



LFA's Initial Summary of the Governor's Budget Recommendations

December 13, 2022

Introduction

The purpose of this document is to provide the Legislature with a high-level summary of Governor Cox's [*Fiscal Year 2024 Budget Recommendations*](#). This summary contains the following sections:

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Statewide Impact

Compensation

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State Employee Compensation

- \$47.7 m for a 5% Cost of Living Adjustment
- \$18.7 m for a 2.5% Pay for Performance Increase
- \$11.9 m for a 7.2% Health Insurance Benefits Rate Increase
- \$11.3 m for Tier II Retirement Benefit Increases
- \$11.2 m for 3.75% Targeted Increases
- \$623,700 for 401(k) match
- \$66,300 for an average 0.9% Dental Insurance Benefits Rate Increase
- \$40.0 m one-time for Post-Retirement Modifications for Public Safety/Firefighters

Higher Education Compensation

- \$119 m for an 8.75% Cost of Living Adjustment (75%)
- \$18.4 m Higher Education Compensation Additional State Share (12.5%)
- \$13.6 m for an average 7.2% increase in health insurance benefits rates
- \$65,500 for an average 0.9% increase dental insurance benefits rates

Tax Relief

Analyst Andrea Wilko (awilko@le.utah.gov)

- Reduce the income tax rate from 4.85% to 4.75% - \$190 million income tax
- Modification to the taxpayer tax credit - \$80 million income tax
- The governor's proposal would provide expectant mothers with double the Utah dependent exemption amount in the year they give birth to a child - \$4.5 million income tax
- Expand social security tax credit - \$15 million income tax
- One-time income tax rebate the greater of \$100 or 6% of taxes paid in the previous year - \$400 million income tax
- One-time basic levy reduction - \$127 million property tax

- Expiration of the basic levy freeze \$145 million property tax. (This would have happened anyway)
- Expand circuit breaker credit - \$6 million General Fund.

Business, Economic Development, and Labor

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Items Included in the Governor’s Budget Recommendations

Alcoholic Beverage Services

- \$0.4 for Increased Security at Liquor Stores
- \$3.3 m one-time reduction for Savings from Uncompleted Buildings
- \$119.0 m one-time to the State Store Land Acquisition and Building Construction Fund to be used for related projects, including:
 - \$85.0 m one-time with an additional \$2.1 m for Warehouse Expansion operations costs
 - \$11.6 m one-time for Moab Replacement Store
 - \$9.7 m one-time with an additional \$0.6 m for Ogden Area New Store operations costs
 - \$9.7 m one-time for Roy Replacement Store

Department of Commerce

- \$0.49 m ongoing for six new Analyst, Investigator, and Specialist positions
- \$0.31 m one-time for the Business Registration Portal

Cultural and Community Engagement

- \$0.3 for Alice Merrill Horne Art Collection Management
- \$4.0 m one-time and \$1.0 m ongoing for existing Arts & Museums Grant program for nonprofits in the cultural sector
- \$0.7 m one-time time for Data Migration for State History Collections
- \$5.1 m for a new Historic Commercial Building Grant Program for a tax credit for financial upkeep of qualified historic buildings
- \$2.0 m for Multicultural Affairs Opportunity Grant Program “to assist nonprofits that demonstrate community impact and serve those within the greatest economic opportunity gaps”
- \$5.6 m one-time reduction for North Capitol Building Adjustment for Museum Operations
- \$1.0 m for Show Up For Teachers

Governor’s Office of Economic Opportunity

- \$2.0 m one-time for State Branding and Marketing
- \$18.0 m one-time for an Agriculture Infrastructure Development program
- \$5.5 m one-time for Economic Assistance Grants
- \$10.0 m one-time for Manufacturing Modernization Grants
- \$3.9 m one-time for Rural Communities Opportunity Grants
- \$0.37 m ongoing for a Rural Development Outreach Manager, Tourism Marketing Manager, and Utah Immigration Assistance Staff

Department of Financial Institutions

- \$0.65 m ongoing and \$0.02 m one-time for Financial Examiner positions

Department of Insurance

- \$0.13 m ongoing for a Financial Regulator Position

- \$0.2 m one-time for a Spanish Translation of Insurance Materials
- \$0.2 m ongoing for the Captive Insurer's Division

Labor Commission

- \$0.2 m ongoing for new Occupational Safety and Health Officers

Tax Commission

- \$0.2 m ongoing for a Property Tax Data Analyst and Software
- \$0.24 m ongoing for Tobacco Settlement Enforcement
- \$0.2 m ongoing for Customer Service and Outreach

Other Items of Interest in the Governor's Budget Recommendations

Department of Commerce

- \$12.2 m one-time disbursement of Public Utility Regulatory Fee (PURF) balances to energy companies for utility assistance programs. This item would draw down existing nonlapsing balances and does not appear as an expected revenue or expenditure change in the document.

Governor's Office of Economic Opportunity

- \$50.0 m one-time for the Convergence Hall at the Point (See Infrastructure and General Government)
- \$108.0 m one-time for The Point (See Infrastructure and General Government)
- \$100.0 m one-time for Transit for the Point (See Infrastructure and General Government)

Executive Appropriations

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Items Included in the Governor's Budget Recommendations

Capitol Preservation Board

- (\$1.4) m one-time for operations and maintenance of the new North Capitol Building since funding is not needed until the building is constructed

Department of Veterans and Military Affairs

- \$1.5 m one-time for veterans cemetery and memorial park expansion in Bluffdale
- \$0.5 m ongoing for the Veteran First Time Homebuyer Program. This program has been funded with one-time money for the past several years

Utah National Guard

- \$5.0 m one-time for West Traverse Sentinel Landscape Program
- \$4.7 m ongoing, offset by (\$3.5) m one-time, for service member retention bonuses
- \$1.5 m one-time for Fort Douglas Military Museum
- \$0.7 m one-time for response force protective equipment
- \$0.4 m for facility operations and maintenance increases
- \$0.3 m for Tuition Assistance Program increase

Executive Offices and Criminal Justice

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Items Included in the Governor's Budget Recommendations

Attorney General

- \$1.5 m one-time to be set aside for Ozone Transfer Rule Legal Expenses
- \$6.4 m ongoing to be set aside for Attorney Performance Incentives (\$2.0 m GF; 4.4 m ISF)
- AG is asking for more FTEs

Auditor's Office

- \$0.4 m ongoing to be set aside for State Privacy Training and Audit Support Staff

Corrections

- \$35.8 m ongoing shift from Corrections to Health and Human Services to be set aside for and \$3.8 m one-time increase for a related Clinical Services Bureau Restructure
- \$0.3 m one-time to be set aside for Expanded Parenting, Family, and Nursing Programs
- \$3.0 m one-time and 6.5 m ongoing to be set aside for Jail Contracting
- \$0.1 m one-time and \$0.4 m ongoing to be set aside for Prison Operations and Facilities Civilian Staffing
- \$1.6 m one-time and \$2.6 m ongoing to be set aside for Technology Enhanced Programming.
- \$19.3 m ongoing to be set aside for Prison Staff Direct Supervision Model
- \$4.5 m ongoing to be set aside for UDC Step Increase and Longevity

Courts

- \$1.0 m ongoing and \$0.7 m one-time for District Court Law Clerk Attorneys
- \$1.0 m for Information Technology Essential Software
- \$0.5 m for Fourth District Juvenile Court Judge and Staff

Governor's Office

- \$0.5 m one-time to be set aside for Elections Systems Specialist and Website Improvements.
- \$0.5 m one-time and \$0.5 m ongoing to be set aside for the Utah Victims of Crime Commission
- \$30 m one-time and \$20 m ongoing to be set aside for Utah Victims of Crime Services and Grants
- \$1.6 m ongoing to be set aside for Unified Economic Opportunity Commission Shared Local Administrator Program
- \$0.7 m one-time and \$1.3 m ongoing to be set aside for the Indigent Defense Commission Grant Program

Juvenile Justice and Youth Services

- \$4.2 m one-time for Renovation of Three Secure Juvenile Housing Units
- \$0.7 m for Juvenile Justice and Youth Services Provider Continuum and Medicaid Parity
- \$5.1 m one-time reduced appropriation from the Juvenile Justice Reinvestment Account

Public Safety

- \$7.0 m one-time for Fuel and Vehicle Cost Increases
- \$5.0 m one-time for Emergency Management Flood Mitigation
- \$1.2 m and \$0.1 m one-time for Lethality Assessment Protocol & Training
- \$0.6 m for Dispatch Service Contracts
- \$0.5 m and \$0.2 m one-time for POST Investigators and Instructional Designer
- \$0.4 m and \$1.3 m one-time for Computer Aided Dispatch HUB Project to support the virtual connection of Computer Aided Dispatch (CAD) systems

Higher Education

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Items Included in the Governor's Budget Recommendations

Technical Colleges

- \$15.2 m for Enrollment Growth & Program Capacity
 - Includes \$5.0 m to increase integration with secondary schools
- \$3.0 m one-time for Equipment
- \$0.5 m one-time for Custom Fit Training

Degree-Granting Institutions

- \$35.0 m for Performance Funding
- \$3.9 m for Enrollment Growth
- \$2.1 m for ASPIRE Institute Electric Vehicle Infrastructure at USU
- \$0.5 m for an Innovation Lab at Utah Tech
- \$0.2 m for the Utah Rural Leadership Academy at SUU
- \$0.1 m for the Utah Women & Leadership Project at USU

Utah System of Higher Education – Commissioner's Office

- \$18.4 m for a freeze on Tuition & Fees – Increases the usual 75/25 percent split on compensation costs between the state and tuition to 87.5 percent from the state.
- \$18.0 m one-time and \$2.4 m ongoing for Systemwide Cybersecurity Staff and Tools
- \$12.0 m for Targeted Workforce Development through Talent Ready Utah
- \$3.0 m and \$0.3 m one-time to increase the Tuition Assistance Program to fully fund in-state tuition for members of the Utah National Guard
- \$2.7 m and \$0.4 m one-time to support Student Mental Health services & Student Wellness Case Managers
- \$0.5 m for Social Media Research

Capital Facilities

- \$108.3 m one-time for a Computing & Engineering Building at UofU (\$35.5 m comes from other state-directed sources)
- \$65.7 m one-time for the Mountainland Technical College – Wasatch Campus Building (\$26.6 m comes from other state-directed sources)
- \$50.0 m from the Higher Education Capital Projects Fund for Convergence Hall at The Point to Integrate Workforce and Higher Education
- \$14.6 m one-time for a USHE Land Bank
- \$6.4 m and (\$12.5) m one-time in net adjustments of Operations & Maintenance on state buildings

Infrastructure and General Government

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Items Included in the Governor's Budget Recommendations

Department of Transportation

- \$100.0 m one-time for transit at the Point
- \$55.0 m one-time to be set aside for active transportation statewide trails network

- \$25.5 m one-time for a one-year statewide zero fare transit pilot and study
- \$25.0 m one-time for pavement maintenance for Ibapah Road
- \$20.0 m one-time for state match for middle mile fiber project

Debt Service

- \$200.0 m one-time to be set-aside for high-risk existing transportation debt service
- \$200.0 m ongoing for high-risk existing transportation debt service
- \$157.0 m one-time to be set-aside for existing building debt service

Capital Budget

- \$300.0 m one-time and \$100.0 m ongoing for new State Building Infrastructure Fund
- \$200.0 m ongoing for New State Building Infrastructure Fund, High Risk
- \$246.0 m one-time for state master plan and building renovations
- \$108.0 m one-time for infrastructure investments at the Point
- \$72.8 m one-time for UofU Computing and Engineering Building
- \$39.1 m one-time for Mountainland Technical College Wasatch Campus Building
- \$3.0 m one-time for Mountainland Technical College Land Bank - Wasatch Community
- \$25.0 m one-time for Wasatch Canyons Behavioral Health Campus
- \$18.5 m ongoing for Capital Improvements 1.5%
- \$5.7 m one-time for WSU Farmington Station

Department of Government Operations

- \$50.0 m one-time for State Match Set Aside for Federal Grant Opportunities
- \$40.0 m one-time for Post-Retirement Modifications for Public Safety/Firefighters
- \$25.0 m one-time for Earthquake Deductible
- \$4.0 m ongoing for Mandated State Payments for Autism Treatment
- \$3.2 m ongoing for Customer Experience Investments
- \$2.8 m one-time for Security Access Management
- \$1.5 m one-time for Enterprise Technology Implementation
- \$1.5 m ongoing and 0.5 one-time for Finance System Optimization

Natural Resources, Agriculture, and Environmental Quality

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Items Included in the Governor’s Budget Recommendations

Department of Agriculture and Food

- \$200.0 m one-time for Agricultural Water Optimization
- \$2.0 m one-time for the Agriculture Voluntary Incentive Program to provide nutrient management incentive payments
- \$3.0 m one-time for Food Security Processing Grants
- \$10.0 m one-time and \$7.0 m ongoing for the LeRay McAllister Critical Lands Conservation Fund
- \$0.7 m ongoing to replace Agriculture Resource Development Loan Funding being used for staff costs

Department of Environmental Quality

- \$0.2 m one-time for Uintah Basin Air Monitoring Infrastructure and Equipment
- \$0.9 m ongoing for Wasatch Front Air Quality Ozone Monitoring

Department of Natural Resources

- \$3.4 m one-time and \$2.2 ongoing for Cloud Seeding
- \$2.0 m one-time for Dam Safety Upgrades
- \$100.0 m one-time for Great Salt Lake Salinity Management
- \$25.0 m one-time for the Great Salt Lake Water Trust.
- \$29.4 m one-time for the State Match for the IIJA Grid Resilience Formula Grant and Competitive Funds
- \$50.0 m one-time for Wasatch Front Aqueduct Resilience
- \$10.0 m one-time for Catastrophic Wildfire Reduction Strategy and for Shared Stewardship
- \$50.0 m one-time and \$10.0 m ongoing for the Wildland Fire Suppression Fund
- \$1.3 m one-time to continue and enhance the Fire Prevention Education Campaign
- \$4.3 m one-time for the San Rafael Energy Research Center Improvements & Operations
- \$5.0 m one-time for Streambank Stabilization
- \$5.0 m one-time for Water Research
- \$5.0 m one-time for Turf Replacement Rebates

Public Education

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Items Included in the Governor’s Budget Recommendations

Minimum School Program – Allocations to School Districts & Charter Schools

- \$196.5 m to support a 5 percent increase in the Weighted Pupil Unit (WPU) Value
 - Includes 3.4 percent inflationary and 1.6 percent discretionary adjustments
- \$200.7 m and \$200.7 m one-time to provide a \$6,000 in total compensation increase Classroom Teachers and School Specialists
 - Includes \$4,600 in compensation and \$1,400 in employer-paid (Retirement, Worker’s Compensation, Social Security, and Medicare) benefit costs.
- \$192.5 m and (\$192.5) one-time to the Public Education Economic Stabilization Account
- \$175.0 m one-time to support School Safety & Other Capital Upgrades
- \$70.6 m and \$0.2 m one-time to increase WPU weightings for the Students At-Risk – Add-on Program
- \$64.0 m one-time for Paid Preparation and Collaboration Hours for Educators
- \$40.8 m to expand Optional Full-day Kindergarten Programs
- \$27.1 m from the Teacher and Student Success Account to support the TSSA program
- \$20.0 m one-time for grants to establish Teen Centers for Students Experiencing Homelessness in Utah high schools
- \$8.6 m one-time for Small School District and Charter School Base Funding
- \$8.0 m for the K-12 Computer Science Initiative
- \$7.2 m one-time to support additional scholarships through the Grow Your Own Teacher & School Counselor Pipeline Program
- \$2.6 m one-time to provide Educator Salary Adjustments for teachers hired this fall

State Board of Education & Utah Schools for the Deaf and the Blind

- \$4.6 m for the Statewide Online Education Program to fund access for small schools
- \$2.5 m one-time for Grants to Increase Postsecondary Opportunities
- \$1.7 m to provide step & lane compensation increases for teachers at the Utah Schools for the Deaf and the Blind
- \$1.7 m for Early Learning Coaches in Rural Schools
- \$1.0 m one-time for the Show Up for Teachers, an initiative of First Lady Abby Cox

- \$0.5 m for State Board of Education Fiscal Monitors & Other Staff
- \$0.1 m for Regional Education Service Agency (RESA) Compensation Increases (RESAs are consortia of small school districts and charter schools)

Note: Most one-time funding recommendations for Public Education come from the Public Education Economic Stabilization Restricted Account

Other Items of Interest in the Governor’s Budget Recommendations

Minimum School Program – Property Taxes

- The \$145.0 m in Basic Levy property tax relief is not a reduction in anticipated property tax collections but an avoidance of increased property tax collections. The amount represents what would have been collected if the “freeze” on the Basic Rate was allowed to continue. However, the Basic Rate freeze expires at the end of FY 2023 and the additional \$145.0 m would not have been generated unless the Legislature extended the statutory repeal date.
- The \$127.0 m in unanticipated Basic Levy property tax collections is a one-time estimated amount in FY 2023. The actual amount will not be known until the close out of the Minimum School Program at the end of FY 2023. The Governor recommends decreasing the statewide Basic Rate one-time in FY 2024, causing the rate to go back up in FY 2025.

Social Services

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Items Included in the Governor’s Budget Recommendations

Department of Health and Human Services

- \$44.1 m ongoing and (\$20.8) m one-time for changes to Medicaid consensus forecasted costs
- \$13.9 m ongoing and \$4.9 m one-time to improve healthcare for incarcerated individuals
- \$1.0 m ongoing and \$15.0 m one-time to expand home visitation services in two counties
- \$6.7 m ongoing and \$5.4 m one-time for the Behavioral Health Crisis System
- \$5.0 m one-time for Mental Health Resources for First Responders
- \$4.5 m for School Based Mental Health Telehealth Services
- \$3.6 m ongoing and (\$1.8 m) one-time for Services for People with Disabilities Waiting List
- \$3.0 m one-time for DSPD Respite & Supported Living Pilot
- \$2.9 m ongoing to provide twelve months of Medicaid postpartum coverage
- \$2.4 m ongoing and \$0.3 m one-time to improve medical examiner operations
- \$2.3 m ongoing to increase Medicaid reimbursement rates for intermediate care facilities
- \$2.3 m for Intermediate Care Facility Payment Rates
- \$1.9 m for Caregiver Compensation

Department of Workforce Services

- \$20.0 one-time for deeply affordable housing
- \$11.0 m one-time in UHC Educator & Firefighter First Time Homebuyer Loan Program
- \$5.0 m one-time and \$10.0 m ongoing for Olene Walker Housing Trust Fund GAP financing
- \$5.0 m ongoing for Attainable Housing Grants
- \$4.6 m ongoing for Resource Centers in Counties of the First Class
- \$2.8 m ongoing Rural Housing
- \$1.0 m one-time for critical home repairs for unhealthy homes owned by families with an income of 30% to 80% AMI
- \$0.1 m one-time in Support for Victims of Human Trafficking

Items Missing from the Governor's Budget Recommendations

Department of Health and Human Services

- It appears to have no recommendations for use of Opioid Litigation Settlement revenues

Other Items of Interest in the Governor's Budget Recommendations

Department of Health and Human Services

- \$36.4 m transfer from the Department of Corrections to provide healthcare in state prisons