

2019 LEGISLATIVE SESSION

KEY TAKEAWAYS

EDUCATION

K-12:

- \$310 million total new state-directed funding (\$303 million ongoing, \$7 million one-time).
- Appropriated funding for a 4 percent increase in the value of the WPU.
- Budget meets \$1 billion K-12 funding target a full year ahead of schedule (32 percent increase over four years).
- Appropriated \$16 million, which grows to \$26 million in FY21, for school counseling (HB 373).
- Appropriated \$3.2 million of one-time funding to expand computer science opportunities (HB 227). The private sector is considering providing matching funds.
- Appropriated \$99 million (\$33.8 million new, \$65.2 million existing) of flexible funds to the new Teacher and Student Success Program to address priority needs.
 - *Concern:* The Teacher and Student Success Account only requires a 1 percent increase in performance, which sets expectations extremely low.

Higher Education:

- Appropriated \$105 million ongoing for targeted investments with compensation increases, meeting the \$275 million target a full year ahead of schedule.
- Appropriated \$3.8 million to Southern Utah University to implement three-year degree programs.
- Passed SB 102, which establishes a new process for funding higher education buildings and includes eventual redirection of \$87 million ongoing for this purpose.
 - *Concern:* While the new building fund aligns with the Governor's expectations on space utilization, it also expands bonding authority.
- \$6 million for equipment and UETN network extension to San Juan County Schools and intent language authorizing use of unallocated performance funding, if any, for cyber security.
 - *Concern:* The improvement target for performance funding is only 1 percent, which sets low expectations.

AIR QUALITY

- About \$28 million funded for air quality, including \$6.6 million for state government telework initiatives.

MEDICAID

- Senate Bill 96: Fills the coverage gap (newly eligible under 100 percent of the Federal Poverty Level) in a fiscally sustainable fashion while leveraging the 90/10 Affordable Care Act match rate. \$74 million was appropriated in SB 96 to allow for coverage to begin effective April 1, 2019 (the same day as Prop 3) while waiver requests are prepared for submission to the Federal Centers for Medicare and Medicaid Services.



■ ■ ARTS AND GRANTS ■ ■

- \$2 million to the arts community through a merit-based process.
 - *Concern:* Additional pass-through money outside this program will need to comply with the standards and expectations of the regular process. This ensures transparency and accountability to the public.

■ ■ GENERAL ■ ■

- \$18.5 billion total operating and capital budget
 - The FY 2020 total operating and capital budget is lower than the original projection of \$19 billion mostly due to \$200 million less of federal funds for Medicaid expansion and General Fund and Education Fund revenue estimates going down by \$117 million one-time (impacts both FY 2019 and FY 2020) and \$105 million ongoing (impacts FY 2020).
- \$7.96 billion education fund general fund budget total
- New money: \$570 million education fund general fund (ongoing)
- New money: \$539 million education fund general fund (one-time)
- \$93.9 million was deposited into the General Fund and Education Fund reserve accounts bringing the balance for those two rainy day funds to \$757.4 million. Including \$100.5 million from other rainy day funds, the total rainy day fund balance of \$857.9 million represent 11.6 percent of the ongoing General Fund and Education Fund budget for FY 2020.
- State Employee Compensation: \$24.3 million provided for general employee compensation to support a 2.5 percent COLA, 4.35 percent Health Plan Premium increase, among other minor compensation rate adjustments.

