

# STATE OF UTAH

## Fund Information

**FINET Name:** (FIN) General Fund Budget Reserve Account

**FINET Fund:** 1324

**Legal Name:** General Fund Budget Reserve Account

**Legal Authorization:** UCA 63J-1-312

**Earns Interest:**  Yes  No **Earns Interest Authority:** Per SB 2004 2008 Spec Sess

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### Revenue Source(s):

1) Up to 50% of any year-end General Fund revenue surplus; 2) Appropriations; 3) Remaining funds on 1/1/97 from (Fund 759) Preservation of Hill Air Force Base Expendable Trust Fund per UCA 49-10-303; 4) Remaining funds on 1/1/97 from (Fund 210) Federal Retirees Settlement Fund per UCA 49-10-301; 5) Repayment of Disaster loans to Washington County in FY 07 (loans issued before 4/30/07 and unpaid as of June 30, 2007 are forgiven).

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### Description:

If, at the end of any fiscal year ending after 1/1/87, there is a General Fund Surplus, and amount not to exceed the lesser of the surplus or 3% of the General Fund Budget for the fiscal year, shall be transferred to the Budget Reserve Account. The account, however, cannot exceed 6% of the General Fund appropriation for the fiscal year in which the surplus occurred.

In 1993 Legislature, the law was changed so that in any year beginning 6/30/93, that there is a General Fund Surplus, 25% of the surplus shall be transferred to the Budget Reserve Account, except that the amount in the Budget Reserve Account may not exceed 8% of the General Fund appropriation for the fiscal year in which the surplus occurred. Appropriations may only be used to cover operating deficits or retroactive tax refunds.

Effective 7/1/97, the Legislature may appropriate Budget Reserve Account monies to fund operating deficits in public education appropriations.

Per SB 154 (2002 GS), Finance must now transfer an additional 25% of any General Fund surplus to the Rainy Day Fund until that additional 25% has repaid any appropriations out of the fund within the last ten years. Also, the total amount transferred to the Rainy Day Fund could be reduced by the amount needed to cover debt service on bonds issued after the end of the legislative session but before June 30th if the remaining General Fund surplus is not enough to cover the debt service requirements.

HB 27 (2003 GS) Creates a new Education Budget Reserve Account and changes the maximum amount to allowed in the General Fund Budget Reserve account from 8% of the General Fund appropriation amounts to 6% of the total of the General Fund appropriation amount and the Uniform School Fund appropriation amount for the fiscal year in which the surplus occurred. Also, the total amount transferred to the Rainy Day Fund could be reduced by the amount needed to cover debt service on any bonded debt authorized if the remaining General Fund surplus is not enough to cover the debt service requirements.

SB 233 (2003 GS) Authorizes the Budget Reserve Account to be expended to fund certain state settlement agreements.

HB 240 (2005 GS) Loans disaster relief money to Washington County with the repayment of those loans going to this fund.

HB 330 (2004 GS) Changes the 30% deposit of revenues that would have been deposited into this fund to the rainy day fund in FY05 only.

HB 87 (2006 GS) Requires that repayments from the Washington County loans will be principal only.

HB 176 (2007 GS) Forgives loans issued for disaster relief before April 30, 2007, that are outstanding on June 30, 2007.

HB 49 (2008 GS) Changes the calculation of the General Fund surplus by defining revenue surplus, operating deficit, and the base used to calculate limits on the transfer. Defines a "revenue surplus" to be when actual revenue exceeds the estimated revenues collected in the fiscal year. Finance shall transfer up to 50% of the revenue surplus to the Gen

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Fund Bud Res Acct, but not to exceed 6% of the General Fund appropriations (previously, 6% of GF and USF appropriations). Finance shall calculate the amount to be transferred before transferring from the GF revenue surplus any other year-end contingency appropriations, year-end set-asides, or other transfers required by law, excluding investment earnings for the fiscal year and any direct legislative appropriations made to the Gen Fund Bud Res Acct. If the transfer would cause the balance to exceed 6% of GF appropriations, Finance shall transfer only funds necessary to ensure the balance in the account equals 6%. If an operating deficit exists (defined as an unreserved and undesignated fund balance in the General Fund less than zero), transfers to the Disaster Recovery Restricted Account are held back first, then the transfer to the General Fund Budget Reserve Account is reduced to eliminate the deficit. The bill also provides that appropriations made by the Legislature to the Gen Fund Bud Res Acct shall be treated as replacement funds if funds were appropriated within the past 10 years and have not been replaced. The bill provides that the Legislature may appropriate monies from the GF Bud Res Acct only to resolve a GF budget deficit, to pay some or all of state settlement agreements, pay retroactive tax refunds, or resolve an Education Fund budget deficits.

SB 2004 (2008 2ND SPECIAL SESSION) Provides that interest generated from funds in the General Fund Budget Reserve Account (the "Rainy Day Fund") be deposited into the General Fund rather than the General Fund Budget Reserve Account; provides that interest generated from funds in the Education Fund Budget Reserve Account be deposited into the Education Fund rather than the Education Fund Budget Reserve Account.

HB 297 (2009 GS) Recodified the Budgetary Procedures Act, which is cited in the section of code relating to this fund.

SB 180 (2011 GS) Creates the Medicaid Growth Reduction and Budget Stabilization Restricted Account within the General Fund. Provides that Finance shall transfer an amount equal to Medicaid growth savings from the General Fund to the account before making any transfer to the General Fund Budget Reserve Account (Rainy Day Fund) and other transfers and earmarks required by law. Bonded debt shall be held back first, if there is a revenue surplus and there are insufficient funds to pay the debt service.

HB 330 (2011 GS) As to fund 1324, removed language in code that referred to investment earnings in the account and replaced "unreserved and undesignated" with "unassigned" fund balance. . The account no longer earns interest per SB 2004 (2008 2nd SS). The bill repeals provisions related to nonlapsing funds, accounts, and account balances to clarify the list of nonlapsing authority in Section 63J-1-602, and Sections 63J-1-602 through 602.5. Clarifies the funding sources for certain funds and accounts. Renames certain funds. Adds certain funds to the list of nonlapsing funds, accounts, and account balances where nonlapsing authority exists. Clarifies the amounts the Division of Finance shall deposit into certain funds and accounts. Repeals obsolete language, funds, and accounts.

SB 280 (2012 GS) For the purpose of calculating the transfer of any revenue surplus in the General Fund or Education Fund at yearend, this bill increases the limits on the balance in the General Fund Budget Reserve Account and the Education Fund Budget Reserve Account as follows: 1) Modifies the account balance limit on the General Fund Budget Reserve Account from 6% to 8% of General Fund appropriations for the fiscal year in which the General Fund revenue surplus occurred. 2) Modifies the account balance limit on the Education Budget Reserve Account from 7% to 9% of the Education Fund appropriations for the fiscal year in which the Education Fund revenue surplus occurred. Also corrects the references to the Medicaid Growth Reduction and Budget Stabilization Account.

HB 195 (2013 GS) Modifies a provision of the Budgetary Procedures Act relating to revenue volatility reporting. Requires the revenue volatility report prepared by the Legislative Fiscal Analyst and the Governor's Office of Planning and Budget to consider federal funding changes and to recommend changes to amounts or limits of reserve funds (GF Budget Reserve and Ed Fund Budget Reserve), if considered appropriate.

### Fund Balance History:

<u>Fund</u>	<u>Year</u>	<u>Beg Balance</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Transfers</u>	<u>End Balance</u>
1324	1984	\$0	\$0	\$0	\$0	\$0
1324	1985	\$0	\$0	\$0	\$0	\$0
1324	1986	\$0	\$0	\$0	\$0	\$0
1324	1987	\$0	\$0	\$0	\$20,049,148	\$20,049,148

This report presents unofficial, unaudited information that is subject to change.

For audited financial statements, see the State of Utah Comprehensive Annual Financial Report at <http://finance.utah.gov/cafr.html>

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1324	1988	\$20,049,148	\$1,008,066	\$0	\$22,856,893	\$43,914,107
1324	1989	\$43,914,107	\$2,068,148	\$0	\$1,871,279	\$47,853,534
1324	1990	\$47,853,534	\$3,828,038	\$0	\$905,644	\$52,587,216
1324	1991	\$52,587,216	\$4,160,552	\$0	\$0	\$56,747,768
1324	1992	\$56,747,768	\$1,577,444	\$0	\$0	\$58,325,212
1324	1993	\$58,325,212	\$2,473,288	\$0	(\$29,068,856)	\$31,729,644
1324	1994	\$31,729,644	\$1,304,478	\$0	\$8,657,992	\$41,692,115
1324	1995	\$41,692,115	\$2,577,354	\$0	\$21,375,915	\$65,645,384
1324	1996	\$65,645,384	\$3,930,274	\$0	\$1,895,934	\$71,471,592
1324	1997	\$71,471,592	\$4,196,746	\$0	\$3,273,114	\$78,941,452
1324	1998	\$78,941,452	\$4,666,596	\$0	\$4,856,772	\$88,464,820
1324	1999	\$88,464,820	\$5,577,149	\$0	\$680,409	\$94,722,378
1324	2000	\$94,722,378	\$5,853,866	\$0	\$9,147,942	\$100,576,244
1324	2001	\$109,724,186	\$6,624,410	\$0	\$3,981,193	\$120,329,789
1324	2002	\$120,329,789	\$3,367,094	\$0	(\$104,244,320)	\$19,452,563
1324	2003	\$19,452,563	\$394,427	\$0	\$6,699,362	\$26,546,352
1324	2004	\$26,546,352	\$373,683	\$0	\$26,665,044	\$53,585,079
1324	2005	\$53,585,079	\$9,787,635	\$0	\$42,241,046	\$105,613,760
1324	2006	\$105,613,760	\$4,025,680	\$0	\$21,920,072	\$131,559,512
1324	2007	\$131,559,512	\$7,102,622	\$0	\$31,975,700	\$170,637,834
1324	2008	\$170,637,834	\$7,411,148	\$0	\$16,231,300	\$194,280,281
1324	2009	\$194,280,281	\$2,070,852	\$0	(\$7,411,000)	\$188,940,133
1324	2010	\$188,940,133	\$0	\$0	(\$83,910,200)	\$105,029,933
1324	2011	\$105,029,933	\$0	\$0	\$17,510,848	\$122,540,781
1324	2012	\$122,540,781	\$0	\$0	\$10,475,911	\$133,016,692
1324	2013	\$133,016,692	\$0	\$0	\$1,100,000	\$134,116,692