Utah’s Budget, FY 2024-2025
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All Sources - $29.4 billion

BY SOURCE
- General Fund: 11%
- Income Tax Fund: 25%
- Local Education Revenue: 6%
- Federal Funds: 28%
- Dedicated Credits: 7%
- Transp. Inv't Fund: 5%
- Transp. Fund: 3%
- Other: 15%

BY USE
- Public Education: 29%
- Higher Education: 11%
- Social Services: 35%
- Capital Facilities: 1%
- Debt Service: 2%
- Law Enf.: 5%
- Transp.: 10%
- General Gov't: 7%
- Law Enf.: 5%
General and Income Tax Funds

BY USE - $12.9 B

- Transp. 9%
- Public Education 45%
- Law Enf. 7%
- General Gov’t 5%
- Debt Service 1%
- Other Capital Budgets 3%
- Social Services 14%
- Higher Education 16%
- Gen. Gov’t / Other 25%

NEW MONEY - $2.7 B*

- Transp. 26%
- Public Education 13%
- Higher Education 9%
- Social Services 5%
- State Buildings 11%
- Econ. Dev’t 8%

*Including reallocations and after tax cuts

Utah’s 2025 Budget | Utah State Legislature
GF/ITF Revenue

Revenue Estimates*

• FY 2024
  • GF $4.2 billion
  • ITF $7.3 billion
  • Total $11.5 billion

• FY 2025
  • GF $4.2 billion
  • ITF $7.4 billion
  • Total $11.6 billion

Available GF/ITF Revenue

• Ongoing $630 million
  (including $150 m high-risk revenue)

• One-time $340 million
  (including $99 m food sales tax phase-out)

• $1.9 billion reductions and reallocations

*Incl. high risk revenue
Internal Reallocations

- $1.1 billion from debt service to cash-funded infrastructure
- $521 million from the Public Education Stabilization Account
- $120 million from Medicaid savings
- $51 million in interest on ARPA deposits
- $170 million restricted account balances and other
Tax Reductions - $228 million

• $168 million ongoing and $37 million one-time for income tax rate change (4.65% to 4.55%)
• $2.3 million ongoing beginning in 2026 for expanded child tax credit eligibility
• $1 million ongoing and $22 million one-time to reauthorize rural film incentives
GF/ITF Funding Priorities
State Agency and Higher Education Compensation

- $119.3 million from all sources (including $76.1 million GF/ITF) for a 3% general salary increase in state agencies and higher education
- $19.1 million from the General and Income Tax Funds for performance-based salary increases for state agency employees
- $14.1 million from all sources (including $13.4 million GF/ITF) for a 7.2 percent health insurance increase and 0.9 percent dental insurance increase in state agencies
- Other Increases:
  - $3.2 million for a 0.7% COLA for employees on Tier II retirement
  - $1.5 million for Utah Schools for the Deaf and the Blind
  - $5.7 million one-time for 401k matching; and
  - $2.5 million for public safety/firefighter retirement enhancements.
Education

- $211.7 million ongoing for a 5% increase in the value of the WPU (from $4,280 to $4,494)
- $521.0 million one-time from the Public Education Stabilization Account, including:
  - $150.0 million for Excellence in Education and Leadership
  - $101.2 million for K-12 School Property Insurance
  - $100.0 million for School Safety
  - $74.0 million for Educator Professional Time
  - $35.5 million for School Fees Amendments
  - $15.0 million for Small/Rural District Capital Needs (with another $15.0 from the USF)
  - $8.4 million for Teacher Supplies
  - $8.4 million for Stipends for Future Educators
- $57.0 million for at-risk students and digital teaching tool
- $40.0 million for Utah Fits All scholarships
- $20.0 million for university performance funding
- $6.7 million ongoing for growth and $5.0 million one-time for equipment at tech colleges
- $2.7 million one-time to back-fill eliminated higher education application fees
Infrastructure

- **Transportation:**
  - $330.0 million ongoing and $775.0 million one for transportation infrastructure
  - $50.0 million one-time for the Point of the Mountain transit stop

- **Higher Education:**
  - $0.7 million ongoing and $75.0 million one-time for the Huntsman Cancer Institute’s Vineyard Cancer Research and Academic Building
  - $0.6 million ongoing and $64.9 million one-time for the Ogden-Weber Technical College’s Pathway Building;
  - $0.5 million ongoing and $19.4 million one-time for Snow College’s Social Science Classroom and Laboratory Building

- **General Government:**
  - $10.0 million one-time for the Salt Lake City Veterans’ Home Construction
  - $20.0 million one-time for a loan to replace the San Juan Hospital Building
  - $100.0 million one-time for statewide master plan (contingent on sufficient revenue collections)
Homeless, Housing, and Social Services

- $17.0 million one-time for $300 million in loans under the Utah Homes Investment Program
- $3.0 million one-time for the Shared Equity Revolving Loan Program
- $3.0 million one-time for the Law Enforcement First Time Homebuyers Program
- $10.0 million ongoing and $11.8 million one-time for statewide homeless system support
- $1.2 million one-time in FY 2024 and $23.8 million one-time in FY 2025 for low-barrier shelters
- $2.5 million for Homeless Shelter Cities Mitigation
- $10.4 million to provide services for youth with disabilities transitioning from programs for younger individuals
- $5.0 million to provide services for individuals with disabilities on the waiting list for services
Criminal Justice and General Gov’t

- $13.0 million ongoing for Corrections targeted compensation and $2.0 million ongoing to support Corrections officer overtime
- $8.5 million one-time, plus $5.0 million one-time from the Wildlife Resources Restricted Account and $5.0 million one-time from the State Park Fees Restricted Account to purchase land for Wildlife Resources in Morgan County
- $9.0 million one-time for Kane County Water District and Washington County Water Conservancy District to construct a reservoir
- $5.3 million one-time for Rural Communities Opportunities Grants
- $3.0 million one-time to purchase open space to protect the mission of Camp Williams
Remaining American Rescue Plan Act (ARPA) Funds

- $5.0 million one-time for Ogden Canyon water line
- $50 million Capital Projects Funds for middle-mile broadband at UDOT freeing-up General Fund for:
  - $25 million for Wasatch Canyons Behavioral Health facility
  - $12.5 million for UU Redwood Road Clinic
  - $12.5 million for San Juan Hospital
Part 5

Long-term Fiscal Health
Careful Spending to Manage Risk

- No new GO debt
- $335 million increase in Transportation working rainy-day fund
- $150 million ongoing from high-risk revenue for infrastructure
- $7.5 m in ongoing revenue in excess of ongoing commitments
Formal Rainy-Day Funds

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Utah

“#1 Best State Overall”

-U.S. News and World Report

May 2024
• Requires LFA and GOPB to analyze risk associated with the Medicaid program as part of the budget stress test every three years and recommend budgetary actions
• Merges two Medicaid restricted accounts and renames another
HB 59, Federal Funds Contingency Plans

- Repeals federal funds receipt reports that required contingency plans for a 5% and 25% reduction and a compilation by Division of Finance
- Requires a “Contingency disclosure and plan” and a “State jurisdiction evaluation” for qualifying federal funds (exceed 10% of an agency’s budget or $2M)
- Also requires a “Federal funds contingency plan” for agencies with federal funds that exceed 33% of the total budget, every other year or for new requests over $10M and provide a copy to GOMB, LFA, and EAC
HB 335, State Grant Process

• Requires that a grant recipient provide a proposed budget and agree to deliverables, reporting, audit, and clawback requirements before receiving any grant funds
• Addresses the disbursement schedule for grant funds
• Requires administering agencies to report a competitive grant to LFA and GOPB before awarding the grant
• Requires direct award grants to state the recipient in intent language, repeated each year for ongoing appropriations
HB 532 and 534, Boards and Commissions

- Follow up on HB 34, 2023 GS
- Repeal or sunset over 50 boards and commissions
- Raise barriers for creating more
- Increase reporting requirements for boards to remain in place
SB 154, Independent Entities

• Requires designated independent entities to use LAG’s best practices tools and provide the results to the Governor and a “consensus group” comprising LRGC, LFA, and LAG

• Requires the consensus group to report findings to the Leg Management Committee, Leg Audit Subcommittee, and the Executive Appropriations Committee

• Allows these committees to act based on the reports
SB 192, Higher Education Amendments

• Requires higher education institutions to request O&M funding at the same time as they request legislative approval for dedicated or nondedicated projects

• Beginning December 1, 2025, requires EAC to appropriate 6% of growth in personal income tax withholdings (calculated on a five-year average) into the Performance Funding Restricted Account
SB 241, State Funding Amendments

- Repeals two restricted accounts
- Modifies others to comply with GASB
- Clarifies some accounts’ purposes
- Approves revenue bonds of $400M for the UU’s West Valley Health Center
- Allows DGO to transfer money appropriated to Division of Finance for Pay-for-Performance to other agencies
- Allows Finance to transfer money from the Income Tax Fund to the Uniform School Fund to make up a deficit in the USF
HJR 17, Agency Fees

- Requires an appropriations subcommittee to review agency fees during an accountable budget process and
- Consider and make recommendations regarding:
  - the methods the fee agency uses to determine the amount of each fee
  - the agency's estimated cost related to each fee
HJR 23, Legislative Process

• Renames certain joint appropriations subcommittees and adds a new joint appropriations subcommittee
  • Infrastructure and Gen Govt -> Transportation and Infrastructure
  • Business, Econ Devel, and Labor -> Economic and Community Devel
  • New: General Government

• Increases the threshold for fiscal note bills that are subject to a funding prioritization process and passage deadline from $15,000 to $20,000
SJR 15, Higher Education O&M

• Requires the Executive Appropriations Committee each December to:
  • hear a report on construction inflation and the operation and maintenance costs of certain higher education capital development projects
  • decide whether to adjust the base budget or set aside an allocation to address the costs
Questions?