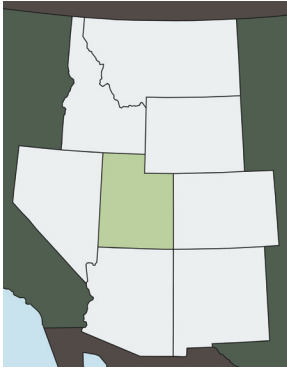


UTAH Budget Report Card



ALONG WITH CALIFORNIA, Idaho, and Tennessee, Utah earned an A average in three budgetary categories evaluated for fiscal 2016 through 2018. No state received more than three As.

Utah's top grade in reserve funds reflected its clear processes for disbursing and replenishing rainy day fund money. Among the policies, 25 percent of any revenue surplus is automatically transferred into reserves until they hit specified percentages of general fund and educational appropriations.

The state also received an A average in budget maneuvers by avoiding one-time revenue measures. It achieved the same grade in legacy costs by fully funding both its public worker pensions and other postemployment benefits, principally health care, in line with actuarial recommendations.

Utah's C average in transparency was attributable in part to its lack of regular tax expenditure reports, intended to help citizens and decision makers understand the state's forgone revenue.

Its C in budget forecasting stemmed from an absence of revenue or expenditure estimates beyond the current and upcoming fiscal year. However, after our fiscal 2018 research cutoff date of October 31, 2017, Utah improved its forecasting policies. A law enacted in March 2018 obligates the Office of the Legislative Fiscal Analyst to produce a long-term budget every three years for programs appropriated from major funds and taxes. It also requires periodic publication of revenue volatility analyses and of stress tests for estimated revenue under various economic scenarios.


MOUNTAIN STATES SIDE BY SIDE: Three-Year Average Grades, 2016-18


	BUDGET FORECASTING	BUDGET MANEUVERS	LEGACY COSTS	RESERVE FUNDS	TRANSPARENCY
Arizona	B	C	D	A	B
Colorado	C	C	D	B	B
Idaho	D	A	A	A	B
Montana	D	B	C	C	B
Nevada	C	B	C	B	B
New Mexico	B	C	D	B	B
Utah	C	A	A	A	C
Wyoming	B	B	D-	C	C
US AVERAGE	C	B	C	B	B


NOTE States are grouped by US Census Bureau divisions.


Average grades are based on annual numerical scores. For more information, download *Truth and Integrity in State Budgeting: Preventing the Next Fiscal Crisis* at VolckerAlliance.org.


UTAH Budget Report Card

BUDGET FORECASTING			
	2016	2017	2018
 CATEGORY GRADE	C	C	C
Consensus Revenue Forecasts	✓	✓	✓
Multiyear Expenditure Forecasts	X	X	X
Multiyear Revenue Forecasts	X	X	X
Revenue Growth Projections	✓	✓	✓
3-YEAR AVERAGE C		3-YEAR TREND —	

BUDGET MANEUVERS			
	2016	2017	2018
 CATEGORY GRADE	A	A	A
Deferring Recurring Expenditures	✓	✓	✓
Revenue and Cost Shifting	✓	✓	✓
Funding Recurring Expenditures with Debt	✓	✓	✓
Using Asset Sales and Up-Front Revenues	✓	✓	✓
3-YEAR AVERAGE A		3-YEAR TREND —	

LEGACY COSTS			
	2016	2017	2018
 CATEGORY GRADE	A	A	A
Public Employee OPEB Funding	✓	✓	✓
Public Employee Pension Funding	✓	✓	✓
Public Employee Pension Funded Ratio*	86%	90%	90%
3-YEAR AVERAGE A		3-YEAR TREND ↗	

RESERVE FUNDS			
	2016	2017	2018
 CATEGORY GRADE	A	A	A
Positive Reserve or General Fund Balance	✓	✓	✓
Reserve Funds Disbursement Policy	✓	✓	✓
Reserve Funds Replenishment Policy	✓	✓	✓
Reserves Tied to Revenue Volatility	✓	✓	✓
3-YEAR AVERAGE A		3-YEAR TREND —	

TRANSPARENCY			
	2016	2017	2018
 CATEGORY GRADE	C	C	C
Consolidated Budget Website	✓	✓	✓
Provides Debt Tables	✓	✓	✓
Discloses Deferred Infrastructure Replacement Costs	X	X	X
Discloses Tax Expenditures	X	X	X
3-YEAR AVERAGE C		3-YEAR TREND —	

KEY

✓	Followed best practice
X	Did not follow best practice

BUDGET FORECASTING evaluates whether and how states estimated long-term revenue and expenditure trends. **BUDGET MANEUVERS** evaluates whether states used one-time revenues, borrowings, asset sales, and other measures to achieve short-term budgetary balance. **LEGACY COSTS** evaluates whether states provided adequate funding, as defined by retirement system actuaries, for pensions and other promised retirement benefits for public workers. **RESERVE FUNDS** evaluates states' rainy day funds and other fiscal reserves, as well as any policies governing their use and replenishment. **TRANSPARENCY** evaluates the accessibility to the public of states' budget practices.

* SOURCE Bloomberg; 2017 data also used for 2018.