

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 **Committee Note:**

10 The Executive Appropriations Committee recommended this bill.

11 **General Description:**

12 This joint rules resolution addresses the allocation of funds for the purpose of state
13 employee compensation adjustments and internal service fund rate impacts.

14 **Highlighted Provisions:**

15 This joint rules resolution:

- 16 ▶ addresses processes for determining the mix of funding sources to be used for state
- 17 employee compensation adjustments and internal service fund rate impacts; and
- 18 ▶ provides for exceptions.

19 **Special Clauses:**

20 None

21 **Legislative Rules Affected:**

22 ENACTS:

23 **JR3-2-403**

24

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

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

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



28 **internal service fund rate impacts.**

29 (1) The Legislative Fiscal Analyst shall prepare a budget for state employee
30 compensation adjustments and internal service fund rate impacts that minimizes costs to the
31 unrestricted General Fund, Education Fund, and Uniform School Fund, by:

32 (a) using a mix of funding sources that is proportionate to that of the base budget, as
33 defined under Joint Rule 3-2-402, at the appropriation unit level for the same budget year;

34 (b) including sources other than the unrestricted General Fund, Education Fund, and
35 Uniform School Fund, regardless of the availability of additional revenue;

36 (c) adjusting the funding mix when the full or partial use of one or more sources is
37 directed in statute, federal regulation, or the terms of a federal grant; and

38 (d) adjusting the funding mix based on the appropriate use of funding sources other
39 than the unrestricted General Fund, Education Fund, and Uniform School Fund,
40 transportation-related funds, federal funds, restricted accounts, and dedicated credits.

41 (2) When the Legislative Fiscal Analyst adjusts the funding mix in accordance with
42 Subsection (1)(c) or (d), the Legislative Fiscal Analyst shall:

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

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

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

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

47 (3) If the Legislative Fiscal Analyst identifies a funding mix that would provide
48 additional spending authority for sources other than unrestricted General Fund, Education
49 Fund, and Uniform School Fund and additional revenue is unavailable, in accordance with
50 Subsection (1)(b), an agency may make or request program reductions, reprioritizations,
51 reallocations, or fee increases pursuant with Utah Code Title 63J, Chapter 1, Budgetary
52 Procedures Act.

53 (4) The Legislative Fiscal Analyst shall request that an internal service fund agency
54 reflect state employee compensation adjustments and impacts from rate changes in other
55 internal funds in the rates recommended by the internal service fund agency for a given budget
56 cycle, either:

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

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

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

60 (5) (a) The Executive Appropriations Committee may approve for one fiscal year
61 exceptions to the budget preparation criteria described in Subsections (1) through (4).

62 (b) The Legislative Fiscal Analyst shall prepare a budget that includes exceptions
63 approved by the Executive Appropriations Committee under this Subsection (5).

64 (c) The Executive Appropriations Committee shall annually determine whether to
65 re-approve an exception approved by the Executive Appropriations Committee under this
66 Subsection (5).

Legislative Review Note
Office of Legislative Research and General Counsel