

**JOINT RULES RESOLUTION - BUDGETING CHANGES TO
STATE RETIREMENT CONTRIBUTIONS**

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Matthew H. Gwynn

LONG TITLE

General Description:

This resolution modifies duties of the Executive Appropriations Committee related to retirement contributions.

Highlighted Provisions:

This resolution:

▸ directs the Executive Appropriations Committee to set aside any savings from each reduction in the amortization rate and, when the total set aside money reaches a specified threshold, include the amount in the base budget as an increase to benefitted state employee salaries.

Special Clauses:

This resolution provides a special effective date.

Legislative Rules Affected:

AMENDS:

JR3-2-402

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

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

JR3-2-402. Executive appropriations -- Duties -- Base budgets.

(1) (a) The Executive Appropriations Committee shall meet no later than the third



28 Wednesday in December to:

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

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

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

34 (A) debt;

35 (B) long term liabilities;

36 (C) contingent liabilities;

37 (D) General Fund borrowing;

38 (E) reserves;

39 (F) fund balances;

40 (G) nonlapsing appropriation balances;

41 (H) cash funded infrastructure investment; and

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

43 (iv) hear a report on:

44 (A) the next fiscal year base budget appropriation for Medicaid accountable care
45 organizations according to Section [26-18-405.5](#);

46 (B) an explanation of program funding needs;

47 (C) estimates of overall medical inflation in the state; and

48 (D) mandated program changes and their estimated cost impact on Medicaid
49 accountable care organizations;

50 (v) decide whether to set aside special allocations for the end of the session, including
51 allocations:

52 (A) to address any anticipated reduction in the amount of federal funds paid to the
53 state; and

54 (B) of one-time revenue to pay down debt and other liabilities;

55 (vi) decide whether to set aside special allocations for legislation that will reduce taxes,
56 including legislation that will reduce one or more tax rates;

57 (vii) subject to Subsection (1)(c), unless waived by majority vote, if the amortization
58 rate as defined in Utah Code Section [49-11-102](#) for the new fiscal year is less than the

59 amortization rate for the preceding fiscal year, set aside an amount equal to the value of the
60 reduction in the amortization rate;

61 [~~vii~~] (viii) approve the appropriate amount for each subcommittee to use in preparing
62 its budget;

63 [~~viii~~] (ix) set a budget figure; and

64 [~~ix~~] (x) adopt a base budget in accordance with Subsection (1)(b) and direct the
65 legislative fiscal analyst to prepare one or more appropriations acts appropriating one or more
66 base budgets for the next fiscal year.

67 (b) In a base budget adopted under Subsection (1)(a), the Executive Appropriations
68 Committee shall set appropriations from the General Fund, the Education Fund, and the
69 Uniform School Fund [~~shall be set~~] as follows:

70 (i) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
71 equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base
72 budget is not changed;

73 (ii) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
74 less than the current fiscal year ongoing appropriations, the new fiscal year base budget is
75 reduced by the same percentage that projected next fiscal year ongoing revenue estimates are
76 lower than the total of current fiscal year ongoing appropriations;

77 (iii) in making a reduction under Subsection (1)(b)(ii), appropriated debt service shall
78 not be reduced, and other ongoing appropriations shall be reduced, in an amount sufficient to
79 make the total ongoing appropriations, including the unadjusted debt service, equal to the
80 percentage calculated under Subsection (1)(b)(ii); and

81 (iv) the new fiscal year base budget shall include an appropriation to the Department of
82 Health for Medicaid accountable care organizations in the amount required by Section
83 [26-18-405.5](#).

84 (c) (i) The Executive Appropriations Committee shall:

85 (A) comply with the set aside requirement described in Subsection (1)(a)(vii) using
86 money from the General Fund, Income Tax Fund, and Uniform School Fund;

87 (B) accumulate money set aside under Subsection (1)(a)(vii) across fiscal years; and

88 (C) when the total amount set aside under Subsection (1)(a)(vii), including any amount
89 to be set aside in the new fiscal year, equals or exceeds the cost of a 0.50% increase in

90 benefited state employee salaries for the new fiscal year, include in the base budget an increase
91 in benefited state employee salaries equal to the total set aside amount.

92 (ii) The Executive Appropriations Committee may waive or modify a requirement
93 described in Subsection (1)(c)(i) by majority vote.

94 [~~e~~] (d) The chairs of each joint appropriations subcommittee are invited to attend this
95 meeting.

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

98 (3) (a) After receiving and reviewing subcommittee reports, the Executive
99 Appropriations Committee may refer the report back to a joint appropriations subcommittee
100 with any guidelines the Executive Appropriations Committee considers necessary to assist the
101 subcommittee in producing a balanced budget.

102 (b) The subcommittee shall meet to review the new guidelines and report the
103 adjustments to the chairs of the Executive Appropriations Committee as soon as possible.

104 (4) (a) After receiving the reports, the Executive Appropriations Committee chairs will
105 report them to the Executive Appropriations Committee.

106 (b) The Executive Appropriations Committee shall:

107 (i) make any further adjustments necessary to balance the budget; and

108 (ii) complete all decisions necessary to draft the final appropriations bills no later than
109 the last Friday before the 45th day of the annual general session.

110 Section 2. **Effective date.**

111 This resolution takes effect on May 3, 2023.