Budget of the State of Utah

FY 2016 – FY 2017

Where it all goes...

$15.1 billion

FY 2017 operating and capital budget including expendable funds and accounts, from all sources, by use.
Where it all comes from...

- General Fund: 16%
- Education Fund: 26%
- Federal Funds: 26%
- Transportation Fund: 3%
- TIF of 2005: 5%
- Local Education Money: 5%
- Dedicated Credits: 9%
- Other: 10%

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FY 2017 operating and capital budget including expendable funds and accounts, from all sources, by source of finance.

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$6.4 billion GF/EF

FY 2017 operating and capital budget including expendable funds and accounts, from all sources, by source of finance.
Where GF/EF goes…

$6.4$ billion

Public Education: $48\%$
Law Enforcement: $8\%$
General Gov't: $5\%$
Debt Service: $1\%$
Buildings: $4\%$
Social Services: $16\%$
Higher Education: $16\%$
Transfers: $2\%$

FY 2017 General and Education Fund appropriations, by use.

Who Got New GF/EF Money…

$663^* million$

Education = $442 m$

Higher Ed Ops: $39\%$
Public Ed Ops: $2\%$
Utah Ed Network: $2\%$
Higher Ed Bldgs: $18\%$
Gen Gov't: $4\%$
Other Bldgs: $3\%$
Social Services: $5\%$
Crim Justice: $5\%$
Econ Develop: $9\%$

*New General and Education Fund Appropriations plus $35 m in TANF for early childhood education and $18 m in program balances for student growth, 2016 General Session, by use.
### How we balanced – Sources...

<table>
<thead>
<tr>
<th>(GF/EF in millions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Revenue Growth</td>
<td>$400</td>
</tr>
<tr>
<td>One-time Re-estimates</td>
<td>$150</td>
</tr>
<tr>
<td>Base Budget Review</td>
<td>$40</td>
</tr>
<tr>
<td>TANF Reserves/MSP Balances</td>
<td>$30</td>
</tr>
<tr>
<td>Fund Balances</td>
<td>$24</td>
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<tr>
<td>Earmarks and Other</td>
<td>$19</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$663</strong></td>
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For details, see Tables 7-9 of Budget of the State of Utah, 2015-16.

### How we balanced – Uses...

<table>
<thead>
<tr>
<th>(GF/EF in millions)</th>
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<tbody>
<tr>
<td>Public Education</td>
<td>$270</td>
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<tr>
<td>Higher Education</td>
<td>$172</td>
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<tr>
<td>Social Services</td>
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<td>Economic Development</td>
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<td>Criminal Justice</td>
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<tr>
<td>State Agency Buildings</td>
<td>$19</td>
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<tr>
<td>Gen. Gov’t/Other</td>
<td>$24</td>
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</tbody>
</table>
Education (GF/EF)

• $94 million for Public Education student Growth
• $82 million for a 3% increase in the WPU
• $14 million to equalize state support for district and charter schools
• $15 million for a statewide technology initiative
• $114 million for new facilities at colleges and universities
• $9 million for the Regents’ Scholarship
• $5 million for performance based funding in Higher Ed
• $15 million for Higher Ed and UCAT expansion

Social Services (GF/EF)

• $35 m ongoing and $3.7 m one-time for caseload, inflation, and benefit changes in the current Medicaid program
• $2.1 m ongoing in the Base Budget for Accountable Care Organization costs
• $15 m ongoing offset by -$12 m one-time for expansion of Medicaid to certain individuals in the poverty gap
Other Highlights (GF/EF)

- $21 m ongoing for Hill AFB Software Building
- $7.5 m for air quality initiatives including a new lab
- $6 m ongoing for capital improvements
- $3 m ongoing and $3 m one-time for tourism marketing ($21 m total)
- $2.6 m ongoing and $2.6 m one-time for jail contracting and reimbursement rate increases
- $1.8 m ongoing and $2 m one-time for criminal justice initiatives

Compensation (GF/EF)

- State Agencies and Higher Education:
  - $32 million for a 2% salary increase
  - $16 million for health insurance cost increases
  - Other small adjustments for unemployment and retirement
- Public Education:
  - The Legislature does not set pay for teachers. Public education employees negotiate with districts and charter schools. However, the Legislature did provide $94 million for cost increases generally, which could include compensation.
Best Practices

• Deposited $59 m into the Education Rainy Day Fund
• Matched ongoing appropriations with ongoing revenue and ended with a $13 m structural surplus
• Funded Capital Improvements at 1.1% of asset value
• Moved $20 million in above-trend ongoing revenue into capital development
• Paid-down $325 m in existing debt in FY 2017
• Authorized no new General Obligation debt
• Paid cash for buildings

Budget Policy Changes

• **HJR 7, Joint Rules Resolution on Medicaid Funding Report**
  Requires EAC to hear a report each December on Medicaid ACOs, including base budget, program needs, medical inflation, and cost of mandated Medicaid program changes.

• **SB 154, Medicaid Accountable Care Organizations**
  Requires the Medicaid base budget to include cost of mandated Medicaid program changes.
Budget Policy Changes

• **HB 351, Attorney General Fiscal Amendments**
  Allows the AG to operate as an internal service fund for legal services that the office provides to state agencies and establishes a rate committee.

• **SB 37, Human Resource Management Rate Committee**
  Modifies the DHRM ISF rate committee for expanded services to be provided by the ISF.

• **SB 52, Rate Committee Modifications**
  Changes the ISF rate committees to include seven (rather than three) agencies, only one of which can be GOMB, Finance, DTS, or DAS.

Budget Policy Changes

• **SJR 8, Joint Rules Resolution on Performance Notes**
  Requires a performance note to be printed for every piece of legislation.

• **HB 329, Federal Funds Procedures Act Amendments**
  Requires agencies to submit a copy of the grant approval letter before they may expend the federal grant; puts USBE on similar approval process as executive and judicial branches; clarifies that exemption for “pass-through federal funds” doesn’t apply to federal funds passed through from USBE to an LEA.
Budget Policy Changes

• **RFA, Business Cycle Management**
  Enhances long-term approaches to budgeting by appropriating $120,000 to GOMB for an FTE to analyze revenue trends, volatility, and budget stress testing; and $15,000 to LFA for purchase of consulting services and economic scenarios for stress testing.

• **HB 310, Tax Credit Review Amendments**
  Required the Revenue and Taxation Interim Committee and LFA to review certain tax credits during the 2016 Interim.

Budget Policy Changes

• **SB 17, Revenue and Taxation Amendments**
  Clarifies the formula for calculating the oil and gas severance tax.

• **SB 212, Wildland Fire Suppression Fund**
  Amends year-end General Fund surplus deposit requirements, requiring up to $4,000,000 of any surplus to be deposited in the Wildland Fire Suppression Fund, thus shifting potential future deposits from other accounts and transfers.
Details, Details...

On-line Summary

Full Report

Budget.Utah.Gov