

1 **JOINT RULES RESOLUTION - HIGHER EDUCATION**
2 **OPERATION AND MAINTENANCE COSTS**

3 2024 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Ann Millner**

6 House Sponsor: Val L. Peterson

7 **LONG TITLE**

8 **General Description:**

9 This resolution addresses the operation and maintenance costs of higher education capital
10 development projects.

11 **Highlighted Provisions:**

12 This resolution:

13 ▶ requires the Executive Appropriations Committee to:

14 • hear a report on construction inflation and the operation and maintenance costs of
15 certain higher education capital development projects; and

16 • decide whether to address any operation and maintenance costs of the capital
17 development projects; and

18 ▶ makes technical and conforming changes.

19 **Other Special Clauses:**

20 None

21 **Legislative Rules Affected:**

22 AMENDS:

23 **JR3-2-402**

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

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

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

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

(i) direct staff as to what revenue estimate to use in preparing budget

- 27 recommendations, to include a forecast for federal fund receipts;
- 28 (ii) consider treating above-trend revenue growth as one-time revenue for major tax
29 types and for federal funds;
- 30 (iii) hear a report on the historical, current, and anticipated status of the following:
- 31 (A) debt;
- 32 (B) long term liabilities;
- 33 (C) contingent liabilities;
- 34 (D) General Fund borrowing;
- 35 (E) reserves;
- 36 (F) fund balances;
- 37 (G) nonlapsing appropriation balances;
- 38 (H) cash funded infrastructure investment; and
- 39 (I) changes in federal funds paid to the state;
- 40 (iv) hear a report on:
- 41 (A) the next fiscal year base budget appropriation for Medicaid accountable care
42 organizations according to Utah Code Section [26-18-405.5] 26B-3-203;
- 43 (B) an explanation of program funding needs;
- 44 (C) estimates of overall medical inflation in the state; and
- 45 (D) mandated program changes and their estimated cost impact on Medicaid
46 accountable care organizations;
- 47 (v) decide whether to set aside special allocations for the end of the session, including
48 allocations:
- 49 (A) to address any anticipated reduction in the amount of federal funds paid to the
50 state; and
- 51 (B) of one-time revenue to pay down debt and other liabilities;
- 52 (vi) (A) hear a report on construction inflation and the ongoing operation and
53 maintenance costs of any capital development project requested by an
54 institution under Utah Code Section 53B-2a-117 or 53B-22-204; and
- 55 (B) in response to the report described in Subsection (1)(a)(vi)(A), decide whether
56 to adjust the next fiscal year base budget or set aside special allocations for the
57 end of the session;
- 58 [(vi)] (vii) decide whether to set aside special allocations for legislation that will
59 reduce taxes, including legislation that will reduce one or more tax rates;
- 60 [(vii)] (viii) subject to Subsection (1)(c), unless waived by majority vote, if the

- 61 amortization rate as defined in Utah Code Section 49-11-102 for the new fiscal
62 year is less than the amortization rate for the preceding fiscal year, set aside an
63 amount equal to the value of the reduction in the amortization rate;
- 64 ~~[(viii)]~~ (ix) approve the appropriate amount for each subcommittee to use in preparing
65 its budget;
- 66 ~~[(ix)]~~ (x) set a budget figure; and
- 67 ~~[(x)]~~ (xi) adopt a base budget in accordance with Subsection (1)(b) and direct the
68 legislative fiscal analyst to prepare one or more appropriations acts appropriating
69 one or more base budgets for the next fiscal year.
- 70 (b) In a base budget adopted under Subsection (1)(a), the Executive Appropriations
71 Committee shall set appropriations from the General Fund, the Income Tax Fund,
72 and the Uniform School Fund as follows:
- 73 (i) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
74 equal to or greater than the current fiscal year ongoing appropriations, the new
75 fiscal year base budget is not changed;
- 76 (ii) if the next fiscal year ongoing revenue estimates set under Subsection (1)(a)(i) are
77 less than the current fiscal year ongoing appropriations, the new fiscal year base
78 budget is reduced by the same percentage that projected next fiscal year ongoing
79 revenue estimates are lower than the total of current fiscal year ongoing
80 appropriations;
- 81 (iii) in making a reduction under Subsection (1)(b)(ii), appropriated debt service shall
82 not be reduced, and other ongoing appropriations shall be reduced, in an amount
83 sufficient to make the total ongoing appropriations, including the unadjusted debt
84 service, equal to the percentage calculated under Subsection (1)(b)(ii); and
- 85 (iv) the new fiscal year base budget shall include an appropriation to the Department
86 of Health for Medicaid accountable care organizations in the amount required by
87 Utah Code Section [26-18-405.5] 26B-3-203.
- 88 (c) (i) The Executive Appropriations Committee shall:
- 89 (A) comply with the set aside requirement described in Subsection (1)(a)(vii)
90 using money from the General Fund, Income Tax Fund, and Uniform School
91 Fund;
- 92 (B) accumulate money set aside under Subsection (1)(a)(vii) across fiscal years;
93 and
- 94 (C) when the total amount set aside under Subsection (1)(a)(vii), including any

95 amount to be set aside in the new fiscal year, equals or exceeds the cost of a
96 0.50% increase in benefited state employee salaries for the new fiscal year,
97 include in the base budget an increase in benefited state employee salaries
98 equal to the total set aside amount.

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

101 (d) The chairs of each joint appropriations subcommittee are invited to attend this
102 meeting.

103 (2) All proposed budget items shall be submitted to one of the subcommittees named in
104 JR3-2-302 for consideration and recommendation.

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

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

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

114 (b) The Executive Appropriations Committee shall:

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

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

118 Section 2. **Effective date.**

119 This resolution takes effect upon a successful vote for final passage.