Utah’s Budget

Process, Procedures, and Participants
Utah’s Budget

- What revenues are sources of the budget?
- Who participates in the budget process?
- What is the budget process and timeline?
- What procedures are followed in analyzing budgets?
- What are results of budgeting?
What revenues are sources of the budget?

- General Fund from sales taxes
- Education Fund from income taxes
- Transportation Fund from fuel taxes
- Dedicated Credits from rates and fees
- Federal funds from Federal Government
- “Other” Restricted Accounts, Agency and Trust Funds from special levies, fines and fees
What revenues are sources of the budget?

**Total Appropriations by Revenue Source, FY 2007**

- General Fund: 21%
- Education Fund: 27%
- Federal Funds: 23%
- Transportation Fund: 5%
- Dedicated Credits: 7%
- Other: 17%
Who participates in the budget process?

• Requestors
  – Public Education
  – Higher Education
  – State Agencies

• Evaluators
  – Governor’s Office of Planning and Budget
  – Legislative Fiscal Analyst

• Decision Makers
  – Governor (influences outcome)
  – Legislators (final decision makers)
Who participates in the budget process?

Legislative Subcommittees

- Executive Offices & Criminal Justice
- Capital Facilities and Administrative Services
- Commerce and Revenue
- Economic Development and Human Resources
- Health & Human Services
- Higher Education
- Natural Resources
- Public Education
- Transportation, Environmental Quality, and National Guard
Appropriation Committee Structure

Executive Appropriations Committee
(9 Senators, 9 Representatives
plus 1 nonvoting Senator and 1 nonvoting Rep)

- Capital Facilities and Administrative Services Subcommittee
  (4 Senators, 9 Representatives)

- Economic Development and Human Resources Subcommittee
  (3 Senators, 5 Representatives)

- Health and Human Services Subcommittee
  (4 Senators, 7 Representatives)

- Natural Resources Subcommittee
  (4 Senators, 9 Representatives)

- Commerce and Revenue Subcommittee
  (3 Senators, 7 Representatives)

- Executive Offices and Criminal Justice Subcommittee
  (3 Senators, 7 Representatives)

- Higher Education Subcommittee
  (5 Senators, 11 Representatives)

- Public Education Subcommittee
  (4 Senators, 11 Representatives)

- Transportation, Environmental Quality & Nat’l Guard Subcommittee
  (3 Senators, 8 Representatives)
What is the budget process and timeline?

**Office of the Legislative Fiscal Analyst**
- Issues budget forms and instructions

**Agency**
- Prepares budget request

**Office of Planning and Budget**
- Audits completed forms
- Analyzes budget request
- Prepares recommendations for Governor

**Governor**
- Holds budget hearings with agencies
- Estimates revenue
- Makes final recommendations and delivers budget message

**Agency**
- Reviews appropriations bills
- Signs, vetoes, item vetoes, or lets bills pass without signature

**Legislature**
- Receives governor’s budget message
- Refers budget to Joint Appropriations Committee

**Legislative Fiscal Analyst**
- Prepares appropriations report including detail on the basis for the item and any legislative intent, and the financial effect of legislative program

**Joint Appropriations Committee**
- Divides into 9 subcommittees staffed by fiscal analysts
- Holds hearings
- Reviews fiscal analyst recommendations
- Prepares recommendations
- Reports to Executive Appropriations Committee

**Executive Appropriations Committee**
- Receives subcommittee reports
- Makes final decisions to balance budget
- Directs fiscal analyst to prepare appropriations bills
What procedures are followed in analyzing budgets?

- Gather basic information
- Verify program need/justification
- Validate funding
- Evaluate efficiency and effectiveness
- Analyze productivity indicators and performance measures
Gather Basic Information:

- Are the numbers correct? Do funding and expenditures balance?
- Is there statutory authority for each function/program?
- What’s the budget history of this agency over the past three to five years?
- Were new/additional funds appropriated last year used as intended?
Verify Program Need/Justification

• Why is the State doing this? Could it be done in the private sector? The Feds? Others?
• Does this program duplicate or overlap with any other in State? The Feds? Locals?
• What benefit would be forgone if eliminated?
• What criteria should be used to evaluate?
• Have any performance audits been performed? If so, what suggestions made?
Validate Funding:

• Why is this funded with general tax revenue (General Fund/School Funds)? Why not federal funds? Others?
• Could this be funded with user fees? Private Funds?
• Would it be less expensive to contract for this? Have it administered by a third party? Require a co-pay?
• Is another agency doing something that affects this agency’s workload or vice versa? Can other agency be “billed” to encourage efficiency?
• Are there matching funds available for this program?
Evaluate efficiency and effectiveness:

- Review general information
  - Evidence of effectiveness/Customer satisfaction
  - Manage workload/demand
  - Alternative forms of delivery
  - Etc.
- Review staffing
- Review operations and travel
- Consider new requests
Analyze productivity indicators and performance measures:

• Define applicable indicators:
  – Input indicators
  – Output indicators
  – Outcome indicators
  – Efficiency/cost effectiveness indicators

• Compare indicators:
  – To history/goal
  – To similar programs/private sector
  – To standards/norms
  – Within sub-units of organization
What are results of budgeting?

Total Appropriations by Area of Expenditure, FY 2007

- Health & Human Service 24%
- Public Education 29%
- Transportation 13%
- General Gov't 12%
- Higher Education 11%
- Law Enforcement 6%
- Debt Service 2%
- Capital Facilities 3%