

Fiscal Highlights

Following up on Past Budget Items and Fiscal Notes 2015 Interim - Stephen C. Jardine

The Fiscal Analyst's Office reports annually on the implementation of fiscal notes and budget actions from past legislative sessions. The report is intended to create a feedback loop regarding funded items. The report includes a stop-light coding system (green, yellow, and red) for each item in the following three categories: Implementation (was the item implemented in a timely manner and according to legislative intent); Budget accuracy; and Performance. This year's report (<http://le.utah.gov/interim/2015/pdf/00003273.pdf>) followed up on 161 selected fiscal notes and budget actions from the past and included the following results:

Implementation: 128 green (80%), 15 yellow (9%), 18 red (11%) - a decline from last year where 88% were green;

Accuracy: 89 green (56%), 30 yellow (19%), 41 red (25%) - a decline from last year where 68% were green; and

Performance: 86 green (54%), 53 yellow (33%), 21 red (13%) - an improvement from last year where only 41% were green.

From the 161 items included in the report, staff selected twelve to present to the Executive Appropriations Committee representing four basic themes:

- 1) The initial estimate or fiscal note was higher than actual experience, thereby leaving excess funds available;
- 2) The initial estimate or fiscal note was lower than actual experience, thereby requiring an agency to absorb the additional cost or partially implement what was being funded;
- 3) The funded item was highlighted regarding outcomes - either positive outcomes or the lack of sufficient outcomes (46% of the 161 items had insufficient outcome information); and
- 4) An item of general interest to the Legislature.

The twelve items highlighted were:

- 1) **Jail Contracting Growth** on page 17 (theme #1) where a savings of \$2,037,300 was identified;
- 2) **Salary Parity Increases in the Attorney General's Office** on page 24 (themes #1 and #3) where a savings of \$789,100 was identified and no meaningful or valid performance indicators were provided by the Attorney General's Office;
- 3) **Amendment 3 Defense** on page 26 (theme #2) where a shortfall of \$674,300 was identified which the Office of the Attorney General absorbed;
- 4) **Rape Kit Processing Backlog** on page 30 (theme #1) where a savings of \$685,000 was identified;
- 5) **Administration of Avenue H Health Insurance Marketplace** on page 54 (theme #1) where a savings of \$400,000 was identified;

6) **After School Programs to Address Intergenerational Poverty - TANF** on page 66 (themes #1 and #4) where a savings of \$2,019,200 of federal funds was identified and the item was highlighted because of the unique alternative approach the Department of Workforce Services used instead of the standard request for proposal;

7) **Garland Community Resource Center for Infrastructure** on page 99 (theme #4) where there was a significant delay in implementation due to legal concerns in the Executive Branch regarding the dilemma created by the Legislative Request for Appropriation process specifying identified recipients relative to the statutory procurement process requirements for contracts;

8) **Office of Energy Development Administration** on page 123 (themes #1, #3, and #4) where a savings of \$74,500 was identified, no meaningful performance indicators were provided, and the request consisted of a number of bundled items which makes it difficult to track success after implementation;

9) **H.B. 168, School and Institutional Trust Lands and Funds Management Provisions** on page 134 (themes #1 and #4) where a savings of \$475,400 was identified and the item received red ratings in all three categories;

10) **Statewide Online Education** on page 138 (theme #1) where a savings of \$118,000 was identified;

11) **Heber Valley Railroad** on page 151 (theme #4) where the item was highlighted because implementation, which was originally estimated in months, will likely take two to three years; and

12) **Capitol Hill Security Infrastructure** on page 154 (theme #1) where a savings of \$82,500 was identified.

The report found that of the 161 items included in the entire report, there was a savings of \$46.1 million identified. This was the result of actual expenditures being less than what the Legislature had originally appropriated. There was also \$1.4 million of additional costs identified where the original appropriation did not fully cover the actual cost. Executive Appropriations unanimously voted to have the report referred to each of the eight appropriations subcommittees for further review and possible budget actions.