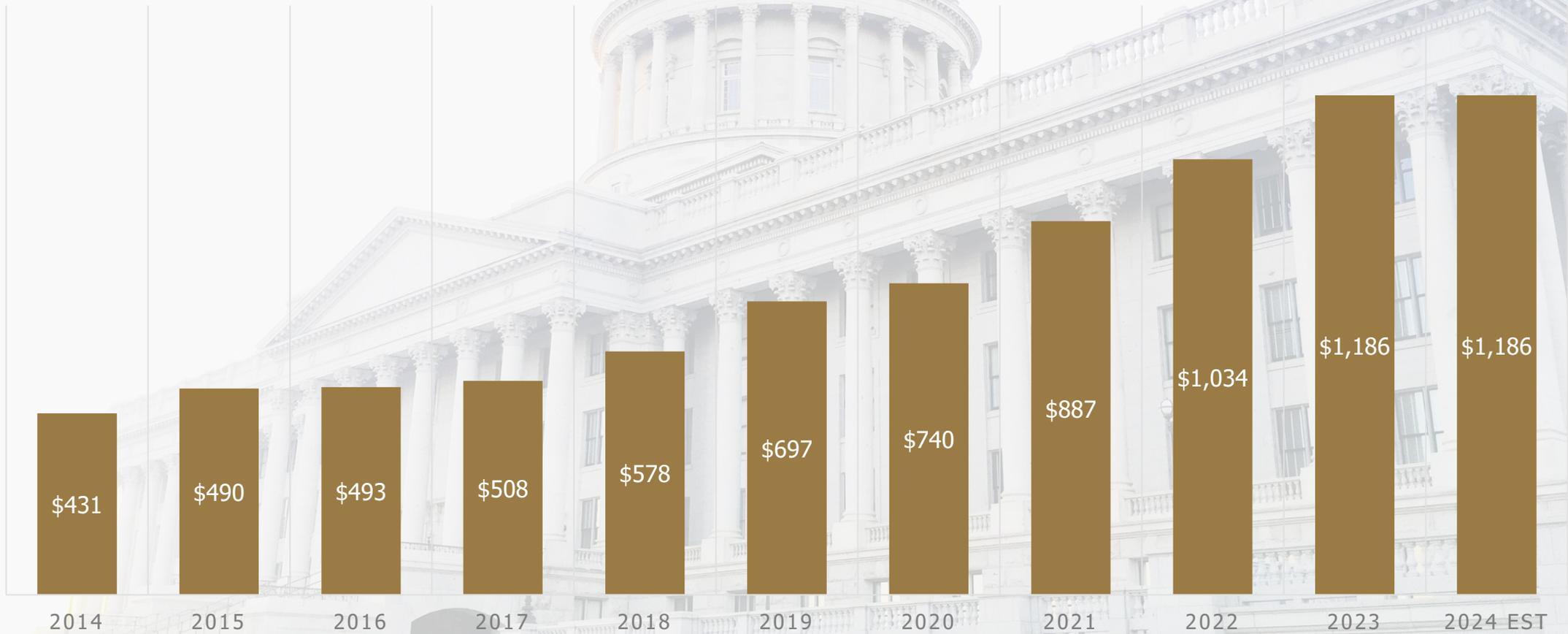
Long-term Fiscal Health

Careful Spending to Manage Risk

- No new GO debt
- \$335 million increase in Transportation working rainy-day fund
- \$150 million ongoing from high-risk revenue for infrastructure
- \$7.5 m in ongoing revenue in excess of ongoing commitments



Formal Rainy-Day Funds



A large, natural rock arch made of reddish-brown sandstone dominates the center of the image. The arch frames a view of a vast, arid landscape with scattered shrubs and distant, snow-capped mountains under a blue sky with light clouds. The foreground shows the textured surface of the rock formation.

Utah

"#1 Best State Overall"

-U.S. News and World Report

May 2024



Part 6

Budget Process/Policy

HB 51, HHS Funding Amendments

- Requires LFA and GOPB to analyze risk associated with the Medicaid program as part of the budget stress test every three years and recommend budgetary actions
- Merges two Medicaid restricted accounts and renames another



HB 59, Federal Funds Contingency Plans

- Repeals federal funds receipt reports that required contingency plans for a 5% and 25% reduction and a compilation by Division of Finance
- Requires a “Contingency disclosure and plan” and a “State jurisdiction evaluation” for qualifying federal funds (exceed 10% of an agency’s budget or \$2M)
- Also requires a “Federal funds contingency plan” for agencies with federal funds that exceed 33% of the total budget, every other year or for new requests over \$10M and provide a copy to GOMB, LFA, and EAC



HB 335, State Grant Process

- Requires that a grant recipient provide a proposed budget and agree to deliverables, reporting, audit, and clawback requirements before receiving any grant funds
- Addresses the disbursement schedule for grant funds
- Requires administering agencies to report a competitive grant to LFA and GOPB before awarding the grant
- Requires direct award grants to state the recipient in intent language, repeated each year for ongoing appropriations



HB 532 and 534, Boards and Commissions

- Follow up on HB 34, 2023 GS
- Repeal or sunset over 50 boards and commissions
- Raise barriers for creating more
- Increase reporting requirements for boards to remain in place



SB 154, Independent Entities

- Requires designated independent entities to use LAG's best practices tools and provide the results to the Governor and a "consensus group" comprising LRGC, LFA, and LAG
- Requires the consensus group to report findings to the Leg Management Committee, Leg Audit Subcommittee, and the Executive Appropriations Committee
- Allows these committees to act based on the reports



SB 192, Higher Education Amendments

- Requires higher education institutions to request O&M funding at the same time as they request legislative approval for dedicated or nondedicated projects
- Beginning December 1, 2025, requires EAC to appropriate 6% of growth in personal income tax withholdings (calculated on a five-year average) into the Performance Funding Restricted Account



SB 241, State Funding Amendments

- Repeals two restricted accounts
- Modifies others to comply with GASB
- Clarifies some accounts' purposes
- Approves revenue bonds of \$400M for the UU's West Valley Health Center
- Allows DGO to transfer money appropriated to Division of Finance for Pay-for-Performance to other agencies
- Allows Finance to transfer money from the Income Tax Fund to the Uniform School Fund to make up a deficit in the USF



HJR 17, Agency Fees

- Requires an appropriations subcommittee to review agency fees during an accountable budget process and
- Consider and make recommendations regarding:
 - the methods the fee agency uses to determine the amount of each fee
 - the agency's estimated cost related to each fee



HJR 23, Legislative Process

- Renames certain joint appropriations subcommittees and adds a new joint appropriations subcommittee
 - Infrastructure and Gen Govt -> Transportation and Infrastructure
 - Business, Econ Devel, and Labor -> Economic and Community Devel
 - New: General Government
- Increases the threshold for fiscal note bills that are subject to a funding prioritization process and passage deadline from \$15,000 to \$20,000



SJR 15, Higher Education O&M

- Requires the Executive Appropriations Committee each December to:
 - hear a report on construction inflation and the operation and maintenance costs of certain higher education capital development projects
 - decide whether to adjust the base budget or set aside an allocation to address the costs



Questions?



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