

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: _____

8 **LONG TITLE**

9 **General Description:**

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

12 **Highlighted Provisions:**

13 This resolution:

- 14 ▶ requires the Executive Appropriations Committee to:
- 15 • hear a report on construction inflation and the operation and maintenance costs
 - 16 of certain higher education capital development projects; and
 - 17 • decide whether to address any operation and maintenance costs of the capital
 - 18 development projects; and
- 19 ▶ makes technical and conforming changes.

20 **Special Clauses:**

21 None

22 **Legislative Rules Affected:**

23 AMENDS:

24 **JR3-2-402**

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

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



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

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

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

32 recommendations, to include a forecast for federal fund receipts;

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

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

36 (A) debt;

37 (B) long term liabilities;

38 (C) contingent liabilities;

39 (D) General Fund borrowing;

40 (E) reserves;

41 (F) fund balances;

42 (G) nonlapsing appropriation balances;

43 (H) cash funded infrastructure investment; and

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

45 (iv) hear a report on:

46 (A) the next fiscal year base budget appropriation for Medicaid accountable care
47 organizations according to Utah Code Section [~~26-18-405.5~~] 26B-3-203;

48 (B) an explanation of program funding needs;

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

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

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

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

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

57 (vi) (A) hear a report on construction inflation and the ongoing operation and

58 maintenance costs of any capital development project requested by an institution under Utah

59 Code Section 53B-2a-117 or 53B-22-204; and

60 (B) in response to the report described in Subsection (1)(a)(vi)(A), decide whether to
61 adjust the next fiscal year base budget or set aside special allocations for the end of the session;

62 ~~[(vi)]~~ (vii) decide whether to set aside special allocations for legislation that will reduce
63 taxes, including legislation that will reduce one or more tax rates;

64 ~~[(vii)]~~ (viii) subject to Subsection (1)(c), unless waived by majority vote, if the
65 amortization rate as defined in Utah Code Section 49-11-102 for the new fiscal year is less than
66 the amortization rate for the preceding fiscal year, set aside an amount equal to the value of the
67 reduction in the amortization rate;

68 ~~[(viii)]~~ (ix) approve the appropriate amount for each subcommittee to use in preparing
69 its budget;

70 ~~[(ix)]~~ (x) set a budget figure; and

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

74 (b) In a base budget adopted under Subsection (1)(a), the Executive Appropriations
75 Committee shall set appropriations from the General Fund, the Income Tax Fund, and the
76 Uniform School Fund as follows:

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

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

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

88 (iv) the new fiscal year base budget shall include an appropriation to the Department of
89 Health for Medicaid accountable care organizations in the amount required by Utah Code

90 Section [~~26-18-405.5~~] [26B-3-203](#).

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

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

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

95 (C) when the total amount set aside under Subsection (1)(a)(vii), including any amount
96 to be set aside in the new fiscal year, equals or exceeds the cost of a 0.50% increase in
97 benefited state employee salaries for the new fiscal year, include in the base budget an increase
98 in benefited state employee salaries 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 subcommittee
107 with any guidelines the Executive Appropriations Committee considers necessary to assist the
108 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 possible.

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

113 (b) The Executive Appropriations Committee shall:

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

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

117 Section 2. **Effective date.**

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