

JOINT RULES RESOLUTION -- FEDERAL REVENUE**CONSIDERATION**

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

LONG TITLE**General Description:**

This rules resolution modifies duties of the Executive Appropriations Committee.

Highlighted Provisions:

This resolution:

- requires the Executive Appropriations Committee to consider treating above-trend federal revenue in the same way as one-time revenue.

Special Clauses:

None

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) As used in this rule:

(a) "Base budget" means amounts appropriated by the Legislature for each item of appropriation for the current fiscal year that:

(i) are not designated as one-time in an appropriation, regardless of whether the



28 appropriation is covered by ongoing or one-time revenue sources; and

29 (ii) were not vetoed by the governor, unless the Legislature overrode the veto.

30 (b) "Base budget" includes:

31 (i) any changes to those amounts approved by the Executive Appropriations
32 Committee; and

33 (ii) amounts appropriated for debt service.

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

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

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

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

41 (A) debt;

42 (B) long term liabilities;

43 (C) contingent liabilities;

44 (D) General Fund borrowing;

45 (E) reserves;

46 (F) fund balances;

47 (G) nonlapsing appropriation balances;

48 (H) cash funded infrastructure investment; and

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

50 (iv) hear a report on:

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

53 (B) an explanation of program funding needs;

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

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

57 (v) decide whether to set aside special allocations for the end of the session, including
58 allocations;

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

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

(vi) approve the appropriate amount for each subcommittee to use in preparing its budget;

(vii) set a budget figure; and

(viii) adopt a base budget in accordance with Subsection (2)(b) and direct the legislative fiscal analyst to prepare one or more appropriations acts appropriating one or more base budgets for the next fiscal year.

(b) In a base budget adopted under Subsection (2)(a), appropriations from the General Fund, the Education Fund, and the Uniform School Fund shall be set as follows:

(i) if the next fiscal year ongoing revenue estimates set under Subsection (2)(a)(i) are equal to or greater than the current fiscal year ongoing appropriations, the new fiscal year base budget is not changed;

(ii) if the next fiscal year ongoing revenue estimates set under Subsection (2)(a)(i) are less than the current fiscal year ongoing appropriations, the new fiscal year base budget is reduced by the same percentage that projected next fiscal year ongoing revenue estimates are lower than the total of current fiscal year ongoing appropriations;

(iii) in making a reduction under Subsection (2)(b)(ii), appropriated debt service shall not be reduced, and other ongoing appropriations shall be reduced, in an amount sufficient to make the total ongoing appropriations, including the unadjusted debt service, equal to the percentage calculated under Subsection (2)(b)(ii); and

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

(c) The chairs of each appropriation subcommittee are invited to attend this meeting.

(3) Appropriations subcommittees may not meet while the Senate or House is in session without special leave from the speaker of the House and the president of the Senate.

(4) All proposed items of expenditure to be included in the appropriations bills shall be submitted to one of the subcommittees named in JR3-2-302 for consideration and recommendation.

90 (5) (a) After receiving and reviewing subcommittee reports, the Executive
91 Appropriations Committee may refer the report back to an appropriations subcommittee with
92 any guidelines the Executive Appropriations Committee considers necessary to assist the
93 subcommittee in producing a balanced budget.

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

96 (6) (a) After receiving the reports, the Executive Appropriations Committee chairs will
97 report them to the Executive Appropriations Committee.

98 (b) That committee shall:

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

100 (ii) complete all decisions necessary to draft the final appropriations bill no later than
101 the 39th day of the annual general session.

Legislative Review Note
Office of Legislative Research and General Counsel