1   # JOINT RULES RESOLUTION ON FUNDING MIX

2   # DETERMINATIONS

3   2017 GENERAL SESSION

4   STATE OF UTAH

5   **Chief Sponsor: Jerry W. Stevenson**

6   House Sponsor: Dean Sanpei

7

8   **LONG TITLE**

9   **General Description:**

10   This joint rules resolution addresses the allocation of funds for the purpose of state

11   employee compensation adjustments and internal service fund rate impacts.

12   **Highlighted Provisions:**

13   This joint rules resolution:

14   ‣   addresses processes for determining the mix of funding sources to be used for state

15   employee compensation adjustments and internal service fund rate impacts; and

16   ‣   provides for exceptions.

17   **Special Clauses:**

18   None

19   **Legislative Rules Affected:**

20   ENACTS:

21   **JR3-2-403**

22

23   *Be it resolved by the Legislature of the state of Utah:*

24   Section 1. **JR3-2-403** is enacted to read:

25   **JR3-2-403. Funding mix for state employee compensation adjustments and**

26   **internal service fund rate impacts.**

27   (1) The legislative fiscal analyst shall prepare a budget for state employee

28   compensation adjustments and internal service fund rate impacts that minimizes costs to the

29   unrestricted General Fund, Education Fund, and Uniform School Fund, by:

30   (a) using a mix of funding sources that is proportionate to that of the base budget, as

31   defined under Joint Rule 3-2-402, at the appropriation unit level for the same budget year;

32   (b) including sources other than the unrestricted General Fund, Education Fund, and

33   Uniform School Fund, regardless of the availability of additional revenue;

34   (c) adjusting the funding mix when the full or partial use of one or more sources is

35   directed in statute, federal regulation, or the terms of a federal grant; and

36   (d) adjusting the funding mix based on the appropriate use of funding sources other

37   than the unrestricted General Fund, Education Fund, and Uniform School Fund,

38   transportation-related funds, federal funds, restricted accounts, and dedicated credits.

39   (2) When the legislative fiscal analyst adjusts the funding mix in accordance with

40   Subsection (1)(c) or (d), the legislative fiscal analyst shall:

41   (a) eliminate the appropriate portion of the source from the funding mix;

42   (b) deduct the amount associated with the source from the base budget total;

43   (c) recalculate the proportional distribution among remaining sources; and

44   (d) distribute the appropriate budget adjustment amounts accordingly.

45   (3) If the legislative fiscal analyst identifies a funding mix that would provide

46   additional spending authority for sources other than the unrestricted General Fund, Education

47   Fund, and Uniform School Fund and additional revenue is unavailable, in accordance with

48   Subsection (1)(b), an agency may make or request program reductions, reprioritizations,

49   reallocations, or fee increases pursuant with Utah Code Title 63J, Chapter 1, Budgetary

50   Procedures Act.

51   (4) The legislative fiscal analyst shall request that an internal service fund agency

52   reflect state employee compensation adjustments and impacts from rate changes in other

53   internal funds in the rates recommended by the internal service fund agency for a given budget

54   cycle, either:

55   (a) on a prospective basis for the budget year, based on an estimated amount; or

56   (b) on a one-year lag basis, if the specific internal service fund has sufficient operating

57   reserves to maintain the internal service fund's fiscal integrity.

58   (5) (a) The Executive Appropriations Committee may approve for one fiscal year

59   exceptions to the budget preparation criteria described in Subsections (1) through (4).

60   (b) The legislative fiscal analyst shall prepare a budget that includes exceptions

61   approved by the Executive Appropriations Committee under this Subsection (5).

62   (c) The Executive Appropriations Committee shall annually determine whether to

63   re-approve an exception approved by the Executive Appropriations Committee under this

64   Subsection (5).