

30 AMENDS:

31 **63-38-2**, as last amended by Chapters 326 and 352, Laws of Utah 2004

32

33 *Be it enacted by the Legislature of the state of Utah:*

34 Section 1. Section **63-38-2** is amended to read:

35 **63-38-2. Governor to submit budget to Legislature -- Contents -- Preparation --**
36 **Appropriations based on current tax laws and not to exceed estimated revenues.**

37 (1) (a) The governor shall, within three days after the convening of the Legislature in
38 the annual general session, submit a budget for the ensuing fiscal year by delivering it to the
39 presiding officer of each house of the Legislature together with a schedule for all of the
40 proposed appropriations of the budget, clearly itemized and classified.

41 (b) The budget message shall include:

42 (i) a projection of estimated revenues and expenditures for the next fiscal year; and

43 (ii) the source of all direct, indirect, or in-kind matching funds for all federal grants or
44 assistance programs included in the budget.

45 (2) At least 34 days before the submission of any budget, the governor shall deliver a
46 confidential draft copy of his proposed budget recommendations to the Office of the
47 Legislative Fiscal Analyst.

48 (3) (a) The budget shall contain a complete plan of proposed expenditures and
49 estimated revenues for the next fiscal year based upon the current fiscal year state tax laws and
50 rates.

51 (b) The budget may be accompanied by a separate document showing proposed
52 expenditures and estimated revenues based on changes in state tax laws or rates.

53 (4) The budget shall be accompanied by a statement showing:

54 (a) the revenues and expenditures for the last fiscal year;

55 (b) the current assets, liabilities, and reserves, surplus or deficit, and the debts and
56 funds of the state;

57 (c) an estimate of the state's financial condition as of the beginning and the end of the

58 period covered by the budget;

59 (d) a complete analysis of lease with an option to purchase arrangements entered into
60 by state agencies;

61 (e) the recommendations for each state agency for new full-time employees for the next
62 fiscal year; which recommendation should be provided also to the State Building Board under
63 Subsection 63A-5-103(2);

64 (f) any explanation the governor may desire to make as to the important features of the
65 budget and any suggestion as to methods for the reduction of expenditures or increase of the
66 state's revenue; and

67 (g) the information detailing certain regulatory fee increases required by Section
68 63-38-3.2.

69 (5) The budget shall include an itemized estimate of the appropriations for:

70 (a) the Legislative Department as certified to the governor by the president of the
71 Senate and the speaker of the House;

72 (b) the Executive Department;

73 (c) the Judicial Department as certified to the governor by the state court administrator;

74 (d) payment and discharge of the principal and interest of the indebtedness of the state;

75 (e) the salaries payable by the state under the Utah Constitution or under law for the
76 lease agreements planned for the next fiscal year;

77 (f) other purposes that are set forth in the Utah Constitution or under law; and

78 (g) all other appropriations.

79 (6) Deficits or anticipated deficits shall be included in the budget.

80 (7) (a) (i) For the purpose of preparing and reporting the budget, the governor shall
81 require from the proper state officials, including public and higher education officials, all heads
82 of executive and administrative departments and state institutions, bureaus, boards,
83 commissions, and agencies expending or supervising the expenditure of the state moneys, and
84 all institutions applying for state moneys and appropriations, itemized estimates of revenues
85 and expenditures.

86 (ii) (A) The governor may also require other information under these guidelines and at
87 times as the governor may direct.

88 (B) These guidelines may include a requirement for program productivity and
89 performance measures, where appropriate, with emphasis on outcome indicators.

90 (b) The estimate for the Legislative Department as certified by the presiding officers of
91 both houses shall be included in the budget without revision by the governor.

92 (c) The estimate for the Judicial Department, as certified by the state court
93 administrator, shall also be included in the budget without revision, but the governor may make
94 separate recommendations on it.

95 (d) The governor may require the attendance at budget meetings of representatives of
96 public and higher education, state departments and institutions, and other institutions or
97 individuals applying for state appropriations.

98 (e) The governor may revise all estimates, except those relating to the Legislative
99 Department, the Judicial Department, and those providing for the payment of principal and
100 interest to the state debt and for the salaries and expenditures specified by the Utah
101 Constitution or under the laws of the state.

102 (8) The total appropriations requested for expenditures authorized by the budget may
103 not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing
104 fiscal year.

105 (9) If any item of the budget as enacted is held invalid upon any ground, the invalidity
106 does not affect the budget itself or any other item in it.

107 (10) (a) In submitting the budgets for the Departments of Health and Human Services
108 and the Office of the Attorney General, the governor shall consider a separate recommendation
109 in his budget for funds to be contracted to:

110 (i) local mental health authorities under Section 62A-15-110;

111 (ii) local substance abuse authorities under Section 62A-15-110;

112 (iii) area agencies under Section 62A-3-104.2;

113 (iv) programs administered directly by and for operation of the Divisions of Substance

114 Abuse and Mental Health and Aging and Adult Services;

115 (v) local health departments under Title 26A, Chapter 1, Local Health Departments;

116 and

117 (vi) counties for the operation of Children's Justice Centers under Section 67-5b-102.

118 (b) In his budget recommendations under Subsections (10)(a)(i), (ii), and (iii), the
119 governor shall consider an amount sufficient to grant local health departments, local mental
120 health authorities, local substance abuse authorities, and area agencies the same percentage
121 increase for wages and benefits that he includes in his budget for persons employed by the
122 state.

123 (c) If the governor does not include in his budget an amount sufficient to grant the
124 increase described in Subsection (10)(b), he shall include a message to the Legislature
125 regarding his reason for not including that amount.

126 (11) (a) In submitting the budget for the Department of Agriculture, the governor shall
127 consider an amount sufficient to grant local soil conservation districts and Utah Association of
128 Conservation District employees the same percentage increase for wages and benefits that he
129 includes in his budget for persons employed by the state.

130 (b) If the governor does not include in his budget an amount sufficient to grant the
131 increase described in Subsection (11)(a), he shall include a message to the Legislature
132 regarding his reason for not including that amount.

133 [~~(11)~~] (12) (a) In submitting the budget for the Division of Services for People with
134 Disabilities, the Division of Child and Family Services, and the Division of Juvenile Justice
135 Services within the Department of Human Services, the governor shall consider an amount
136 sufficient to grant employees of corporations that provide direct services under contract with
137 those divisions, the same percentage increase for cost-of-living that he includes in his budget
138 for persons employed by the state.

139 (b) If the governor does not include in his budget an amount sufficient to grant the
140 increase described in Subsection [~~(11)~~] (12)(a), he shall include a message to the Legislature
141 regarding his reason for not including that amount.

142 ~~[(12)]~~ (13) (a) The Families, Agencies, and Communities Together Council may
143 propose to the governor under Subsection 63-75-4(4)(e) a budget recommendation for
144 collaborative service delivery systems operated under Section 63-75-6.5.

145 (b) The Legislature may, through a specific program schedule, designate funds
146 appropriated for collaborative service delivery systems operated under Section 63-75-6.5.

147 ~~[(13)]~~ (14) The governor shall include in his budget the state's portion of the budget for
148 the Utah Communications Agency Network established in Title 63C, Chapter 7, Utah
149 Communications Agency Network Act.

150 ~~[(14)]~~ (15) (a) The governor shall include a separate recommendation in the governor's
151 budget for funds to maintain the operation and administration of the Utah Comprehensive
152 Health Insurance Pool.

153 (b) In making the recommendation the governor may consider:

154 (i) actuarial analysis of growth or decline in enrollment projected over a period of at
155 least three years;

156 (ii) actuarial analysis of the medical and pharmacy claims costs projected over a period
157 of at least three years;

158 (iii) the annual Medical Care Consumer Price Index;

159 (iv) the annual base budget for the pool established by the Commerce and Revenue
160 Appropriations Subcommittee for each fiscal year;

161 (v) the growth or decline in insurance premium taxes and fees collected by the tax
162 commission and the insurance department; and

163 (vi) the availability of surplus General Fund revenue under Section 63-38-2.5 and
164 Subsection 59-14-204(5)(b).

165 ~~[(15)]~~ (16) In adopting a budget for each fiscal year, the Legislature shall consider an
166 amount sufficient to grant local health departments, local mental health authorities, local
167 substance abuse authorities, ~~[and]~~ area agencies on aging, soil conservation districts, and Utah
168 Association of Conservation District employees the same percentage increase for wages and
169 benefits that is included in the budget for persons employed by the state.

170 ~~[(16)]~~ (17) (a) In adopting a budget each year for the Utah Comprehensive Health
171 Insurance Pool, the Legislature shall determine an amount that is sufficient to fund the pool for
172 each fiscal year.

173 (b) When making a determination under Subsection ~~[(16)]~~ (17)(a), the Legislature shall
174 consider factors it determines are appropriate, which may include:

175 (i) actuarial analysis of growth or decline in enrollment projected over a period of at
176 least three years;

177 (ii) actuarial analysis of the medical and pharmacy claims costs projected over a period
178 of at least three years;

179 (iii) the annual Medical Care Consumer Price Index;

180 (iv) the annual base budget for the pool established by the Commerce and Revenue
181 Appropriations Subcommittee for each fiscal year;

182 (v) the growth or decline in insurance premium taxes and fees collected by the tax
183 commission and the insurance department from the previous fiscal year; and

184 (vi) the availability of surplus General Fund revenue under Section 63-38-2.5 and
185 Subsection 59-14-204(5)(b).

186 (c) The funds appropriated by the Legislature to fund the Utah Comprehensive Health
187 Insurance Pool as determined under Subsection ~~[(16)]~~ (17)(a):

188 (i) shall be deposited into the enterprise fund established by Section 31A-29-120; and

189 (ii) are restricted and are to be used to maintain the operation, administration, and
190 management of the Utah Comprehensive Health Insurance Pool created by Section
191 31A-29-104.

192 ~~[(17)]~~ (18) In considering the factors in Subsections ~~[(14)]~~ (15)(b)(i), (ii), and (iii) and
193 Subsections ~~[(16)]~~ (17)(b)(i), (ii), and (iii), the governor and the Legislature may consider the
194 actuarial data and projections prepared for the board of the Utah Comprehensive Health
195 Insurance Pool as it develops its financial statements and projections for each fiscal year.