

BUDGETING REVISIONS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to budgeting requirements.

Highlighted Provisions:

This bill:

- requires the Office of Legislative Fiscal Analyst to include in the review and analysis of revenue estimates for existing and proposed revenue a comparison of current estimates of federal fund receipts to 15-year trends;
- requires the governor to include in the proposed budget submitted to the presiding officer of each house of the Legislature a projection of:
 - estimated federal fund receipts; and
 - 15-year trends for federal fund receipts; and
- makes technical corrections.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

36-12-13, as last amended by Laws of Utah 2014, Chapters 344 and 430

63J-1-201, as last amended by Laws of Utah 2016, Chapter 298



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

Section 1. Section **36-12-13** is amended to read:

36-12-13. Office of Legislative Fiscal Analyst established -- Powers, functions, and duties -- Qualifications.

(1) There is established an Office of Legislative Fiscal Analyst as a permanent staff office for the Legislature.

(2) The powers, functions, and duties of the Office of Legislative Fiscal Analyst under the supervision of the fiscal analyst are:

(a) to analyze in detail the state budget before the convening of each legislative session and make recommendations to the Legislature on each item or program appearing in the budget, including:

(i) funding for and performance of programs, acquisitions, and services currently undertaken by state government to determine whether each department, agency, institution, or program should:

(A) continue at its current level of expenditure;

(B) continue at a different level of expenditure; or

(C) be terminated; and

(ii) increases or decreases to spending authority and other resource allocations for the current and future fiscal years;

(b) to prepare cost estimates on all proposed bills that anticipate state government expenditures;

(c) to prepare cost estimates on all proposed bills that anticipate expenditures by county, municipal, local district, or special service district governments;

(d) to prepare cost estimates on all proposed bills that anticipate direct expenditures by any Utah resident or business, and the cost to the overall impacted Utah resident or business population;

(e) to prepare a review and analysis of revenue estimates for existing and proposed revenue acts, which shall include a comparison of:

(i) current estimates to 15-year trends by tax type; and

(ii) current federal fund receipt estimates to 15-year trends;

(f) to report instances in which the administration may be failing to carry out the expressed intent of the Legislature;

(g) to propose and analyze statutory changes for more effective operational economies or more effective administration;

(h) to prepare, before each annual general session of the Legislature, a summary showing the current status of the following as compared to the past nine fiscal years:

(i) debt;

(ii) long-term liabilities;

(iii) contingent liabilities;

(iv) General Fund borrowing;

(v) reserves;

(vi) fund and nonlapsing balances; and

(vii) cash funded capital investments;

(i) to make recommendations for addressing the items described in Subsection (2)(h) in the upcoming annual general session of the Legislature;

(j) to prepare, after each session of the Legislature, a summary showing the effect of the final legislative program on the financial condition of the state;

(k) to conduct organizational and management improvement studies;

(l) to prepare and deliver upon request of any interim committee or the Legislative Management Committee, reports on the finances of the state and on anticipated or proposed requests for appropriations;

(m) to recommend areas for research studies by the executive department or the interim committees;

(n) to appoint and develop a professional staff within budget limitations;

(o) to prepare and submit the annual budget request for the office;

(p) to develop a taxpayer receipt:

(i) available to taxpayers through a website; and

(ii) that allows a taxpayer to view on the website an estimate of how the taxpayer's tax dollars are expended for government purposes; and

(q) to publish or provide other information on taxation and government expenditures that may be accessed by the public.

(3) The Office of Legislative Fiscal Analyst shall report the review and analysis required under Subsection (2)(e) to the Executive Appropriations Committee of the Legislature before each upcoming annual general session of the Legislature.

(4) The legislative fiscal analyst shall have a master's degree in public administration, political science, economics, accounting, or the equivalent in academic or practical experience.

(5) In carrying out the duties provided for in this section, the legislative fiscal analyst may obtain access to all records, documents, and reports necessary to the scope of the legislative fiscal analyst's duties according to the procedures contained in Title 36, Chapter 14, Legislative Subpoena Powers.

Section 2. Section **63J-1-201** is amended to read:

63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation -- Appropriations based on current tax laws and not to exceed estimated revenues.

(1) The governor shall deliver, not later than 30 days before the date the Legislature convenes in the annual general session, a confidential draft copy of the governor's proposed budget recommendations to the Office of the Legislative Fiscal Analyst according to the requirements of this section.

(2) (a) When submitting a proposed budget, the governor shall, within the first three days of the annual general session of the Legislature, submit to the presiding officer of each house of the Legislature:

- (i) a proposed budget for the ensuing fiscal year;
- (ii) a schedule for all of the proposed changes to appropriations in the proposed budget, with each change clearly itemized and classified; and
- (iii) as applicable, a document showing proposed changes in estimated revenues that are based on changes in state tax laws or rates.

(b) The proposed budget shall include:

(i) a projection of:

(A) estimated revenues by major tax type;

(B) 15-year trends for each major tax type;

(C) estimated receipts of federal funds; ~~and~~

(D) 15-year trends for federal fund receipts; and

~~[(D)]~~ (E) appropriations for the next fiscal year;

121 (ii) the source of changes to all direct, indirect, and in-kind matching funds for all
122 federal grants or assistance programs included in the budget;
123 (iii) changes to debt service;
124 (iv) a plan of proposed changes to appropriations and estimated revenues for the next
125 fiscal year that is based upon the current fiscal year state tax laws and rates and considers
126 projected changes in federal grants or assistance programs included in the budget;
127 (v) an itemized estimate of the proposed changes to appropriations for:
128 (A) the Legislative Department as certified to the governor by the president of the
129 Senate and the speaker of the House;
130 (B) the Executive Department;
131 (C) the Judicial Department as certified to the governor by the state court
132 administrator;
133 (D) changes to salaries payable by the state under the Utah Constitution or under law
134 for lease agreements planned for the next fiscal year; and
135 (E) all other changes to ongoing or one-time appropriations, including dedicated
136 credits, restricted funds, nonlapsing balances, grants, and federal funds;
137 (vi) for each line item, the average annual dollar amount of staff funding associated
138 with all positions that were vacant during the last fiscal year;
139 (vii) deficits or anticipated deficits;
140 (viii) the recommendations for each state agency for new full-time employees for the
141 next fiscal year, which shall also be provided to the State Building Board as required by
142 Subsection [63A-5-103\(3\)](#);
143 (ix) a written description and itemized report submitted by a state agency to the
144 Governor's Office of Management and Budget under Section [63J-1-220](#), including:
145 (A) a written description and an itemized report provided at least annually detailing the
146 expenditure of the state money, or the intended expenditure of any state money that has not
147 been spent; and
148 (B) a final written itemized report when all the state money is spent;
149 (x) any explanation that the governor may desire to make as to the important features
150 of the budget and any suggestion as to methods for the reduction of expenditures or increase of
151 the state's revenue; and

(xi) information detailing certain fee increases as required by Section 63J-1-504.

(3) For the purpose of preparing and reporting the proposed budget:

(a) The governor shall require the proper state officials, including all public and higher education officials, all heads of executive and administrative departments and state institutions, bureaus, boards, commissions, and agencies expending or supervising the expenditure of the state money, and all institutions applying for state money and appropriations, to provide itemized estimates of changes in revenues and appropriations.

(b) The governor may require the persons and entities subject to Subsection (3)(a) to provide other information under these guidelines and at times as the governor may direct, which may include a requirement for program productivity and performance measures, where appropriate, with emphasis on outcome indicators.

(c) The governor may require representatives of public and higher education, state departments and institutions, and other institutions or individuals applying for state appropriations to attend budget meetings.

(4) (a) The Governor's Office of Management and Budget shall provide to the Office of Legislative Fiscal Analyst, as soon as practicable, but no later than 30 days before the date the Legislature convenes in the annual general session, data, analysis, or requests used in preparing the governor's budget recommendations, notwithstanding the restrictions imposed on such recommendations by available revenue.

(b) The information under Subsection (4)(a) shall include:

(i) actual revenues and expenditures for the fiscal year ending the previous June 30;

(ii) estimated or authorized revenues and expenditures for the current fiscal year;

(iii) requested revenues and expenditures for the next fiscal year;

(iv) detailed explanations of any differences between the amounts appropriated by the Legislature in the current fiscal year and the amounts reported under Subsections (4)(b)(ii) and (iii);

(v) a statement of agency and program objectives, effectiveness measures, and program size indicators; and

(vi) other budgetary information required by the Legislature in statute.

(c) The budget information under Subsection (4)(a) shall cover:

(i) all items of appropriation, funds, and accounts included in appropriations acts for

the current and previous fiscal years; and

(ii) any new appropriation, fund, or account items requested for the next fiscal year.

(d) The information provided under Subsection (4)(a) may be provided as a shared record under Section 63G-2-206 as considered necessary by the Governor's Office of Management and Budget.

(5) (a) In submitting the budget for the Department of Public Safety, the governor shall include a separate recommendation in the governor's budget for maintaining a sufficient number of alcohol-related law enforcement officers to maintain the enforcement ratio equal to or below the number specified in Subsection 32B-1-201(2).

(b) If the governor does not include in the governor's budget an amount sufficient to maintain the number of alcohol-related law enforcement officers described in Subsection (5)(a), the governor shall include a message to the Legislature regarding the governor's reason for not including that amount.

(6) (a) The governor may revise all estimates, except those relating to the Legislative Department, the Judicial Department, and those providing for the payment of principal and interest to the state debt and for the salaries and expenditures specified by the Utah Constitution or under the laws of the state.

(b) The estimate for the Judicial Department, as certified by the state court administrator, shall also be included in the budget without revision, but the governor may make separate recommendations on the estimate.

(7) The total appropriations requested for expenditures authorized by the budget may not exceed the estimated revenues from taxes, fees, and all other sources for the next ensuing fiscal year.

(8) If any item of the budget as enacted is held invalid upon any ground, the invalidity does not affect the budget itself or any other item in it.

Legislative Review Note
Office of Legislative Research and General Counsel