Budget of the State of Utah

FY 2018 – FY 2019

Executive Appropriations Committee, May 15, 2018

Where it all goes...

$16.8 billion

FY 2019 operating and capital budget including expendable funds and accounts, from all sources, by use.
Where it all comes from…

$16.8$ billion

General Fund 15%
Education Fund 25%
Federal Funds 26%
Transportation Fund 4%
TIF of 2005 5%
Local Education Money 5%
Dedicated Credits 9%
Other 11%
Local Education Money 5%
TIF of 2005 5%
Transportation Fund 4%
Federal Funds 26%

FY 2019 operating and capital budget including expendable funds and accounts, from all sources, by source of finance.

Where it all comes from…

$7.3$ billion GF/EF

General Fund 15%
Education Fund 25%
Federal Funds 26%
Transportation Fund 4%
TIF of 2005 5%
Local Education Money 5%
Dedicated Credits 9%
Other 11%
Local Education Money 5%
TIF of 2005 5%
Transportation Fund 4%
Federal Funds 26%

FY 2019 operating and capital budget including expendable funds and accounts, from all sources, by source of finance.
Where GF/EF goes…

- Public Education: 46%
- Higher Education: 15%
- Social Services: 15%
- Non-Ed Buildings: 2%
- Debt Service: 1%
- Law Enforcement: 8%
- General Gov’t: 5%
- Transfers: 8%

$7.3 billion

FY 2019 General and Education Fund appropriations, by use.

Who Got New GF/EF Money…

- Higher Ed: 21%
- Utah Ed Network: 1%
- Gen Gov’t: 11%
- Rainy-Day Funds: 11%
- Non-Ed Bldgs/Debt: 7%
- Social Services: 7%
- Crim Justice: 7%

$806* million

*New General and Education Fund appropriations including new property taxes, 2018 General Session, by use.
How we balanced – Sources...

<table>
<thead>
<tr>
<th>(GF/EF in millions)</th>
<th>2017 GS</th>
<th>2018 GS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ongoing Revenue Growth</td>
<td>$372</td>
<td>$508</td>
</tr>
<tr>
<td>One-time Re-estimates</td>
<td>$13</td>
<td>$184</td>
</tr>
<tr>
<td>Federal Tax Reform</td>
<td>$0</td>
<td>$80</td>
</tr>
<tr>
<td>Local Property Tax Changes</td>
<td>$0</td>
<td>$55</td>
</tr>
<tr>
<td>Fund Balances</td>
<td>$27</td>
<td>$29</td>
</tr>
<tr>
<td>Reallocation, Tax Changes, Other</td>
<td>$87</td>
<td>($50)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$498</strong></td>
<td><strong>$806</strong></td>
</tr>
</tbody>
</table>

For details, see Tables 7-9 of Budget of the State of Utah, 2018 – 2019.

How we balanced – Uses...

<table>
<thead>
<tr>
<th>(GF/EF in millions)</th>
<th>2017 GS</th>
<th>2018 GS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Education</td>
<td>$236</td>
<td>$280</td>
</tr>
<tr>
<td>Higher Education</td>
<td>$105</td>
<td>$179</td>
</tr>
<tr>
<td>Social Services</td>
<td>$74</td>
<td>$61</td>
</tr>
<tr>
<td>Criminal Justice</td>
<td>$35</td>
<td>$54</td>
</tr>
<tr>
<td>Non-Ed Buildings/Debt Svc</td>
<td>$3</td>
<td>$58</td>
</tr>
<tr>
<td>Formal Rainy-day Deposits</td>
<td>$0</td>
<td>$85</td>
</tr>
<tr>
<td>Gen. Gov’t/Other</td>
<td>$45</td>
<td>$89</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$498</strong></td>
<td><strong>$806</strong></td>
</tr>
</tbody>
</table>
Fiscal Management (GF/EF)

- $85.3 million to repay Rainy-day Funds
- $67 million above-trend revenue for buildings, increasing Working Rainy-day Fund to $87 m
- $46 million cash from debt service savings reallocated to prison construction
- $1 million ongoing, $2 million one-time to fix long-standing structural imbalance in Juror, Witness, Interpreter

Education (GF/EF)

- $77.1 million for a 2.5% increase in the WPU value
- $46.5 million for 1.5% WPU equivalent in Flexible Allocation
- $36.1 million for Public Education student Growth
- $36.1 million for equalization and $18.7 million for Flexible Allocation from tax re-balancing efforts
- $10 million for digital teaching and learning
- $10 million into reserve for student population growth
- $168.3 million for new facilities at colleges and universities
- $23.1 million for higher ed growth, workforce, and completion
- $5.7 million for USTC equipment and market demand
- $6 million for the Utah Education Network
Social Services (GF/EF)

- $22.1 million ongoing and $3.2 million one-time for Medicaid caseload, inflation, and program changes
- $16.4 million in savings from full federal funding of CHIP
- $10.5 million one-time for Operation Rio Grande
- $6.5 million to implement homeless to housing reform (H.B. 462, 2018 GS)
- $2.9 million to expand mental health crisis line services (H.B. 41, 2018 GS)
- $2.9 million for five new mobile crisis outreach teams (H.B. 370, 2018 GS)

Other Highlights (GF/EF)

- $19.4 million for wildland fire suppression
- $9 million for firefighter retirement
- $4.2 million for fire academy
- $1.5 million for treatment in county jail beds
- $1.5 million for BCI restructuring
Compensation (GF/EF)

- State Agencies and Higher Education:
  - $42.9 million for a 2.5% salary increase
  - $7.5 million for targeted pay increases
  - $10.9 million for health insurance cost increases

- Public Education:
  - The Legislature does not set pay for teachers. Public education employees negotiate with districts and charter schools. However, the Legislature did provide $142.3 million for cost increases generally, which could include compensation.

Budget Policy Changes

H.B. 417 “Federal Grants Management Amendments”

- Clarifies approval requirements when a nursing care facility expects to receive different thresholds of federal funds each year from the Nursing Care Facility Non-State Government-Owned Upper Payment Limit program.

- Amends the intergovernmental transfers that are subject to the review and approval procedures under the Federal Funds Procedures Act.
Budget Policy Changes

H.B. 452 “Legislative Fiscal Analyst Amendments”

- Requires LFA to produce the following cycle of analyses of long-term fiscal sustainability, repeating every three years:
  - in year one, the joint revenue volatility report;
  - in year two, a long-term budget for programs appropriated from major funds and tax types; and
  - in year three, a budget stress test.

H.B. 475 “Dedicated Credits and Nonlapsing Authority Revisions”

- Requires that agencies may have nonlapsing dedicated credits at closeout only if they have specific statutory or intent language stating that the dedicated credits are nonlapsing.
- Clarifies that line items (rather than programs) that receive more than 90% of their funding from dedicated credits may collect and spend any amount of dedicated credits.
Budget Policy Changes

S.B. 146 “Technology Summit Incentives”

• Modifies the allowable distribution of money from the Industrial Assistance Account.
• Requires the Governor's Office of Economic Development to annually report on the grants provided through the Industrial Assistance Account.
• Allows some nonprofit organizations engaged in publicizing, developing, and promoting the high-tech sector to qualify for a grant from the Industrial Assistance Account.

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