UTAH
LEGISLATURE

Utah’s Budget

Judicial Council, August 21, 2026

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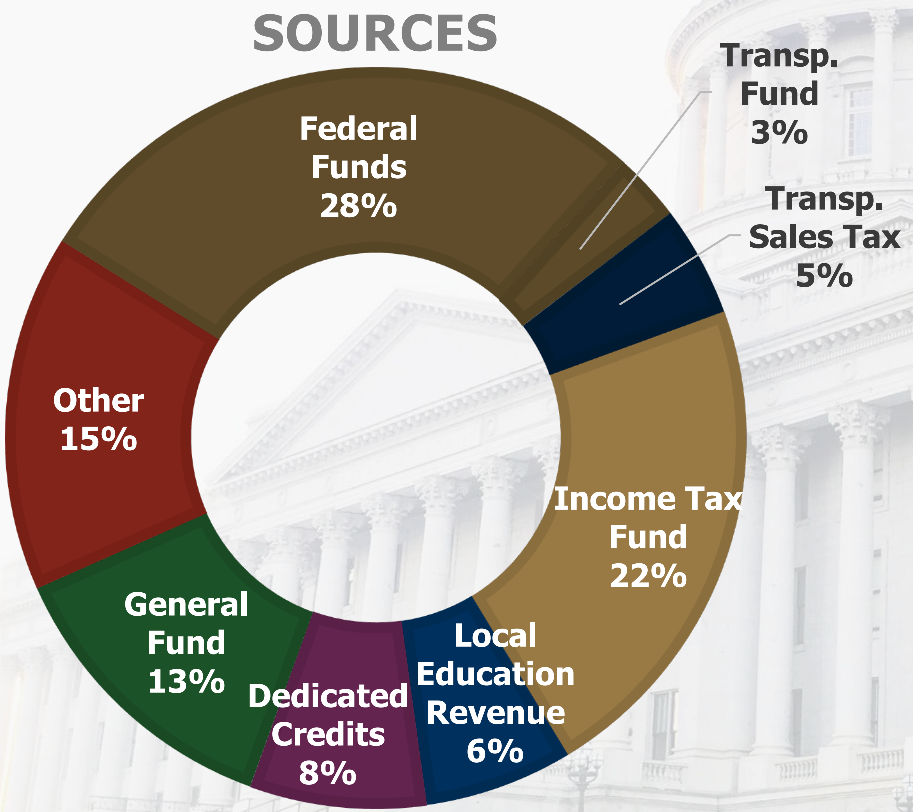
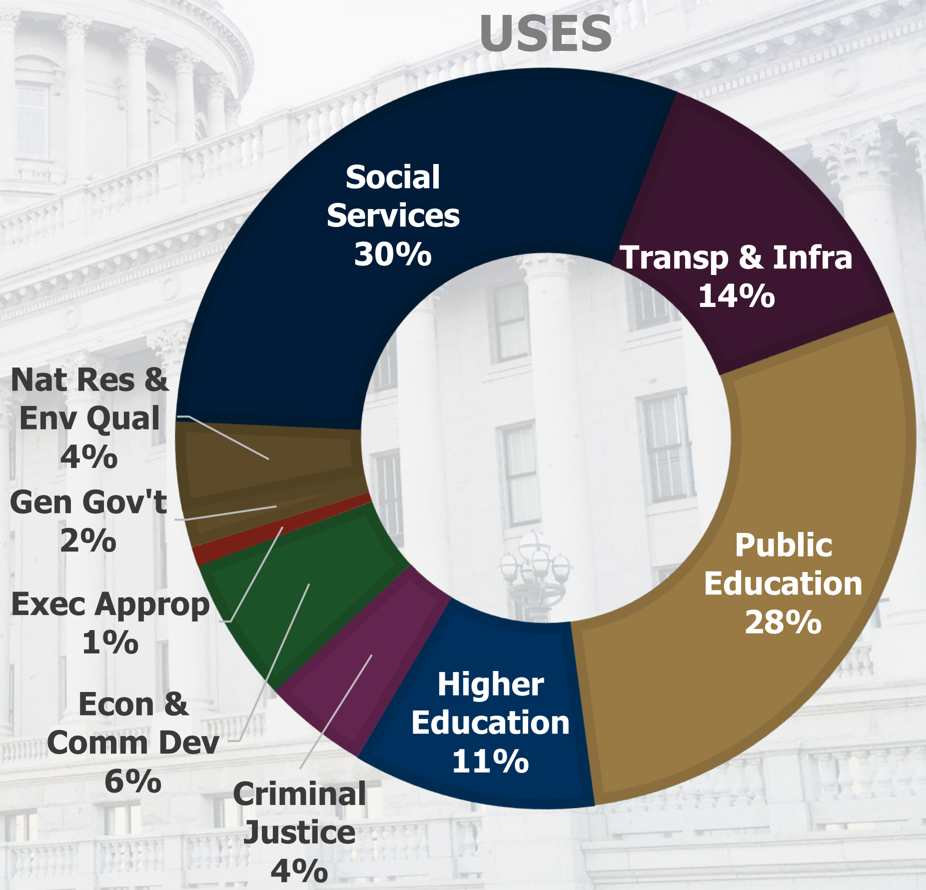
FY 2026 Lookback

Utah's FY 2027 Budget

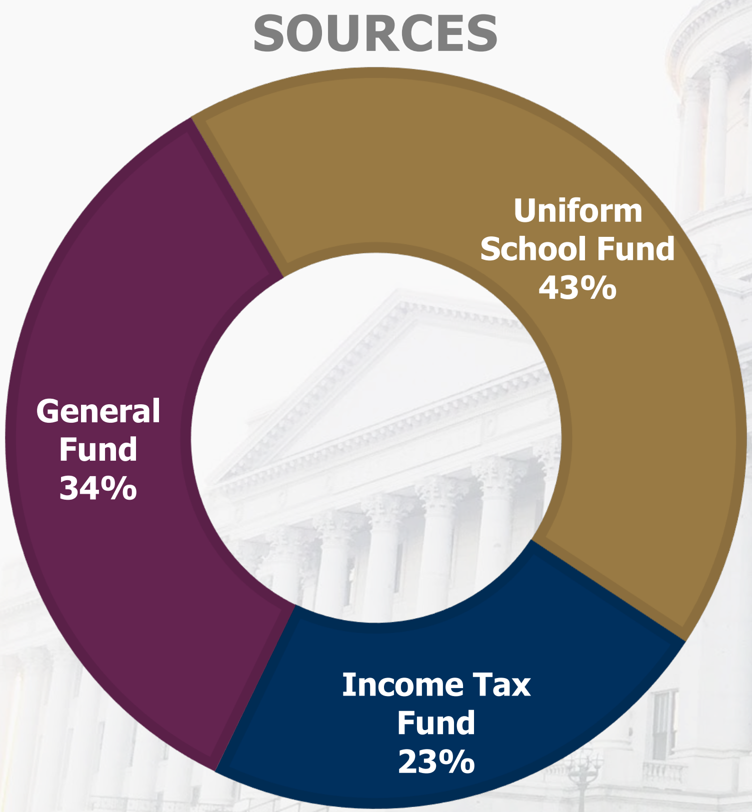
- $31.6 billion all funds
  - $12.4 billion discretionary funds (General/Income/Uniform Tax funds)
  - $8.8 billion federal funds (28% of state budget)
- $5.6 billion Medicaid budget (18% of state budget)
- $1.2 billion in two formal rainy-day funds

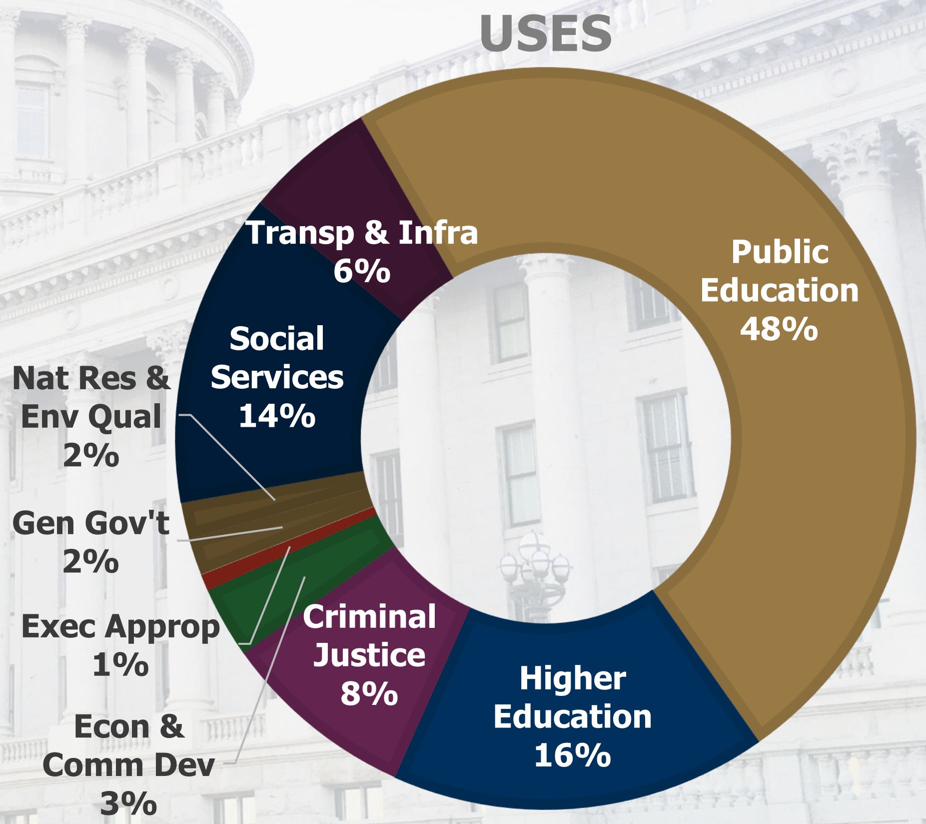
All Sources - $31.6 Billion (-0.2% YoY)





Discretionary - $12.4 Billion (+2.3% YoY)





GF/ITF/USF Revenue Estimates

May 2026 (in Billions)*	FY26	FY27
General Fund	$4.0	$4.1
Income Tax Fund	$7.6	$7.8
Total	$11.6	$11.9

*Not including:
- $0.27 billion FY 2025 budget surplus
- ($0.003 billion) per year econ dev incentives
- $0.36 billion FY 2026 and $0.51 billion FY 2027 beginning fund balances
- $0.09 billion FY 2026 and $0.02 billion FY 2027 appropriated transfers

- $184 million one-time and $362 million ongoing available in December after accounting for HR 1 (OBBBA) impacts
- Base spending and set-asides brought available amounts to zero in December
- February revenue rose $125 million one-time (1.1%) and $88 million ongoing (0.7%)

December 2025 Actions

- Base changes: $184 $362
- Revenue Est: $184 $362
- Balance: $0 $0

Base Budget Changes & Set-Asides (GF/ITF in Millions)

2026 General Session

Executive Appropriations Committee, December 9, 2025

	a	b	c	
1	**Revenue (from Green Sheet)**	**One-time**	**Ongoing**	
2	General Fund	$ 37	$ 85	
3	Income Tax Fund*	$ 461	$ 479	
4	**Total Before Tax Cuts**	$ 497	$ 564	
5	Income Tax Reductions	$ (314)	$ (201)	s
6	**Available GF/ITF Revenue**	**$ 184**	**$ 362**	
7	**Base Changes & Set-Asides**			
8	Public Education Inflation		$ 191	b
9	Public Education Growth		$ (12)	b
10	Public Ed Hold Harmless	$ 77	$ (77)	b
11	Public Education Stabilization	$ (43)	$ 43	b
12	Compensation		$ 140	s
13	Capital Improvements		$ 26	b
14	Jail Rates		$ 11	b
15	Working Rainy Day Restoration		$ 40	b
16	Debt Elimination	$ 130		s
17	Ogden Facility Consolidation	$ 30		b
18	Draper Site Hazard Remediation	$ 14		b
19	Food Banks Support	$ 1		b
20	Lapsed Appropriations	$ 5		b
21	Rainy Day Deposits from Surplus	$ (30)		b
22	**Total Base/Set-asides**	**$ 184**	**$ 362**	
23	**Net Available**	$ (0)	$ (0)	

Reallocations and Reductions

- ($173.9 million) ongoing and ($125.0) million one-time in reductions and funding sweeps
- ($298.9 million) in combined offsets equal to 2.6 percent of the $11.5 billion FY 2027 base budget
- Reductions by subcommittee ranged from 1.0 in Public Education to 16.5 percent in Economic and Community Development
- All offsets were reallocated to other higher priority spending items

Tax Cuts

- H.R. 1, **"One Big Beautiful Bill Act"** adjusted federal income tax provisions that impact Utah revenue. ($201.3 million) ongoing, ($313.8 m) one-time.
- S.B. 60, **"Income Tax Rate Amendments"** reduced state income and corporate tax rates from 4.5 percent to 4.45 percent. ($101.0 million) ongoing, ($1.3 million) one-time in FY 2026 and ($22.0 million) one-time in FY 2027.
- H.B. 190, **"Child Care Business Credit"** expanded tax credits to off-site childcare facilities and increased the amounts employers can claim. ($2.9 million) ongoing offset by $0.3 million one-time.
- H.B. 290, **"Child Tax Credit Amendments"** expanded eligibility for the child tax credit by increasing income-based phase-out thresholds. ($7.1 million).
- H.B. 337, **"Nicotine Product Tax Amendments"** increased taxes on cigarettes & other nicotine products. $17.1 million ongoing offset by ($1.0 million) one-time.
- H.B. 575, **"Fuel Tax and Supply Amendments"** reduced the state gas tax by 6 cents per gallon for six months. ($40.08 million) one-time.

Employee Compensation Highlights

- $54.5 million from all sources for a 2.5 percent
- $42.9 million from all sources for a 5.0 percent health insurance increase and 6.9 percent dental insurance increase in state agencies;
- $9.4 million ongoing for state employee compensation modernization under S.B. 229, **"State Employee Benefits Amendments"**

SB 229 State Employee Benefits

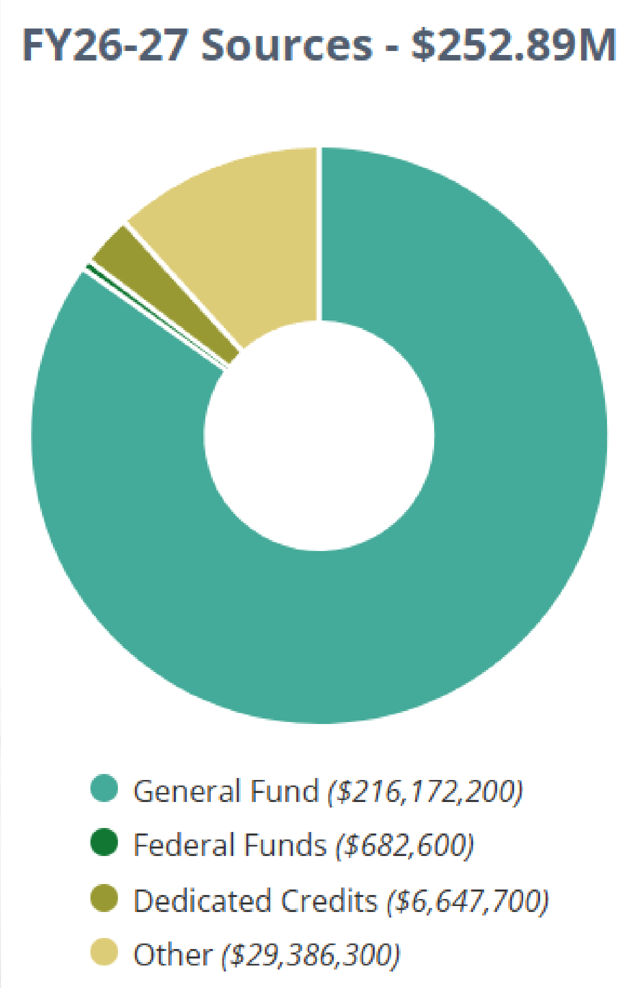
- Establishes a paid time off (PTO) program to replace annual and sick leave for new state employees or current employees who choose to participate
- Changes the 401(k) match available to PTO participating employees by changing the match rate (100% for first $26 and 50% for any amount above $26) and increasing the maximum employer contribution (2% of salary)
- Requires each agency to establish a leave bank program

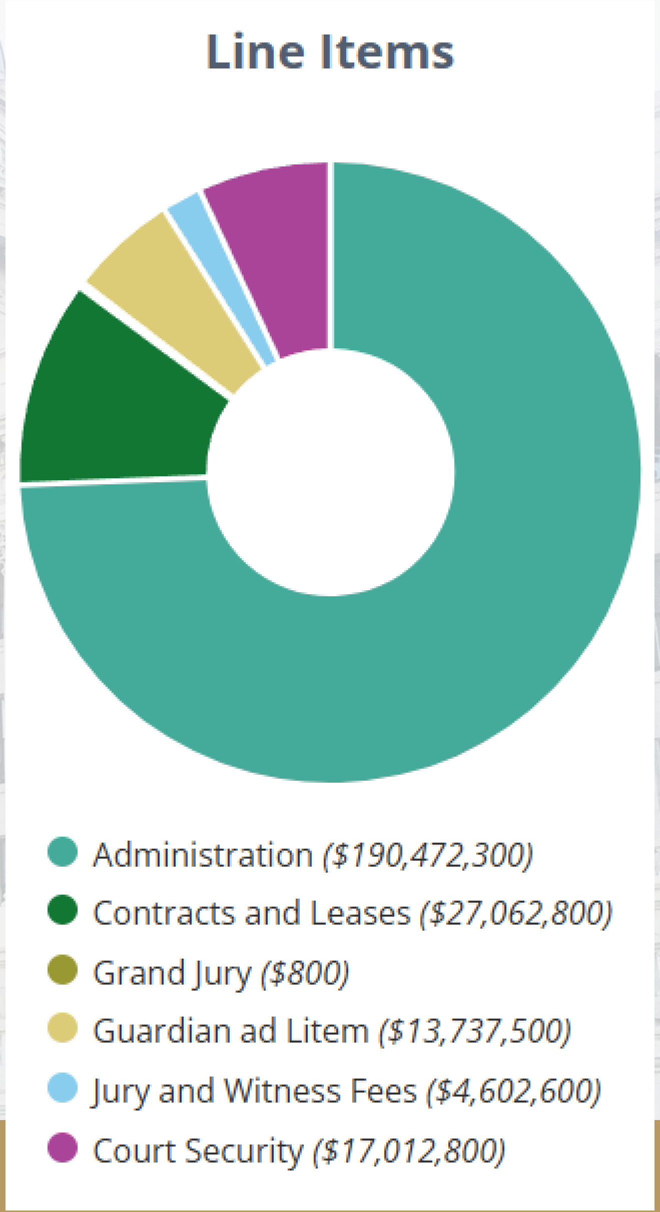
Utah Highly Rated for Fiscal Stability and Economy

- Maxed-out Income Tax rainy-day fund automatic deposits at the end of FY 2025 after depositing $45.8 million from surplus
- Added another $3.5 million from surplus to the General rainy-day fund
- Deposited $36.2 million into the new State Sovereignty fund
- Restored $30.0 million in higher education working rainy day funds for FY 2027
- Pre-funded all remaining building GO debt and paid-off $441.1 million in total GO bonds over two years
- Ended with a $21 million structural surplus going into FY 2028


#1 Best State Overall including:
#2 Fiscal Stability, and
#2 Economy
U.S. News and World Report
June 2026

Courts FY 2027 Budget





Courts Budget Highlights

- S.B. 134, "Court Amendments" -- $4.7 million ongoing and $1.8 million one-time seven total judgeships across state Supreme Court, Court of Appeals and District Court
- H.B. 540, "Judicial Transparency and Information Access Amendments" -- $1.2 million ongoing and $1.4 million one-time
- H.B. 366, "Judicial Modifications" -- $2.3 million ongoing and $1.3 million one-time for three-judge panel system and contingent Constitutional Court system
- S.B. 270, "State Collections and Housing Court Amendments" -- $1.0 million

Courts Budget Highlights

- S.B. 283 “Court Fees and Administration Amendments” increased various court fees by a total of $3.6 million to offset General Fund reductions
- Court Facility Lease Consolidation - H.B. 366, “Judicial Modifications” -- $997,000 one-time and reduced ($650,000) ongoing to consolidate leases
- Ongoing Turnover Savings -- Reduced ($185,000) for estimated total of position turnover savings
- Juror Witness Interpreter Program Reduction – (300,000) one-time program reduction

FY 2028 Outlook/Approach

FY 2026/2027/2028 Known Issues

- Unique Impact examples:
  - Medicaid Shortfall - $150 M annual shortfall/deficit for FY 2026/2027/2028
  - Wildfire costs – projected to outpace last year's $240 M total
  - Prison Construction – $125 M set aside, could increase significantly depending on related facility issues
  - OBBBA Impacts – SNAP example – administration match rate and error rate impacts
- Regular annual impacts
  - Education Inflation, most recent increase amount was $191 M ongoing
  - Statewide compensation - $100+ million during the 2026 General Session
  - Tax Cuts?

Budget Process/Policy

FY 2028 Schedule

- August 18 and October 20: CJ Appropriations Subcommittee
- September 15-30: Budget information due to GOPB
- December 8: Executive Appropriations Committee
  - Adopt revenue estimates
  - Base budget changes, set-asides, transfers, etc.
- December: Governor’s budget recommendations released
- January 19: Legislative general session begins
- January 28: Floor vote on base budget bills
- February: Adopt new revenue estimates

Key Budget Formulation Processes

- Appropriations subcommittees:
  - Make budget recommendations for select agencies - for existing budget and budget requests
  - Scrutinize **existing** budget and make recommendations (incl. reduce, modify, increase, etc.)
  - Examine **new** budget requests and make a prioritized list of all requests assigned to the subcommittee
- Executive Appropriations Committee considers subcommittee recommendations, proposes a budget, and drafts related appropriations bills

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Typical Analyst/Legislator Budget Questions, Considerations, and Related Factors

1. Existing Base Budget

- What are the results/status of current budget? Should base budget funds be adjusted?
- Are there potential reductions or opportunities to repurpose existing funds including for new funding requests?
- Are performance indicators adequate to determine whether or not a program is successful? If so, what do they say?
- Are there clear targets, are they meeting expected targets? Why/Why not?
- Is there a targeted amount of reductions for the Legislature to consider to help balance the budget?

Base Budget Scrutiny – 2026 Example

Criminal Justice Reduction List - Proposed vs Actual

Item #	Agency	Priority	Agency/Item	Proposed One-time	Proposed Ongoing	Actual One-time	Actual Ongoing
1	AG	1	AG - Remove Firearms Financial Transaction Funds - (24865)	-	(58,400)		(58,400)
2	BOPP	2	BOP - Capital Expenditure Reduction - (25077)	-	(175,000)		(175,000)
3	UDC	3	COR - Behavioral Health Treatment Center Operating Expenses Reduction - (25146)	60,000,000	(4,618,700)	-	-
4	Courts	4	CTS - Funding Shift - (25198)**	-	(3,360,000)		(3,360,000)
5	Courts	5	CTS - Court Security Cost Shift - (25187)	-	(100,000)		(100,000)
6	Courts	6	CTS - Justice Court Technology Shift - (25192)	-	(15,000)		(15,000)
7	GOV	7	GO-CJ - Arrest Through Adjudication Funding Reduction - (25094)	-	(612,900)		(612,900)
8	DPS	8	DPS - Transportation Fund Cost Share - (25093)	(9,000,000)	-	-	-
9	DPS	9	DPS - Fire Prevention Cost Share - (25087)	-	(18,400)		(18,400)
10	DPS	10	DPS - Motorcycle Education Cost Share - (25086)	-	(19,700)		(19,700)
11	DPS	11	DPS - Law Enforcement Office Amendments	(2,263,000)	-	(2,263,000)	-
12	AG	12	AG - Medicaid Fraud Control Unit Funding Shift - (24867)	(248,000)	(248,000)	(248,000)	(248,000)

Typical Analyst/Legislator Budget Questions, Considerations, and Related Factors

2. New Budget Requests

- Is this an issue we should be trying to resolve? What happens if we do not fund it?
- What outcome are we buying? (Court clerk compensation example – compensation vs. improved clearance rate)
- How critical is this request compared to other requests, and how do you rank a specific item against other items?
- Can the amount be modified? Is it scalable?
- Are there alternative funding sources other than the General Fund that can pay for it?
- Does this item merit being prioritized? If so, how high?

Budget Requests - Priority List and Results

Criminal Justice Appropriations Subcommittee Priority List vs Funded

Item #	Priority	Agency	CJ Agency/RFA Requests	Ongoing	One-time	Ongoing	One-time
1	1	UDC	Prison Capacity (Bear 3): Building O&M	3,532,100		3,532,100	
2	2	Rep. Ivory	Maintain Children's Justice Centers-Provided Child Abuse Victim Services	470,000		470,000	
3	3	Courts	Core Courthouse Workforce Retention	3,000,000			
4	4	Rep Acton	Strangulation Forensic Exam Reimbursement Program	260,000		260,000	
5	5	UDC	O-Track Modernization		5,000,000		5,000,000
6	6	Rep. Clancy	High Utilizer Recidivism Reduction		688,000		688,000
7	7	UDC	Jail Contracting (Additional Beds)	3,192,700			3,192,700
8	8	Sen. Owens	Intervention, Leadership, and Reentry Support		510,000		510,000
9	9	GOV - UOVC	Victim Services-Sexual Assault Services		3,000,000		3,000,000
10	10	AG	Talent Retention and Structural Reform	7,830,000		3,000,000	
11	11	Rep. Shallenberger	Tyler Robinson Prosecution/Defense		2,000,000		1,000,000
12	12	Rep. Ballard	Housing Stability for Successful Reentry and Chronic Homelessness		100,000		100,000
13	13	Sen. Cullimore	Services for Families of Homicide Victims		340,000		340,000
14	14	DPS	Aero Bureau Operations	1,670,000		770,000	900,000
15	15	Rep. Clancy	Youth Violence Prevention		1,200,000		840,000
16	16	GAL	GAL Supplemental	300,000			

Questions?

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