Subcommittee
2020 GS | Membership, Meetings, & Information

Membership & Meetings
- 8 Session Meetings
  - Review All Budget Line-Items
    - Budget Issues/Changes
    - New Funding Requests (USBE/Governor/Others)
  - Requests for Appropriation
  - Budget Bills
    - House Bill 1 (Base) & Senate Bill 2
- Staff
  - Ben Leishman, Emily Willis, Annette Sion

Primary Meeting Information
- Mostly Paperless – Legislature Website
  - Subcommittee Page
    - Meeting Notices, Agendas, Minutes, Audio
    - Meeting Materials
  - Budget.Utah.Gov
    - Compendium of Budget Information - Issues & Financial Tabs
    - Budget of the State of Utah
- Acronyms
- Meeting Handouts
  - Request Print Copies
  - Documents from Agencies/Public
Subcommittee Schedule
2020 General Session

Agendas Posted 24 Hours Prior to Meeting

Individuals/Organizations Wishing to Address the Subcommittee:
• Contact Committee Staff 48 Hours Prior to Scheduled Meeting
• Email Presentation Materials 24 Hours Prior to Meeting

Requests for Appropriation
Due by Noon February 6th

Required Information:
• Itemized Budget
• Deliverables and/or Performance Measures
• Other State Funds Received by Organization
• Type of Organization (Government, Gov’t Not for Profit, Private Not for Profit, Private for Profit)
• Statewide Public Purpose

State Agencies Receive Funds and Must Follow State Procurement Laws
Subcommittee
2020 GS | Rules, Quorum, & Voting Requirements

Rules & Quorum
- Specific for Joint Subcommittees (JR3-2)
  - Created in 2017 to Address Confusion
  - Different Quorum & Procedure Requirements
  - Not “House of Chair” or Standing/Interim Committee Rules
- Quorum Requirements (JR3-2-404)
  - 50% in One House & 50% +1 in the Other
  - 6 Senators | 13 Representatives
  - Cannot Split a Person
  - Majority/Minority Leadership Excluded
  - Unless Present, then Counted in Quorum
- Voting Requirements
  - 50% of Members in Attendance in One House
  - More than 50% in Attendance in the Other

### Quorum Requirements Voting Requirements

<table>
<thead>
<tr>
<th>Quorum Requirements</th>
<th>Senate</th>
<th>House</th>
<th>Senate</th>
<th>House</th>
</tr>
</thead>
<tbody>
<tr>
<td>All leadership present</td>
<td>At least 3</td>
<td>7</td>
<td>At least 2</td>
<td>4</td>
</tr>
<tr>
<td>All leadership present except 1 senator</td>
<td>At least 3</td>
<td>7</td>
<td>At least 2</td>
<td>4</td>
</tr>
<tr>
<td>All leadership present except 2 senators</td>
<td>At least 2</td>
<td>7</td>
<td>At least 1</td>
<td>4</td>
</tr>
<tr>
<td>All leadership present except 1 rep.</td>
<td>At least 3+</td>
<td>6+</td>
<td>At least 2+</td>
<td>3+</td>
</tr>
<tr>
<td>All leadership present except 2 reps.</td>
<td>At least 3</td>
<td>6</td>
<td>At least 2</td>
<td>3</td>
</tr>
<tr>
<td>All leadership present except 3 reps.</td>
<td>At least 2+</td>
<td>5+</td>
<td>At least 2+</td>
<td>3+</td>
</tr>
<tr>
<td>All leadership present except 1 sen. and 1 rep.</td>
<td>At least 3</td>
<td>6</td>
<td>At least 2</td>
<td>3</td>
</tr>
<tr>
<td>All leadership present except 1 sen. and 2 reps.</td>
<td>At least 3</td>
<td>5</td>
<td>At least 2</td>
<td>3</td>
</tr>
<tr>
<td>All leadership present except 2 sens. and 1 rep.</td>
<td>At least 2+</td>
<td>6+</td>
<td>At least 1+</td>
<td>3+</td>
</tr>
<tr>
<td>No leadership present</td>
<td>At least 2+</td>
<td>5+</td>
<td>At least 1+</td>
<td>3+</td>
</tr>
</tbody>
</table>

+ Must have at least 50% in one body, and greater than 50% in the other body.

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Subcommittee Meetings
2020 GS | Review Each Budgetary Line Item

Meeting Structure
- Presentation of Line Item Budget (Analyst)
  - Budget Review (Revenues & Expenditures)
  - Issues & Recommendations
- State Board of Education
  - Comments, Issues, & Budget Recommendations
  - Updates on Performance Measures
- Public Input (as Approved by Chairs)
- Subcommittee Discussion
  - Most Budgetary Actions Taken in Final Meeting
  - Contact Chairs with Additional Agenda Items

Budget Reviews
- Review All Line Items (Approx. 18)
  - Starting Point (Base Budget)
  - Purpose, Funding, Performance
  - Adjust Funding to Meet Current Needs or Issues
  - Evaluate Requests for Increases
  - Exclude Programs Reviewed in Interim
- Subcommittee Allocation – FY 2021
  - $3,805,362,800 Ongoing State Funds (GF/EF/USF)
  - ($33,690,000 one-time)
  - Subcommittee Can Reallocate to Meet Priorities
- Recommendations to Executive Appropriations
  - Funding Reallocations
  - New Funding Priority Lists (Ongoing & One-time)
## Education Budget – State & Local

### 2020 GS | Revenues, Expenditures, and Trends

### State Revenue: Estimated General & Education Fund

#### December 13, 2019

- **Total**: $474.0 Million
- **Ongoing**: $363.0 Million
- **One-time**: $111.0 Million

### Revenue Estimates Revised in Late February

**SB 2001 Impacts**

### Available GF/EF Revenue - December 13, 2019 (Revised)

<table>
<thead>
<tr>
<th>Description</th>
<th>One-Time</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>(22)</td>
<td>-</td>
</tr>
<tr>
<td>Prior Year Surplus</td>
<td>(22)</td>
<td>-</td>
</tr>
<tr>
<td>Fall Revenue Forecast</td>
<td>(29)</td>
<td>42</td>
</tr>
<tr>
<td>Subtotal, Before Dec. SS</td>
<td>(51)</td>
<td>42</td>
</tr>
<tr>
<td>SB 2001 Impacts</td>
<td>50</td>
<td>107</td>
</tr>
<tr>
<td>Available GF Free Revenue</td>
<td>(1)</td>
<td>149</td>
</tr>
</tbody>
</table>

**Education Fund**

<table>
<thead>
<tr>
<th>Description</th>
<th>One-Time</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Surplus</td>
<td>107</td>
<td>-</td>
</tr>
<tr>
<td>Fall Revenue Forecast*</td>
<td>144</td>
<td>440</td>
</tr>
<tr>
<td>Subtotal, Before Dec. SS</td>
<td>251</td>
<td>440</td>
</tr>
<tr>
<td>SB 2001 Impacts*</td>
<td>(138)</td>
<td>(226)</td>
</tr>
<tr>
<td>Available EF Free Revenue</td>
<td>113</td>
<td>214</td>
</tr>
</tbody>
</table>

**Total GF/EF**

<table>
<thead>
<tr>
<th>Description</th>
<th>One-Time</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior Year Surplus</td>
<td>85</td>
<td>-</td>
</tr>
<tr>
<td>Fall Revenue Forecast</td>
<td>115</td>
<td>482</td>
</tr>
<tr>
<td>Subtotal, Before Dec. SS</td>
<td>200</td>
<td>482</td>
</tr>
<tr>
<td>SB 2001 Impacts**</td>
<td>(89)</td>
<td>(119)</td>
</tr>
<tr>
<td>Available GF/EF Free Revenue</td>
<td>111</td>
<td>363</td>
</tr>
</tbody>
</table>

*Assumes $80 m tax relief budgeted in 2019 GS.

**These are GF/EF changes only. Ongoing tax changes equal this $119 m plus $80 m already budgeted minus $34 m TIF and $5 m Corridor Preservation (total = $160 m ongoing, $89 m 1x).

Note: All figures assume restoration of automatic spending cuts from 2019 GS.
The Basic Levy:  
FY 2021 Estimated Revenue

Statute Provides for Certain Increases in Basic Levy Property Tax Revenue

- **Basic Levy** - $17.3 M from “Net New Growth in Properties” historically used to offset the state cost of enrollment growth.
- **Equity Pupil** - $21.1 M (Est.) Difference between the traditional “Basic Tax Rate” and the rate floor of 0.0016.
- **WPU Value** - $5.2 M (Est.) for each 1% increase in WPU Value set by the Legislature.

### Minimum School Program: The Basic Levy

<table>
<thead>
<tr>
<th>Component</th>
<th>FY 2020</th>
<th>FY 2021 Net New Growth(2)</th>
<th>FY 2021 Formula Increase</th>
<th>FY 2021 Discretionary</th>
<th>FY 2021 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Levy</td>
<td>$348,036,700</td>
<td>$17,330,700</td>
<td>$0</td>
<td>$0</td>
<td>$365,367,400</td>
</tr>
<tr>
<td>Basic Levy Increment Rate(2)</td>
<td>$75,000,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$75,000,000</td>
</tr>
<tr>
<td>Equity Pupil Tax Rate</td>
<td>$48,997,900</td>
<td>$0</td>
<td>$21,137,300</td>
<td>$0</td>
<td>$70,135,200</td>
</tr>
<tr>
<td>WPU Value Rate (Each 1% WPU Value Increase)(1)</td>
<td>$37,450,000</td>
<td>$0</td>
<td>$5,150,000</td>
<td>$0</td>
<td>$37,450,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$509,484,600</td>
<td>$17,330,700</td>
<td>$21,137,300</td>
<td>$5,150,000</td>
<td>$547,952,600</td>
</tr>
</tbody>
</table>

**Notes:**

1. The WPU Value Rate adjusts with the percent increase in the WPU Value as determined by the legislature. The adjustment is based on the state or local funding in the prior year (FY 2020 is 84/16 split). For FY 2021, the property tax increase would be approximately $5.2 million for each 1 percent increase. The “FY 2021 Discretionary” amount is not included in the “FY 2021 Total” as the legislature has yet to determine the WPU Value increase for FY 2021 to calculate the final tax impact amount.

2. Statute allows the Basic Rate to collect property tax revenue on the net new growth of properties in the state. “Net New Growth” is an amount calculated by the Tax Commission each year. Historically, this revenue has accrued to the Basic School Program and offset the state cost for enrollment growth each year. Net new growth amount for the Basic Levy Increment Rate has accrued to the Basic School Program since the creation of that rate in FY 2016.

### Budget History:

**Funding Compared to Fall Enrollment**

FY 2008 to FY 2020

- **Total** - $5.6 Billion
- **State** - $3.8 Billion

Enrollment – 666,188
Budget History:
Appropriations Compared to Fall Enrollment
FY 2011 to 2020
Year Over Year Percent Change

Budget Comparisons – Public Education
2020 GS | Perspectives on Funding Change

Year Over Year Change
Public Education: Annual Increase in Appropriations
State Funds Only | FY 2011 to FY 2020

Allocation of New Funding by Session
Public Education: Allocation of “New” Discretionary Funds
State Funds Only | 2012 General Session to 2019 General Session

Note: All amounts are for FY 2011 to 2019, FY 2020 is appropriated in 2019 GS.

Total Change FY15 to FY20 - $1.1 Billion
Total Change 2015 to 2019 GS - $1.3 Billion
Budget Comparisons – Total Revenues
FY 2019 | Locally Reported & State Appropriated Budget

**Locally Reported – Annual Financial Report**
- State, $3,580,493,800, 52%
- Federal, $455,779,700, 7%
- Local (State Budget), $835,869,700, 13%
- Local, $1,873,127,300, 28%

**State Appropriated Budget**
- State Restricted, $250,991,000, 5%
- Local, $935,969,700, 19%
- Federal, $455,779,700, 7%
- Other, $53,034,200, 1%

Total = $6,945,370,500
Total = $4,992,295,500

Budget Comparisons – Total Expenditures
FY 2019 | Locally Reported & State Appropriated Budget

**Locally Reported – Annual Financial Report**
- Salaries, $3,063,364,000, 43%
- Benefits, $1,367,136,700, 19%
- Purchased Services, $266,455,900, 4%
- Supplies, $641,405,900, 9%
- Property, $1,044,529,700, 15%
- Other, $732,453,600, 10%

**State Appropriated Budget**
- Pass Through, $4,844,033,100, 97%
- State Operations, $148,262,400, 3%
- Personnel Services, $64,418,100, 1%
- Travel, $1,151,200, 0%
- Current Expense, $576,429,700, 2%
- Capital & Data Proc., $6,000,400, 0%

Total = $7,115,345,800
Total = $4,992,295,500
QUESTIONS?