

1 **JOINT RULES RESOLUTION - BUDGET PROCESS**

2 **AMENDMENTS**

3 2023 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Val L. Peterson**

6 Senate Sponsor: _____

7
8 **LONG TITLE**

9 **General Description:**

10 This resolution modifies joint legislative rules related to budget process.

11 **Highlighted Provisions:**

12 This resolution:

13 ▶ addresses the process by which an appropriations subcommittee reviews proposed
14 budget items and reports recommendations to the Executive Appropriations
15 Committee;

16 ▶ requires the chairs of the Executive Appropriations Committee to prepare and
17 present a proposed budget to legislators, including a comparison of the proposed
18 budget to the appropriations subcommittees' prioritization lists;

19 ▶ prohibits the Executive Appropriations Committee or its chairs from including a
20 proposed budget item in an appropriations bill, unless:

21 • an appropriations subcommittee recommended the proposed budget item for
22 funding; or

23 • the proposed budget item was presented to the Executive Appropriations
24 Committee and recommended by a majority vote; and

25 ▶ makes technical and conforming changes.

26 **Special Clauses:**



27 This resolution provides a special effective date.

28 **Legislative Rules Affected:**

29 AMENDS:

30 **JR3-2-402**

31 **JR3-2-702**

32 ENACTS:

33 **JR3-2-402.5**



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

36 Section 1. **JR3-2-402** is amended to read:

37 **JR3-2-402. Executive appropriations -- Duties.**

38 (1) (a) The Executive Appropriations Committee shall meet no later than the third
39 Wednesday in December to:

40 (i) direct staff as to what revenue estimate to use in preparing budget
41 recommendations, to include a forecast for federal fund receipts;

42 (ii) consider treating above-trend revenue growth as one-time revenue for major tax
43 types and for federal funds;

44 (iii) hear a report on the historical, current, and anticipated status of the following:

45 (A) debt;

46 (B) long term liabilities;

47 (C) contingent liabilities;

48 (D) General Fund borrowing;

49 (E) reserves;

50 (F) fund balances;

51 (G) nonlapsing appropriation balances;

52 (H) cash funded infrastructure investment; and

53 (I) changes in federal funds paid to the state;

54 (iv) hear a report on:

55 (A) the next fiscal year base budget appropriation for Medicaid accountable care
56 organizations according to Section **26-18-405.5**;

57 (B) an explanation of program funding needs;

58 (C) estimates of overall medical inflation in the state; and
59 (D) mandated program changes and their estimated cost impact on Medicaid
60 accountable care organizations;
61 (v) decide whether to set aside special allocations for the end of the session, including
62 allocations:
63 (A) to address any anticipated reduction in the amount of federal funds paid to the
64 state; and
65 (B) of one-time revenue to pay down debt and other liabilities;
66 (vi) decide whether to set aside special allocations for legislation that will reduce taxes,
67 including legislation that will reduce one or more tax rates;
68 (vii) approve the appropriate amount for each subcommittee to use in preparing its
69 budget;
70 (viii) set a budget figure; and
71 (ix) adopt a base budget in accordance with Subsection (1)(b) and direct the legislative
72 fiscal analyst to prepare one or more appropriations acts appropriating one or more base
73 budgets for the next fiscal year.
74 (b) In a base budget adopted under Subsection (1)(a), appropriations from the General
75 Fund, the Education Fund, and the Uniform School Fund shall be set as follows:
76 (i) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
77 equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base
78 budget is not changed;
79 (ii) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
80 less than the current fiscal year ongoing appropriations, the new fiscal year base budget is
81 reduced by the same percentage that projected next fiscal year ongoing revenue estimates are
82 lower than the total of current fiscal year ongoing appropriations;
83 (iii) in making a reduction under Subsection (1)(b)(ii), appropriated debt service shall
84 not be reduced, and other ongoing appropriations shall be reduced, in an amount sufficient to
85 make the total ongoing appropriations, including the unadjusted debt service, equal to the
86 percentage calculated under Subsection (1)(b)(ii); and
87 (iv) the new fiscal year base budget shall include an appropriation to the Department of
88 Health and Human Services for Medicaid accountable care organizations in the amount

89 required by Section [26-18-405.5](#).

90 (c) The chairs of each joint appropriations subcommittee are invited to attend this
91 meeting.

92 (2) All proposed budget items shall be submitted to one of the subcommittees named in
93 [JR3-2-302](#) for consideration and recommendation.

94 ~~[(3)(a) After receiving and reviewing subcommittee reports, the Executive
95 Appropriations Committee may refer the report back to a joint appropriations subcommittee
96 with any guidelines the Executive Appropriations Committee considers necessary to assist the
97 subcommittee in producing a balanced budget.]~~

98 ~~[(b) The subcommittee shall meet to review the new guidelines and report the
99 adjustments to the chairs of the Executive Appropriations Committee as soon as possible.]~~

100 ~~[(4)(a) After receiving the reports, the Executive Appropriations Committee chairs
101 will report them to the Executive Appropriations Committee.]~~

102 ~~[(b) The Executive Appropriations Committee shall:]~~

103 ~~[(i) make any further adjustments necessary to balance the budget; and]~~

104 ~~[(ii) complete all decisions necessary to draft the final appropriations bills no later than
105 the last Friday before the 45th day of the annual general session.]~~

106 (3) (a) After receiving the chair's budget proposal in accordance with [JR3-2-402.5](#), the
107 Executive Appropriations Committee shall ensure final appropriations bills are prepared for
108 introduction no later than the last Friday before the 45th day of the annual general session.

109 (b) Neither the Executive Appropriations Committee nor the Executive Appropriations
110 Committee chairs may include a proposed budget item in a final appropriations bill, unless:

111 (i) a subcommittee included the proposed budget item in the subcommittee's report
112 described in [JR3-2-402.5](#); or

113 (ii) the proposed budget item was individually presented to the Executive
114 Appropriations Committee and recommended for inclusion in a final appropriations bill by
115 majority vote.

116 (c) Subsection (3)(b) does not apply to funding for legislation with fiscal impact.

117 Section 2. **JR3-2-402.5** is enacted to read:

118 **JR3-2-402.5. Adjustments to base budgets.**

119 (1) Each subcommittee named in [JR3-2-302](#) shall:

- 120 (a) review each program and project included in the subcommittee's base budget;
121 (b) consider each proposed budget item the subcommittee receives; and
122 (c) prepare for the Executive Appropriations Committee's consideration a report that
123 includes:
124 (i) a budget recommendation that reallocates the money in the subcommittee's base
125 budget;
126 (ii) adjustments to the subcommittee's base budget that reconcile the base budget with
127 the amount allocated under [JR3-2-402\(1\)\(a\)\(vii\)](#); and
128 (iii) for proposed budget items not included in the subcommittee's allocation, a funding
129 prioritization list of proposed budget items that the subcommittee recommends for funding, in
130 order of priority.
131 (2) (a) After the Executive Appropriations Committee receives each subcommittee's
132 report described in Subsection (1), the chairs of the Executive Appropriations Committee shall:
133 (i) prepare and present to the members of the Joint Appropriations Committee a
134 proposed budget that is equal to or less than available revenue, reflecting any anticipated
135 changes to revenue resulting from legislative action;
136 (ii) receive feedback from the members of the Joint Appropriations Committee on the
137 proposed budget; and
138 (iii) present a budget proposal considering the feedback to the Executive
139 Appropriations Committee.
140 (b) During the presentation described in Subsection (2)(a), the chairs of the Executive
141 Appropriations Committee shall provide to the members a comparison of the proposed budget
142 to each subcommittee's prioritization list.

143 Section 3. **JR3-2-702** is amended to read:

144 **JR3-2-702. Review and referral of requests for appropriation.**

- 145 (1) (a) The legislative fiscal analyst shall review each request for appropriation.
146 (b) If the request for appropriation requires that a statute be enacted, amended, or
147 repealed, the legislative fiscal analyst shall immediately transfer the request to the Office of
148 Legislative Research and General Counsel as a request for legislation.
149 (c) If the request for appropriation contains each item described in [JR3-2-701\(4\)](#) and
150 does not require that a statute be enacted, amended, or repealed, the legislative fiscal analyst

151 shall number, title, and refer the request for appropriation to:

152 (i) the House chair of the Executive Appropriations Committee, if the sponsor is a
153 House member; or

154 (ii) the Senate chair of the Executive Appropriations Committee, if the sponsor is a
155 Senate member.

156 (2) The House or Senate chair of the Executive Appropriations Committee shall refer
157 the request for appropriation to the joint appropriations subcommittee with oversight
158 responsibility or to the Executive Appropriations Committee.

159 (3) Each joint appropriations subcommittee that receives a request for appropriation
160 shall:

161 (a) allow the sponsor to present and discuss the request for appropriation with the
162 subcommittee;

163 (b) discuss the request for appropriation; and

164 (c) do one of the following:

165 (i) include all or part of the request for appropriation in the [~~budget recommendation~~
166 ~~made by the subcommittee or the Executive Appropriations Committee;~~] report described in
167 [JR3-2-402.5](#); or

168 (ii) reject the request for appropriation[~~or~~].

169 [~~(iii) recommend to the Executive Appropriations Committee that all or part of the~~
170 ~~requested appropriation be placed on a funding prioritization list.]~~

171 Section 4. **Effective date.**

172 This resolution takes effect on July 1, 2023.