



LEGISLATIVE
FISCAL
ANALYST

Utah's Budget

Fiscal Year 2022-2023

Executive Appropriations Committee

May 17, 2022

Overview

- Budget from All Sources
- Budget from General and Education Funds
- Federal ARPA Appropriations
- Highlights by Issue Area
- Long-term Fiscal Health
- Budget Process Changes

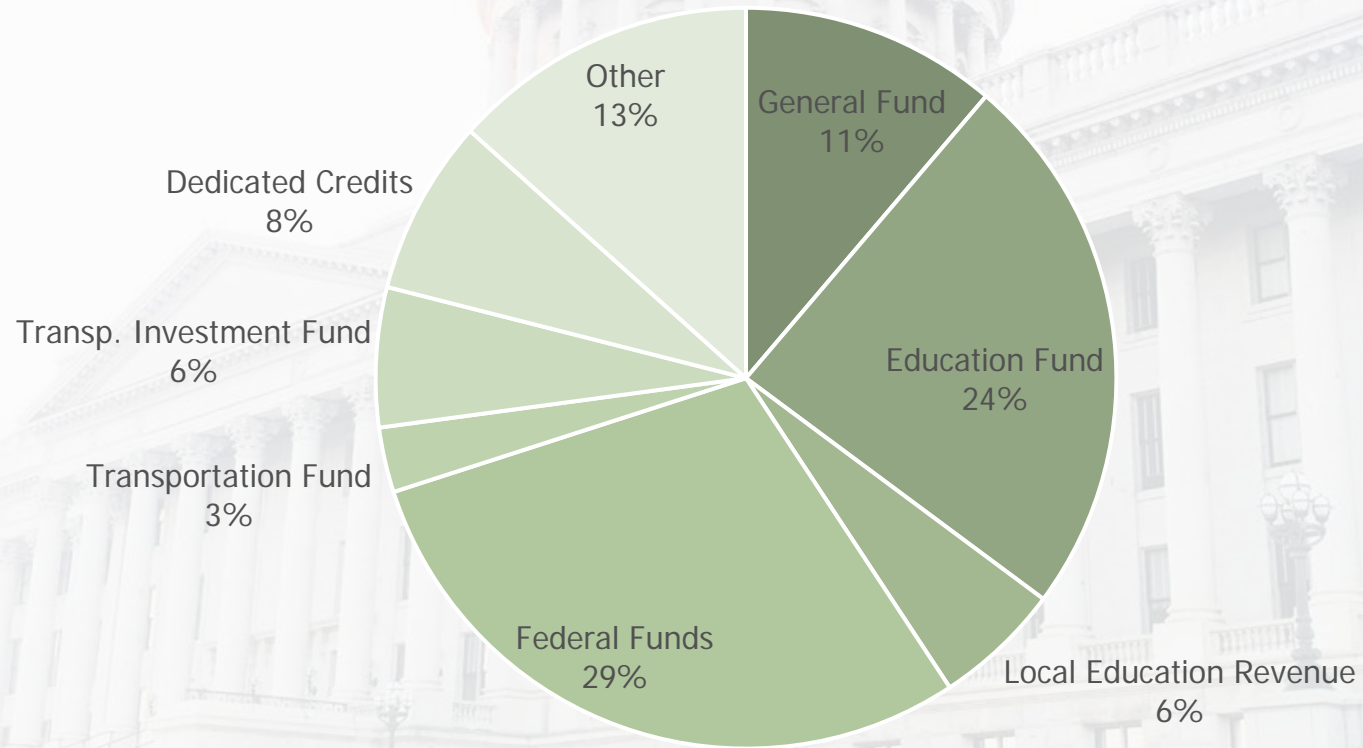




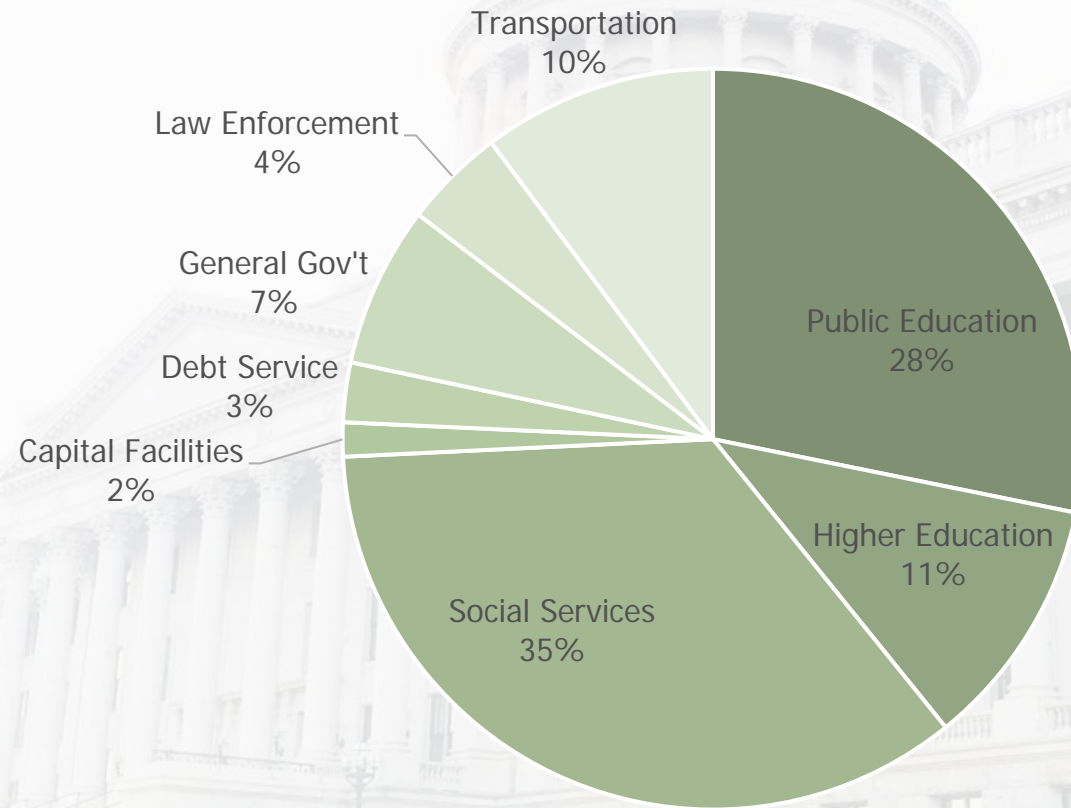
Part 1

All Sources Budget

\$26.0 b All Sources – Where It Comes From



\$26 b All Sources – Where it Goes

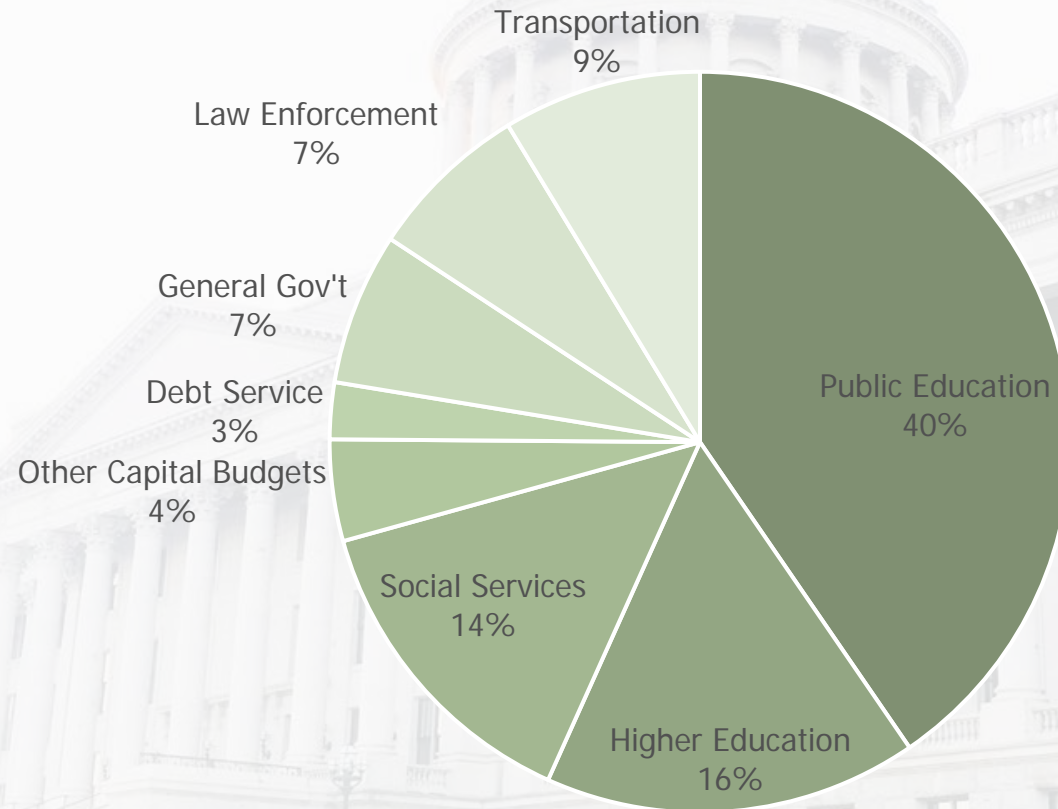




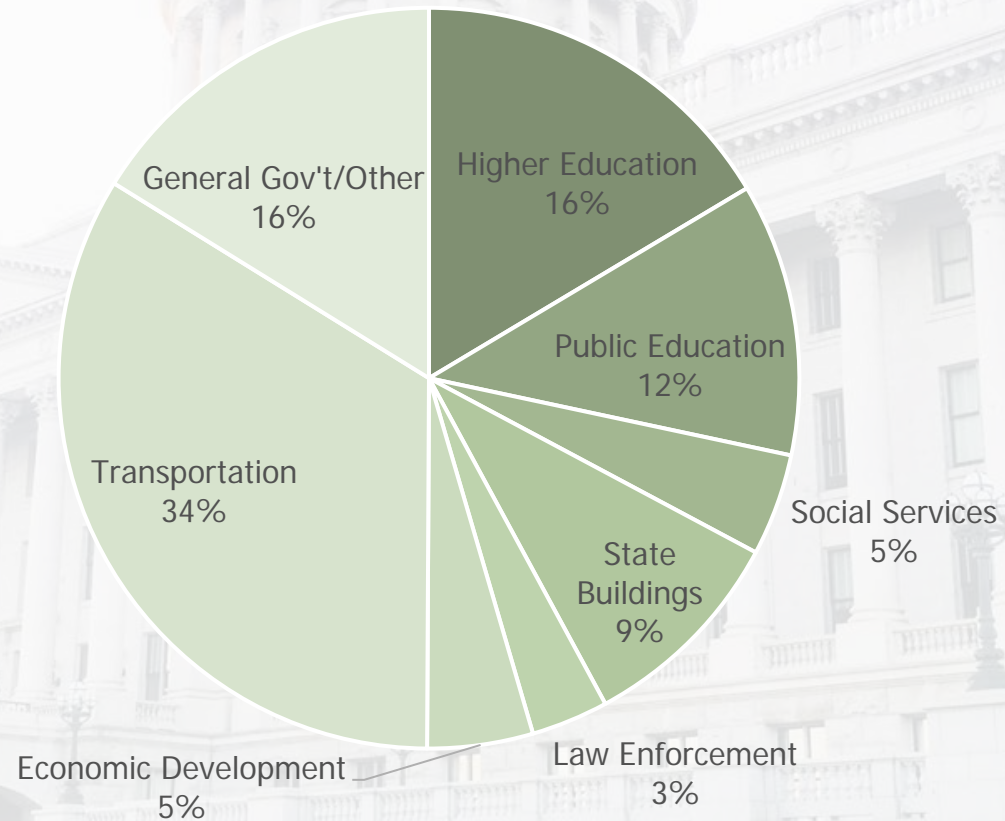
Part 2

General & Education Fund Budget

\$11.6 b General and Education Funds – Where It Goes



\$3.85 b New GF/EF – Where it Goes



Term of Available Revenue

2021 General Session

- \$831 m Ongoing
- \$1,574 m One-time

2022 General Session

- \$1,494 m Ongoing
- \$2,296 m One-time





Part 3

ARPA Appropriations

2023 GS Appropriations

2022 GS ARPA Funded Item	FY 2022	FY 2023	Grand Total
Agricultural Water Optimization	50,000,000		50,000,000
ARPA Projects - Court Caseload		3,000,000	3,000,000
ARPA Rural Drinking Water Projects	25,000,000		25,000,000
Conservation (Secondary Water Metering)	200,000,000		200,000,000
Criminal Justice Data Integration		8,304,100	8,304,100
Deeply Affordable Housing	55,000,000		55,000,000
Department of Insurance Technical Correction	50,400		50,400
Emergency Communications Equipment - Enhanced Interoperability	(10,460,000)	10,460,000	0
Event Service Industry Revitalization	0	4,500,000	4,500,000
Homeless Resource Center Loan Repayment		1,000,000	1,000,000
InUtah Pandemic Outreach	(1,000,000)		(1,000,000)
Learn & Work In Utah Expansion		15,000,000	15,000,000
Local Match Program		25,000,000	25,000,000
Mental Health Support for Students		3,000,000	3,000,000
Redevelopment Matching Grant for Affordable Housing	(5,000,000)		(5,000,000)
Restricted Fund Decrease	(50,400)		(50,400)
Southern Utah - Recycle/Reuse		15,000,000	15,000,000
System Infrastructure, Optimization, & Enhancements	37,376,600		37,376,600
Teacher Bonuses for Extra Assignments	10,000,000		10,000,000
Temporary Utah County Refugee Housing		300,000	300,000
UETN - K-12 Telehealth Equipment	4,432,000		4,432,000
UETN - Network Infrastructure (ARPA)	13,450,000		13,450,000
UETN - Telehealth Equipment Replacement	1,413,400		1,413,400
Utah Lake Preservation	30,000,000		30,000,000
Utah State University - Monument Valley		5,000,000	5,000,000
Water Conservation Modifications		5,150,000	5,150,000
West Weber Site Sewer Infrastructure	5,000,000		5,000,000
Workforce Development Transition into Tech Careers		300,000	300,000
Revenue Replacement	332,773,900		332,773,900
2022 GS Appropriation Total	\$747,985,900	\$96,014,100	\$844,000,000



Comparison to May “Buckets”

	May Proposal	Final Allocation
Revenue Replacement, Unemployment Solvency, and Infrastructure	630,000,000	445,773,900
Public Health Response and Remediation	205,000,000	121,500,000
Impacted Economies	65,000,000	141,800,000
Water Infrastructure	280,000,000	430,150,000
Networking and Broadband	175,000,000	123,102,000
Education Remediation	80,000,000	25,000,000
Emergency Preparedness	110,000,000	19,360,000
Access to Justice	35,000,000	23,304,100
Housing and Homeless.	70,000,000	85,300,000
Adjustment to May Estimated Allocation	(136,147,000)	
Total Allocations	\$1,513,853,000	\$1,415,290,000
Balance		\$98,563,000



\$136 m Capital Projects Fund

Potential Capital Fund Allocation	Amount
UETN K-12	4,432,000
UETN Network Infrastructure	13,450,000
UETN Telehealth Replacement	1,413,000
Go Utah Rural Broadband	10,000,000
Huntsman Mental Health	90,000,000
Navajo Mountain	5,000,000
Total	\$124,295,000





Part 4

Highlights by Issue Area

Education

- 9.5 percent increase from Public Education base budget
- \$219.1 million for a six percent increase in the value of the Weighted Pupil Unit
- \$30.0 million for performance-based funding for degree-granting higher education institutions
- \$5.0 million for enrollment growth at degree-granting Institutions and \$8.7 million for enrollment growth and capacity at technical education institutions
- \$361.4 million for higher education buildings and property



Social Services

- \$63.4 million ongoing and \$20.8 million one-time in for Medicaid enrollment growth and inflation statewide
- \$24.0 million ongoing and \$5.0 million one-time for contract service provider salaries
- \$10.8 million in FY 2023 and \$5.0 million ongoing in FY 2024 for homeless shelter mitigation and loan repayment
- \$6.0 million to provide services for individuals with disabilities waiting for services
- \$5.0 million to provide mental health resources for first responders and their families



Infrastructure

- \$1.0 billion one-time for various transportation and infrastructure projects
- \$472.8 million for non-higher education capital development projects
- \$57.0 million one-time for development of major infrastructure at Point of the Mountain
- \$36.2 million for recreational infrastructure improvements
- \$17.0 million one-time to purchase land near Camp William and relocate Fort Douglas



Environment

- \$0.9 million ongoing and \$8.0 million one-time for the Colorado River Authority of Utah;
- \$40.0 million one-time for the Great Salt Lake watershed program per **H.B. 410, "Great Salt Lake Watershed Enhancement"**
- \$5.0 million one-time to develop the Great Salt Lake Watershed integrated water assessment per **H.B. 429, "Great Salt Lake Amendments"**
- \$200.0 million ARPA one-time for water conservation



Tax Cuts

- SB 59, Tax Amendments

Reduces the income tax rate to 4.85 percent, expands the social security tax credit, and implements an earned income tax credit reducing revenue by \$192.9 million ongoing.

- SB 250, Mineral Exploration Tax Credits

Reduces severance tax revenue by \$7.1 million from expanded credits related to mineral exploration.

- SB 49, State Film Production Incentives Amendments

Offers an income tax credit for film production in rural communities, reducing revenue by \$12.0 million in FY 2023 and FY 2024.





Part 5

Long-term Fiscal Health

Restored Contingencies and Paid-down Debt

- \$294 million one-time to cancel transportation bonds
- \$250 million one-time to pre-pay prison debt
- \$121 million ongoing for public education stabilization fund
- \$120 million ongoing to restore higher education building fund
- \$64.1 million ongoing to fund FMAP fiscal cliff
- \$57.0 million deposit in rainy-day funds
- \$37.4 million to bring ongoing capital improvements funding for state buildings to 1.5 percent of asset value





Part 6

Budget Process Changes

Process Improvements

- **HB 82, State Finance Review Commission**
Creates the State Finance Review Commission to review the lending activities of state agencies, political subdivisions, and other entities before they may issue debt.
- **HB 104, State Employment Amendments**
Exempts newly hired supervisors from career service, allows current supervisors to convert to exempt status, and requires agencies to evaluate and pay employees based on performance.
- **SB 211, Income Tax Fund Amendments**
Changes the name of the Education Fund to the Income Tax Fund



Process Improvements

- **HB 383, Agency Fee Assessments**
Requires state agencies to categorize fees as regulatory or service and submit additional information on how fee is calculated, whether it is intended to cover costs, and whether it does so.
- **SB 24 Retirement Changes**
Repeals the New Public Safety and Firefighter Tier II Retirement Benefits Restricted Account (replaced the funding with General Fund).
- **HJR 19, Appropriations Procedures**
Prohibits a legislative committee from recommending a funding item unless it goes through the normal process and allows EAC to introduce a new request for appropriation after the day 11 deadline.



Questions?



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