

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

31 Section 1. Section **63A-3-103** is amended to read:

32 **63A-3-103. Duties of director of division -- Application to institutions of higher**
33 **education.**

34 (1) The director of the Division of Finance shall:

35 (a) define fiscal procedures relating to approval and allocation of funds;

36 (b) provide for the accounting control of funds;

37 (c) approve proposed expenditures for the purchase of supplies and services;

38 (d) promulgate rules that:

39 (i) establish procedures for maintaining detailed records of all types of leases;

40 (ii) account for all types of leases in accordance with generally accepted accounting
41 principles;

42 (iii) require the performance of a lease with an option to purchase study by state
43 agencies prior to any lease with an option to purchase acquisition of capital equipment; and

44 (iv) require that the completed lease with an option to purchase study be approved by
45 the director of the Division of Finance;

46 (e) if the department operates the Division of Finance as an internal service fund
47 agency in accordance with Section [63A-1-109.5](#), submit to the Rate Committee established in
48 Section [63A-1-114](#):

49 (i) the proposed rate and fee schedule as required by Section [63A-1-114](#); and

50 (ii) other information or analysis requested by the Rate Committee;

51 (f) oversee the Office of State Debt Collection; [~~and~~]

52 (g) publish the state's current constitutional debt limit on the Utah Public Finance
53 Website, created in Section [63A-3-402](#); and

54 [~~(g)~~] (h) prescribe other fiscal functions required by law or under the constitutional
55 authority of the governor to transact all executive business for the state.

56 (2) (a) Institutions of higher education are subject to the provisions of Title 63A,
57 Chapter 3, Part 1, General Provisions, and Part 2, Accounting System, only to the extent

58 expressly authorized or required by the State Board of Regents under Title 53B, State System
59 of Higher Education.

60 (b) Institutions of higher education shall submit financial data for the past fiscal year
61 conforming to generally accepted accounting principles to the director of the Division of
62 Finance.

63 (3) The Division of Finance shall prepare financial statements and other reports in
64 accordance with legal requirements and generally accepted accounting principles for the state
65 auditor's examination and certification:

66 (a) not later than 60 days after a request from the state auditor; and

67 (b) at the end of each fiscal year.

68 Section 2. Section **63J-1-102** is amended to read:

69 **63J-1-102. Definitions.**

70 (1) "Debt service" means the money that is required annually to cover the repayment of
71 interest and principal on state debt.

72 [~~1~~] (2) "Dedicated credits" means collections by an agency that are deposited directly
73 into an account for expenditure on a separate line item and program.

74 [~~2~~] (3) "Federal revenues" means collections by an agency from a federal source that
75 are deposited into an account for expenditure on a separate line item and program.

76 [~~3~~] (4) "Fixed collections" means collections that are:

77 (a) fixed at a specific amount by law or by an appropriation act; and

78 (b) required to be deposited into a separate line item and program.

79 [~~4~~] (5) "Free revenue" includes:

80 (a) collections that are required by law to be deposited in:

81 (i) the General Fund;

82 (ii) the Education Fund;

83 (iii) the Uniform School Fund; or

84 (iv) the Transportation Fund;

85 (b) collections that are not otherwise designated by law;

- 86 (c) collections that are not externally restricted; and
- 87 (d) collections that are not included in an approved work program.

88 [~~5~~] (6) "Major revenue types" means:

- 89 (a) free revenue;
- 90 (b) restricted revenue;
- 91 (c) dedicated credits; and
- 92 (d) fixed collections.

93 [~~6~~] (7) "Restricted revenue" means collections that are:

- 94 (a) deposited, by law, into a separate fund, subfund, or account; and
- 95 (b) designated for a specific program or purpose.

96 Section 3. Section **63J-1-201** is amended to read:

97 **63J-1-201. Governor's proposed budget to Legislature -- Contents -- Preparation**
 98 **-- Appropriations based on current tax laws and not to exceed estimated revenues.**

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

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

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

111 (b) The proposed budget shall include:

- 112 (i) a projection of:
- 113 (A) estimated revenues by major tax type;

114 (B) 15-year trends for each major tax type;
115 (C) estimated receipts of federal funds; and
116 (D) appropriations for the next fiscal year;
117 (ii) the source of changes to all direct, indirect, and in-kind matching funds for all
118 federal grants or assistance programs included in the budget;
119 (iii) changes to debt service;
120 [~~(iii)~~] (iv) a plan of proposed changes to appropriations and estimated revenues for the
121 next fiscal year that is based upon the current fiscal year state tax laws and rates and considers
122 projected changes in federal grants or assistance programs included in the budget;
123 [~~(iv)~~] (v) an itemized estimate of the proposed changes to appropriations for:
124 (A) the Legislative Department as certified to the governor by the president of the
125 Senate and the speaker of the House;
126 (B) the Executive Department;
127 (C) the Judicial Department as certified to the governor by the state court
128 administrator;
129 (D) changes to salaries payable by the state under the Utah Constitution or under law
130 for lease agreements planned for the next fiscal year; and
131 (E) all other changes to ongoing or one-time appropriations, including dedicated
132 credits, restricted funds, nonlapsing balances, grants, and federal funds;
133 [~~(v)~~] (vi) for each line item, the average annual dollar amount of staff funding
134 associated with all positions that were vacant during the last fiscal year;
135 [~~(vi)~~] (vii) deficits or anticipated deficits;
136 [~~(vii)~~] (viii) the recommendations for each state agency for new full-time employees
137 for the next fiscal year, which shall also be provided to the State Building Board as required by
138 Subsection [63A-5-103\(2\)](#);
139 [~~(viii)~~] (ix) any explanation that the governor may desire to make as to the important
140 features of the budget and any suggestion as to methods for the reduction of expenditures or
141 increase of the state's revenue; and

142 [~~(ix)~~] (x) information detailing certain fee increases as required by Section 63J-1-504.

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

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

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

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

156 (4) (a) The Governor's Office of Management and Budget shall provide to the Office of
157 Legislative Fiscal Analyst, as soon as practicable, but no later than November 15 of each year,
158 data, analysis, or requests used in preparing the governor's budget recommendations,
159 notwithstanding the restrictions imposed on such recommendations by available revenue.

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

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

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

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

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

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

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

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

171 (i) all items of appropriation, funds, and accounts included in appropriations acts for
172 the current and previous fiscal years; and

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

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

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

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

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

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

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

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

197 Section 4. Section 63J-1-205.1 is enacted to read:

198 **63J-1-205.1. Legislature to pay debt service first.**

199 In appropriating money from the General Fund, the Legislature shall appropriate money
200 to debt service before making any other appropriation.

201 Section 5. Section **67-19-6** is amended to read:

202 **67-19-6. Responsibilities of the executive director.**

203 (1) The executive director shall:

204 (a) develop, implement, and administer a statewide program of human resource
205 management that will:

206 (i) aid in the efficient execution of public policy;

207 (ii) foster careers in public service for qualified employees; and

208 (iii) render assistance to state agencies in performing their missions;

209 (b) design and administer the state pay plan;

210 (c) design and administer the state classification system and procedures for determining
211 schedule assignments;

212 (d) design and administer the state recruitment and selection system;

213 (e) administer agency human resource practices and ensure compliance with federal
214 law, state law, and state human resource rules, including equal employment opportunity;

215 (f) consult with agencies on decisions concerning employee corrective action and
216 discipline;

217 (g) maintain central personnel records;

218 (h) perform those functions necessary to implement this chapter unless otherwise
219 assigned or prohibited;

220 (i) perform duties assigned by the governor or statute;

221 (j) adopt rules for human resource management according to the procedures of Title
222 63G, Chapter 3, Utah Administrative Rulemaking Act;

223 (k) establish and maintain a management information system that will furnish the
224 governor, the Legislature, and agencies with current information on authorized positions,
225 payroll, and related matters concerning state human resources;

226 (l) conduct research and planning activities to:
227 (i) determine and prepare for future state human resource needs;
228 (ii) develop methods for improving public human resource management; and
229 (iii) propose needed policy changes to the governor;
230 (m) study the character, causes, and extent of discrimination in state employment and
231 develop plans for its elimination through programs consistent with federal and state laws
232 governing equal employment opportunity in employment;

233 (n) when requested by counties, municipalities, and other political subdivisions of the
234 state, provide technical service and advice on human resource management at a charge
235 determined by the executive director;

236 (o) establish compensation policies and procedures for early voluntary retirement;

237 (p) confer with the heads of other agencies about human resource policies and
238 procedures;

239 (q) submit an annual report to the governor and the Legislature; and

240 (r) assist with the development of a vacant position report required under Subsection

241 [63J-1-201\(2\)\(b\)\(~~v~~\)\(vi\)](#).

242 (2) (a) After consultation with the governor and the heads of other agencies, the
243 executive director shall establish and coordinate statewide training programs, including and
244 subject to available funding, the development of manager and supervisor training.

245 (b) The programs developed under this Subsection (2) shall have application to more
246 than one agency.

247 (c) The department may not establish training programs that train employees to
248 perform highly specialized or technical jobs and tasks.

249 (3) (a) (i) The department may collect fees for training as authorized by this Subsection
250 (3).

251 (ii) Training funded from General Fund appropriations shall be treated as a separate
252 program within the department budget.

253 (iii) All money received from fees under this section will be accounted for by the

254 department as a separate user driven training program.

255 (iv) The user training program includes the costs of developing, procuring, and
256 presenting training and development programs, and other associated costs for these programs.

257 (b) (i) Funds remaining at the end of the fiscal year in the user training program are
258 nonlapsing.

259 (ii) Each year, as part of the appropriations process, the Legislature shall review the
260 amount of nonlapsing funds remaining at the end of the fiscal year and may, by statute, require
261 the department to lapse a portion of the funds.