



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

December 6, 2023

## Introduction

The Purpose of this document is to provide the Legislature with a high-level summary of [Governor Cox's Fiscal Year 2025 Budget Recommendations](#). All dollar amount are General and Income Tax Fund unless otherwise noted. This summary Contains the following sections:

- [Statewide Impact](#)
- [Business, Economic Development, and Labor](#)
- [Executive Appropriations](#)
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- [Higher Education](#)
- [Infrastructure and General Government](#)
- [Natural Resources, Agriculture, and Environmental Quality](#)
- [Public Education](#)
- [Social Services](#)

## Statewide Impact

### Compensation

Nate Osborne ([nateosborne@le.utah.gov](mailto:nateosborne@le.utah.gov))

#### State Employee Compensation

- \$51.7 m for a 2.3% Cost of Living Adjustment
- \$38.1 m for a Pay for Performance Increase
- \$26.2 m for a 7.2% Health Insurance Benefits Rate Increase
- \$15.3 m for Targeted Compensation
- \$6.5 m onetime for an employee 401(k) match increase
- \$132,100 for an average 0.9% Dental Insurance Benefits Rate Increase

#### Higher Education Compensation

- \$44.8 m ongoing for a 2.3% Cost of Living Adjustment
- \$18.6 m ongoing for a 7.2% increase in health insurance benefits rates
- \$11.7 m ongoing for Targeted Compensation
- \$83,700 ongoing for a 0.9% increase in dental insurance benefits rates

#### Retirement

- \$9.3 m ongoing for Tier-II Retirement Employee Contribution & Equality
- \$11.6 m ongoing for Term Pool Rate Change
- (\$7.8) m ongoing for Teir-I Amortization Rate Decrease
- \$0.8 m one-time for Employee 401(k) Match Increase



## Revenue

Andrea Wilko ([awilko@le.utah.gov](mailto:awilko@le.utah.gov))

- \$370 m one-time and \$185 m ongoing of the \$775 m one-time and \$335 m ongoing set aside by the 2023 Legislature for infrastructure reallocated to other purposes
- \$51 m in one-time interest earnings on federal ARPA grants used as an offset to one-time spending

## Tax Relief

Andrea Wilko ([awilko@le.utah.gov](mailto:awilko@le.utah.gov))

- \$4.7 m ongoing for expansion of the Child Tax Credit



## **Business, Economic Development, and Labor**

Nate Osborne ([nateosborne@le.utah.gov](mailto:nateosborne@le.utah.gov)) | Gary Syphus ([gsyphus@le.utah.gov](mailto:gsyphus@le.utah.gov))

### Items Included in the Governor's Budget Recommendations

#### **Department of Alcoholic Beverage Services**

- (\$6.3 m) DABS new facility O&M (stores, new warehouse etc.)
- (\$3.9 m) ongoing and one-time decrease for targeted adjustment
- \$2.7 m ongoing and \$370,000 onetime for DABS accounting transparency platform (presumably stemming from a recent state audit)
- \$150,000 for Round-up for Pamela Atkinson Homeless Trust Fund

#### **Department of Commerce**

- \$0.8 m ongoing for Social Media Support Attorneys
- \$154,000 ongoing for a Property Rights Attorney
- \$96,000 ongoing for a Real Estate Investigator

#### **Department of Cultural and Community Engagement**

- \$2.0 m ongoing Arts and Museums Operating Grants
- \$1.3 m ongoing and \$2.0 m one-time for a Userve fellowship program to provide stipends for participants and an additional \$450,000 ongoing for Userve operational support

#### **Governor's Office of Economic Opportunity**

- \$20.0 m one-time to build a Central Utah Agri-park which to facilitate production, processing, storage, and transportation of agricultural and food products
- \$20.0 m one-time to build a new hospital in San Juan and replace the existing facility
- \$5.25 m to accelerate capital improvement in rural Utah
- \$5.0 m one-time to expand childcare services throughout the state
- \$5.0 m one-time to provide incentive for manufacturers to modernize, establish, relocate retain, or develop manufacturing in Utah

#### **Department of Financial Institutions**

- \$0.7 m ongoing for New Examiner Positions

#### **Department of Insurance**

- \$1.2 m for State Mandated Insurer Payments
- \$0.26 m for Property & Casualty Market Examiner positions
- \$0.21 m for Fraud Investigator Salary Increase
- \$0.16 m for a Research Consultant



- \$0.14 m for a Financial Regulator Position
- \$0.12 m for an Attorney General for Fraud
- \$0.3 m for an Attorney General for Fraud

### **Labor Commission**

- \$54,000 current year one-time and \$72,000 ongoing for two vehicles.

### **Tax Commission**

- \$701,200 one-time for Customer Experience Enhancement Contract
- \$92,200 ongoing and \$23,100 one-time for HB 343 Privacy Officer
- \$126,000 ongoing and \$1126,000 one-time for Vehicle Registration Renewal Notification Mailing



## **Executive Appropriations**

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### Items Included in the Governor's Budget Recommendations

#### **Capitol Preservation Board**

- Did not recommend a (\$1.4) m one-time reduction for operations and maintenance of the new North Capitol Building even though funding is not needed until the building is completed in mid-FY 2026 (ongoing funding has already been appropriated)

#### **Department of Veterans and Military Affairs**

- \$10.0 m one-time for Salt Lake veterans home construction (p. 44) which would be in addition to \$25 m one-time appropriated in the 2022 GS
- \$0.4 m one-time for Veteran Services Organization Grants
- \$0.4 m ongoing to expand Counselors for Military School Children
- \$150,000 ongoing for a Military and Veterans Families Programs Manager
- \$50,000 one-time for USS Utah Commissioning Celebration

#### **Utah National Guard**

- \$6.0 m one-time for Reenlistment Bonuses
- \$3.0 m one-time for Camp Williams West Traverse Sentinel Landscape
- \$1.7 m one-time for Tuition Assistance
- \$0.5 m ongoing for Facility Utilities Increases
- \$151,600 ongoing for Adjutant General Increase to Full-Time
- \$65,000 ongoing for Land Component Commander Increase to Full-Time



## Executive Offices and Criminal Justice

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### Items Included in the Governor's Budget Recommendations

#### Attorney General

- \$246,100 ongoing for Expansion of Medicaid Fraud Control Unit.
- \$233,200 ongoing for Utah prosecution counsel – Domestic Violence Prosecutor.

#### Auditor's Office

- \$230,000 ongoing and \$100,000 one-time for Privacy Positions to Support Local Governments.
- \$206,300 ongoing for Compensation Adjustments.

#### Board of Pardons and Parole

- \$130,000 for Public Outreach and Transparency

#### Department of Corrections

- \$15.0 m one-time for Overtime Management.
- \$4.5 m one-time for Prison Food & Utility Expenses.
- \$3.1 m ongoing for Jail Contracting.
- \$2.7 m ongoing and \$753,400 one-time for Prison Safety & Risk Mitigation.
- \$1.2 m ongoing for Atherton Facility Operations.

#### Courts

- \$2.9 m one-time for judges to address case backlog
- \$2.4 m total ongoing for Court compensation items (\$1.7 m pay for performance and \$0.6 m for conversion to at-will employees)
- \$2.3 m ongoing and \$2.1 m one-time for District Court and Juvenile Court Judges & Staff for long term projected caseload
- \$1.5 m total for Guardian ad litem (GAL) compensation items (GAL targeted compensation, \$23,600 at will conversion, \$196,700 pay for performance)
- \$1.3 m one-time for court software
- \$0.6 m for Home Court Pilot
- \$447,000 ongoing and \$389,000 one-time for American Fork Courthouse rent increase
- \$431,500 for Court Interpreter program
- \$215,700 for Fourth District Court – Virtual Jury
- \$81,600 State Law Library Assistant

#### Governor's Office

- \$6.0 m one-time for County Level Probation Management, \$190,000 ongoing.
- \$1.3 m one-time for Disclosure Website.
- \$1.0 m one-time for Domestic Violence Service Provider Reimbursement.



- \$0.7 m ongoing and \$0.5 m one-time for Indigent Defense Commission Grants & Compensation Pilot.
- \$290,000 ongoing for Restitution Ongoing Conversion.
- \$206,300 ongoing for Reparation Program Retention & Compensation.
- \$200,000 ongoing for Victim Assistance Grant Support.
- \$150,000 ongoing for Attorney General ISF.
- \$150,000 ongoing for Indigent Appellate Defense Division Attorney.
- \$140,000 ongoing for Voting Results & Americans with Disabilities Act Voting.
- No funding included for some of the proposed changes to Jail Reimbursement that would need to be accompanied with a law change

### **Juvenile Justice and Youth Services**

- \$1.9 m ongoing for Medicaid Rate Parity for DCFS Rates and JJYS Rates
- \$1.8 m ongoing for Placement and Services for DCFS and JJYS High Acuity Clients
- \$1.4 m one-time from ARPA funds for No Climb Fencing at JJYS facilities
- \$0.9 m ongoing for Juvenile Justice Services and Healthcare Delivery
- \$0.8 m ongoing for Salary Parity
- \$65,300 ongoing for Medicaid Consensus

### **Department of Public Safety**

- \$10.5 m one-time to replenish the State Disaster Recovery Fund Restricted Account
- \$1.0 m ongoing for Victims Services Providers Staffing
- \$1.7 m one-time and \$0.6 m ongoing for Aero Bureau Operations
- \$1.7 m one-time and \$169,500 ongoing for Emergency Medical Services (EMS) Operations
- \$0.5 m ongoing and \$255,000 one-time for West Davis Corridor Officers
- \$0.5 m one-time for POST Operations and Equipment
- \$428,000 one-time for 911 Dispatch Contracts
- \$330,000 one-time for VINE Contract Renewal
- \$250,000 ongoing for School Safety Support Staff
- \$220,000 ongoing Lethality Assessment Program Staff
- \$175,000 ongoing for HB343 Privacy Officer
- \$100,000 ongoing for Video Redaction Personnel
- \$56,900 ongoing for HB59 First Responder Mental Health Amendments



## Higher Education

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### Items Included in the Governor's Budget Recommendations

#### Systemwide Priorities

- \$23.6 m ongoing for Performance Funding
  - An additional \$6.3 m from funding not previously appropriated out of the restricted account for a total of \$30.0 m
- (\$8.7) m one-time for Operations and Maintenance Adjustments
- \$7.0 m ongoing for the Life Sciences Workforce Initiative
- \$4.0 m one-time for Education Software
- \$2.8 m ongoing for the Behavioral Health Workforce Initiative
- \$2.0 m ongoing for Talent Ready Connections
- \$1.5 m one-time for Northstar Enterprise System
- \$1.5 m one-time for Internships for Policy Institutes

#### Technical Colleges

- \$6.6 m ongoing for Technical Colleges Growth
- \$255,600 ongoing for Technical Colleges Attorney General Pay

#### Degree-Granting Institutions

- \$6.5 m one-time for the Presidential Debate
- \$450,100 ongoing and (\$450,100) one-time for Snow College Social Science Classroom & Lab Building Operations and Maintenance
- \$162,600 ongoing for SUU Land Bank – HWY 56 Phoenix Plaza Operations and Maintenance

#### Capital Facilities

- \$50.0 m one-time for the Huntsman Cancer Institute – Utah County Building
- \$19.4 m one-time for Snow College Social Science Classroom and Lab Building
  - An additional \$21.7 m one-time from the Higher Education Capital Projects Account for a total of \$41.2 m
- \$4.9 m one-time for Utah State University Human Resources Building from the Higher Education Capital Projects Account
- \$4.6 m one-time for Southern Utah University Land Bank – HWY 56 Phoenix Plaza from the Higher Education Capital Projects Account
- \$2.0 m one-time for Snow College Land Bank – Nephi Property





## Infrastructure and General Government

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### Items Included in the Governor's Budget Recommendations

#### Department of Transportation

- \$75.0 m one-time for the State Infrastructure Bank to Provide Loans for Publicly Owned Housing Infrastructure
- \$2.5 m one-time for Transit Innovation Grants for Local Governments
- \$1.8 m one-time and ongoing for Litter Pick Up
- \$1.0 m one-time for an Access to Recreation Study

#### Debt Service

- \$405 m one-time to transportation debt service
- \$150 m ongoing to transportation debt service

#### Capital Budget

- \$125.0 m one-time reduction in FY24 from the State Agency Capital Development Fund
- \$25.0 m ongoing and \$125 million one-time to the State Agency Capital Development Fund ([S.B. 168](#), 2023 General Session)
- \$50.0 m one-time for the Huntsman Cancer Institute- Utah County Building
- \$19.5 m one-time for the Snow College Social Science Classroom & Lab Building
- \$17.0 m one-time for DNR- Outdoor Recreation Maintenance Shop Rebuild Off-highway Vehicle (GFR)
- \$10.0 m one-time for Salt Lake Veterans Home Construction

#### Department of Government Operations

- \$27.3 m one-time for Property Insurance Premium Stabilization
- \$3.2 m for Statewide Customer Experience Program
- \$1.3 m ongoing for Finance Staff Retention

#### Utah Education and Telehealth Network

- \$4.0 m one-time for Education Software



## Natural Resources, Agriculture, and Environmental Quality

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### Items Included in the Governor's Budget Recommendations

#### Department of Agriculture and Food

- \$5.0 m one-time for the LeRay McAllister Working Farm and Ranch Fund
- \$1.0 m one-time for the Voluntary Incentive Program
- \$1.0 m one-time for Food Security Processing Grants
- \$400,000 ongoing for Agricultural Water Use Research
- \$154,000 ongoing for Spanish Fork Veterinary Lab Staff

#### Department of Environmental Quality

- \$0.7 m one-time for an Emergency Drinking Water Fund
- \$0.6 m ongoing for the Low-Level Radioactive Waste Program
- \$145,000 ongoing for a State Implementation Plan (SIP) Coordinator
- \$52,400 one-time for H.B. 220, "Emissions Reduction Amendments" (2023 General Session)

#### Department of Natural Resources

- \$50.0 m one-time for Water Savings Program Seed Money for Great Salt Lake
- (\$25.5) m one-time from the Wildland Fire Suppression Fund
- \$20.0 m one-time for Aqueduct Seismic Resilience Upgrades
- \$20.0 m one-time for Ridgelines to Shorelines
- \$20.0 m one-time for Great Salt Lake Investments
- \$5.0 m for Dam Safety Upgrades
- \$2.5 m one-time for Shared Stewardship
- \$1.0 m one-time for Fire Rehabilitation
- \$0.9 m one-time for the Fire Sense Education Campaign
- \$0.5 m ongoing for Public Lands Legal Counsel
- \$160,000 ongoing and \$37,500 one-time for a Water Rights Measurement Engineer
- \$150,000 ongoing for a Privacy Officer (H.B. 343, 2023 General Session)
- \$136,500 for a State Water Resources Planning Specialist



## Public Education

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### Items Included in the Governor’s Budget Recommendations

#### Minimum School Program – Basic School Program

- \$152.9 m ongoing for WPU Value Increase – Inflationary Adjustment (3.8%)
- \$47.8 m ongoing for WPU Value Increase-Discretionary Adjustment (1.2%)
- \$40.9 m ongoing for Public Education Economic Stabilization Account (Income Tax Fund)
- \$32.7 m ongoing and \$1.2 m one-time in FY25 for Rural Student WPU Add-On
- \$8.0 m ongoing for WPU Value Increase - Inflationary Adjustment (3.8%)
- (\$7.4) m ongoing for Statutory Enrollment Growth
- \$1.2 m one-time for Rural Student WPU Add-On

Note: All funding recommendations for Minimum School Programs come from the Uniform School Fund, unless noted otherwise.

#### Minimum School Program – Related to Basic School Programs

- \$30.8 m ongoing for WPU Value Increase - Inflationary Adjustment (3.8%)
- \$9.1 m one-time in FY24 for Statutory Enrollment Growth
- \$8.0 m ongoing for WPU Value Increase - Inflationary Adjustment (3.8%)
- \$4.0 m ongoing for WPU Set-Aside for Earmark Amendment
- \$2.5 m ongoing for WPU Value Increase – Discretionary Adjustment (1.2%)

#### Restricted Account Transfers – Local Levy Growth Account

- \$21.1 m ongoing for Statutory Increase in Local Levy Guarantee from the Income Tax Fund

#### Revenue Transfers – Uniform School Fund

- \$121.6 m one-time transfer in FY24 to the Uniform School Fund from Income Tax Fund

#### State Board of Education – Administration

- \$843,400 ongoing for Utah State Board of Education Market Adjustments
- \$365,000 ongoing for Utah State Board of Education Fiscal Monitor & Other Staff

#### State Board of Education - Contracted Initiatives and Grants

- \$1.0 m ongoing for The Safe Child Project
- \$400,000 ongoing for Statutory Enrollment Growth from the (General Fund)

#### State Board of Education – Online Education

- \$1.0 m ongoing for Statutory Enrollment Growth
- \$360,200 ongoing for WPU Value Increase - Inflationary Adjustment (3.8%)
- \$118,100 ongoing for WPU Value Increase - Discretionary Adjustment (1.2%)



### **State Board of Education - Regional Education Service Agencies**

- \$400,600 ongoing for Regional Education Service Agencies Enhancements

### **State Board of Education – Utah Schools for the Deaf and the Blind**

- \$1.5 m ongoing for USDB Teacher Steps & Lanes

Note: Funding recommendations for the State Board of Education come from the Income Tax Fund, unless noted otherwise.



## Social Services

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### Items Included in the Governor's Budget Recommendations

#### Department of Health and Human Services

- (\$93.7) m one-time in FY 24 and (\$43.3) m ongoing and (\$9.1) m one time in FY 25 for Medicaid Consensus
- \$20.0 m ongoing and (\$20.0) one-time for Medicaid Federal Medical Assistance Percentage (FMAP) Buffer
- \$10.4 m ongoing and (\$425,300) one-time for Mandated Additional Needs & Youth Aging out of DCFS & JJYS
- \$10.0 m one-time for Home Court Pilot
- \$4.8 m ongoing and (\$3.9) m one-time for Services for People with Disabilities Waiting List
- \$4.4 m ongoing for FY 25 and \$2.4 m one-time for FY 24 for Placement & Services for DCFS & JJYS High Acuity Clients
- \$3.3 m one-time for Behavioral Health Internships for Social Service Agencies
- \$3.1 m ongoing for Medicaid Rate Parity for DCFS & JJYS Rates
- \$2.8 m ongoing for Rural Receiving Center & MCOTs
- \$2.9 m ongoing and (\$2.2) m one-time for HCBS Waiver Rate Increase
- \$2.1 m one-time for Ensuring Nutrition for Vulnerable Seniors
- \$1.0 m ongoing for Psychotropic Oversight Foster Medicaid Parity
- \$1.0 m ongoing for Consolidation Salary Parity
- \$1.0 m one-time for Grants for Adoption of Hard-to-Place Kids
- \$0.8 m ongoing for Expanded Medicaid Coverage for the Justice Involved
- \$0.8 m ongoing and \$6,500 one-time in FY 25 and \$93,500 one-time in FY 24 for Health Facility Licensing Staff
- \$0.8 m one-time for Grandfamilies Kinship Care
- \$0.7 m ongoing for Enhance Shelter Quality for DCFS Clients
- \$0.7 m ongoing for Targeted Medicaid Provider Rate Increases

#### Department of Workforce Services

- \$50.0 m one-time for First Time Homebuyer Program
- \$33.9 m one-time for Low Barrier Shelters Operations for Three Years
- \$28.8 m one-time for Winter Response and System Stabilization for Three Years
- \$27.3 m one-time Non-Congregate Shelters Operations for Three Years
- \$25.0 m one-time for Housing Innovation & Construction
- \$20.5 m one-time for Low Barrier Shelter Development
- \$10.0 m ongoing for Deeply Affordable Housing Grants
- \$10.0 m ongoing for Statewide Homeless Systems Support
- \$10.0 m one-time for Utah Housing Preservation Fund



- \$5.0 m ongoing for Olene Walker Housing Loan Fund
- \$4.5 m one-time for Low Barrier Shelter Development
- \$2.5 m ongoing for Shelter Cities Mitigation
- \$1.1 m one-time for FY 24 and \$0.74 m for FY 25 for Summer Meals for K-12 Students