

Representative Melissa G. Ballard proposes the following substitute bill:

JOINT RULES RESOLUTION - BUDGET EFFICIENCY

MODIFICATIONS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: Evan J. Vickers

LONG TITLE

General Description:

This joint rules resolution addresses budget reporting and evaluation requirements.

Highlighted Provisions:

This resolution:

- ▶ amends definitions;
- ▶ modifies the responsibilities of the Office of the Legislative Auditor General related to an efficiency evaluation;
- ▶ requires an appropriations subcommittee to review nonlapsing appropriations; and
- ▶ makes technical and conforming changes.

Special Clauses:

This resolution provides a coordination clause.

Legislative Rules Affected:

AMENDS:

JR1-4-601

JR1-4-603

JR3-2-501

ENACTS:



26 **JR3-2-709**

27 **Legislative Rules Affected by Coordination Clause:**

28 **JR3-2-501**

29 **JR3-2-709**



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

32 Section 1. **JR1-4-601** is amended to read:

33 **JR1-4-601. Definitions.**

34 As used in this part:

35 (1) "Appropriated entity" means ~~[any entity that receives state funds]~~ the same as that
36 term is defined in Utah Code Section 63J-1-902.

37 (2) "Efficiency evaluation" means an evaluation of a government process identified for
38 efficiency improvements under this part.

39 ~~[(2) "Product or service" means an appropriated entity's final output or outcome.]~~

40 (3) "Government process" means ~~[a set of functions and procedures by which an~~
41 ~~appropriated entity creates a product or service]~~ the same as that term is defined in Utah Code
42 Section 63J-1-902.

43 (4) "Legislative office" means:

44 (a) the Office of Legislative Research and General Counsel;

45 (b) the Office of the Legislative Auditor General;

46 (c) the Office of the Legislative Fiscal Analyst; or

47 (d) Legislative Services.

48 (5) "Performance measure" means ~~[a program objective, effectiveness measure,~~
49 ~~program size indicator, or other related measure]~~ the same as that term is defined in Utah Code
50 Section 63J-1-902.

51 (6) "Product or service" means the same as that term is defined in Utah Code Section
52 63J-1-902.

53 ~~[(6) "Targeted efficiency evaluation" means an evaluation of a government process~~
54 ~~identified for efficiency improvements under this part.]~~

55 Section 2. **JR1-4-603** is amended to read:

56 **JR1-4-603. Efficiency improvement process.**

57 ~~[(1) By May 1, 2022, the Office of the Legislative Fiscal Analyst shall, in collaboration~~
58 ~~with the Governor's Office of Planning and Budget:]~~

59 ~~[(a) establish a process to conduct targeted efficiency evaluations; and]~~

60 ~~[(b) submit a plan to the Legislative Management Committee that:]~~

61 ~~[(i) prioritizes the government processes for which the Office of the Legislative Fiscal~~
62 ~~Analyst will conduct a targeted efficiency evaluation; and]~~

63 ~~[(ii) establishes a schedule by which the Office of the Legislative Fiscal Analyst will~~
64 ~~conduct each targeted efficiency evaluation.]~~

65 ~~[(2)]~~ (1) (a) When conducting ~~[a targeted]~~ an efficiency evaluation under this rule, the
66 Office of the Legislative Fiscal Analyst may work with the Governor's Office of Planning and
67 Budget and the appropriated entity that administers the government process to identify:

68 (i) any operational inefficiencies in the government process and ways to eliminate the
69 inefficiencies;

70 (ii) rewards or incentives for implementing recommendations of the ~~[targeted]~~
71 efficiency evaluation; and

72 (iii) any misalignment in the appropriated entity's products or services in relation to the
73 appropriated entity's adopted performance measures.

74 (b) The Office of the Legislative Fiscal Analyst shall report to the Office of the
75 Legislative Auditor General the results of each ~~[targeted]~~ efficiency evaluation.

76 ~~[(3)]~~ (2) (a) The Office of the Legislative Auditor General shall independently review
77 the results of each ~~[targeted]~~ efficiency evaluation ~~[and, based on that review, conduct further~~
78 ~~risk assessment to determine the extent to which the appropriated entity has implemented any~~
79 ~~recommendations from the targeted efficiency evaluation]~~ and may conduct initial survey work.

80 (b) Based on the review described in Subsection ~~[(3)(a)]~~ (2)(a), the Office of the
81 Legislative Auditor General may recommend to the Audit Subcommittee created in Utah Code
82 Section 36-12-8 that the Office of the Legislative Auditor General conducts an in-depth
83 ~~[review]~~ audit of the appropriated entity.

84 (c) The Office of the Legislative Auditor General shall provide a copy of any in-depth
85 ~~[review described in Subsection (3)(b) to the legislative interim committee and the legislative~~
86 ~~appropriations subcommittee with oversight responsibility for the appropriated entity]~~ audit to
87 the Audit Subcommittee created in Utah Code Section 36-12-8 for referral to a legislative

88 committee or appropriations subcommittee.

89 ~~[(4)]~~ (3) ~~[(a)]~~ Upon receipt of an in-depth ~~[review described in Subsection (3);]~~ audit
90 under Subsection (2)(c):

91 (a) a legislative interim committee shall:

92 (i) review the appropriated entity that is the subject of the in-depth ~~[review]~~ audit; and

93 (ii) if appropriate, recommend to the Legislature any legislation to improve the
94 efficiency of the appropriated entity~~[-];~~ and

95 (b) ~~[Upon receipt of an in-depth review described in Subsection (3);]~~ a legislative
96 appropriations subcommittee shall:

97 (i) review the appropriated entity that is the subject of the in-depth ~~[review]~~ audit;

98 (ii) determine whether the appropriated entity is appropriately using the appropriated
99 entity's state funds; and

100 (iii) if appropriate, recommend to the Legislature any budgetary changes to improve the
101 efficiency of the appropriated entity.

102 ~~[(5)]~~ (4) As part of the efficiency improvement process described in this rule, the
103 Office of the Legislative Fiscal Analyst or the Office of the Legislative Auditor General may,
104 in consultation with the Governor's Office of Planning and Budget:

105 (a) recommend that an appropriated entity receives training; or

106 (b) provide training to the appropriated entity.

107 ~~[(6)]~~ (5) The efficiency improvement process described in this rule does not apply to a
108 legislative department government process.

109 Section 3. **JR3-2-501** is amended to read:

110 **JR3-2-501. Meetings -- Accountable process budget creation -- Appropriation**
111 **reviews.**

112 (1) (a) During the interim, the Executive Appropriations Committee shall meet at least
113 every other month on the day before interim meetings.

114 (b) The appropriations subcommittee chairs may attend these meetings and provide
115 input regarding their budget.

116 (2) ~~[Appropriation]~~ Appropriations subcommittees shall meet at least once during the
117 interim and may also hold additional meetings if authorized by the Legislative Management
118 Committee.

119 (3) (a) Each interim, each appropriations subcommittee shall create an accountable
120 process budget for approximately 20% of the budgets that fall within the [appropriation]
121 appropriations subcommittee's responsibilities.

122 (b) Each appropriations subcommittee shall ensure that each of the budgets for which
123 the appropriations subcommittee has responsibility is the subject of an accountable budget
124 process at least once every five years.

125 (4) (a) The Executive Appropriations Committee may, based on a legislator's or
126 citizen's complaint, review any appropriation, whether in an appropriations bill or otherwise, to
127 ensure that the entity to which the funds were appropriated complies with any legislative intent
128 expressed in the legislation appropriating the funds.

129 (b) If the Executive Appropriations Committee finds that an entity has not complied
130 with any legislative intent concerning an appropriation expressed in the legislation
131 appropriating the fund, the committee may make a recommendation concerning the
132 appropriation to the entity receiving the funds and the Legislative Management Committee.

133 Section 4. **JR3-2-709** is enacted to read:

134 **JR3-2-709. Review of nonlapsing appropriations.**

135 Each appropriations subcommittee shall, during an accountable budget process under
136 JR3-2-501, review each account, fund, and appropriation to a program that is designated as
137 nonlapsing under Utah Code Title 63J, Chapter 1, Part 6, Unused Balances.

138 Section 5. **Coordinating H.J.R. 12 and H.B. 322 -- Substantive and technical**
139 **amendments.**

140 If this H.J.R. 12 and H.B. 322, Budget Reporting Requirements, both pass and become
141 law, it is the intent of the Legislature that the Office of Legislative Research and General
142 Counsel prepare the Legislative Rules database for publication by:

143 (1) amending Subsection JR3-2-501(3) to read:

144 "(3) (a) Each interim, each appropriations subcommittee shall create an accountable
145 process budget for approximately 20% of the budgets that fall within the appropriations
146 subcommittee's responsibilities.

147 (b) Each appropriations subcommittee shall ensure that each of the budgets for which
148 the appropriations subcommittee has responsibility is the subject of an accountable budget
149 process at least once every five years.

150 (c) For each budget that is subject to an accountable budget process, an appropriations
151 subcommittee shall:

152 (i) review and discuss the budget evaluation submitted in accordance with Utah Code
153 Section [63J-1-903](#);

154 (ii) identify whether any portion of the budget overlaps with another budget; and

155 (iii) identify any opportunities to increase budgetary efficiencies."; and

156 (2) amending [JR3-2-709](#) to read:

157 "(1) Each appropriations subcommittee shall:

158 (a) during an accountable budget process under [JR3-2-501](#), review each account, fund,
159 and appropriation to a program that is designated as nonlapsing under Utah Code Title 63J,

160 Chapter 1, Part 6, Unused Balances; and

161 (b) review any nonlapsing appropriations report submitted in accordance with Utah
162 Code Section [63J-1-602](#).

163 (2) For any nonlapsing appropriation that is saved over multiple years to pay for an
164 anticipated expense, an appropriations subcommittee shall make a recommendation as to
165 whether the Legislature should instead appropriate one-time funding for the expense."