MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE

FROM: Andrea Wilko, Chief Economist

DATE: May 9, 2019

SUBJECT: Five-year Long-term Budget Analysis

UCA 36-12-13(e)(iii) requires the Office of Legislative Fiscal Analyst, repeating every three years, to prepare the following cycle of analyses of long-term fiscal sustainability:

i. in year one, a joint revenue volatility report required under 63J-1-205;
ii. in year two, a long-term budget for programs appropriated from major funds and tax types; and
iii. in year three, a budget stress test comparing estimated future revenue to and expenditure from major funds and tax types under various potential economic conditions.

In your May meeting we will present a long-term budget as required in year two of the cycle. To accomplish the report’s purposes we will present an interactive Excel-based calculator, where interested individuals can enter their own assumptions about revenue indicators and spending growth to see how various policy changes can impact the state budget.