

## Fiscal Highlights

### **FY 2013 Preliminary Non-lapsing and Fund Balances** - Zackery N. King

During its September 17 meeting, the Executive Appropriations Committee received two reports outlining FY 2013 preliminary balances:

- Lapsing and Nonlapsing Balances (available at <http://le.utah.gov/interim/2013/pdf/00003270.pdf>) and
- Fund Balances (available at <http://le.utah.gov/interim/2013/pdf/00003272.pdf>).

*Lapsing balances* are funds not spent or carried forward by an agency in a given fiscal year. These funds lapse back to the funding sources from which they came. As of September 5, 2013, the Division of Finance calculated that for FY 2013, state agencies will lapse:

- \$2.9 million back to the General and Education funds and
- \$45.1 million back to other funds.

These totals do not include the Department of Transportation, Debt Service, the Utah College of Applied Technology, and the Utah Education Network, which were still finalizing their preliminary closing numbers.

Generally speaking, lapsing funds are available for appropriation in the ensuing fiscal year. However, the \$2.9 million lapsing balances for the General and Education funds from FY 2013 will be used to offset a lower-than-expected revenue collection to the General Fund.

*Nonlapsing balances* are spending authority given by the Legislature to an agency to carry from one fiscal year to another. The Legislature must explicitly authorize such carryforward either in intent language or statute. The preliminary numbers indicate that state agencies and public education will carry \$328.1 million from FY 2013 to FY 2014 as nonlapsing balances.

The report also includes a section of graphs exhibiting a five-year history of nonlapsing balances for each appropriations subcommittee, comparing the appropriated to the actual nonlapsing balances. The data shows that some agencies are better at projecting their nonlapsing balances than others.

The second report summarizes the fund balances for restricted accounts in the General and Education funds, as well as all other fund types the State of Utah manages or oversees. The preliminary fund balances at the close of FY 2013 are as follows:

- \$334.8 million in General Fund restricted accounts, and
- \$630.1 million in Education Fund restricted accounts.

These totals include rainy day funds. While the report does summarize certain component units (entities legally or financially separate from the primary government), not all component units are included in this report. Examples include public universities in Utah.