

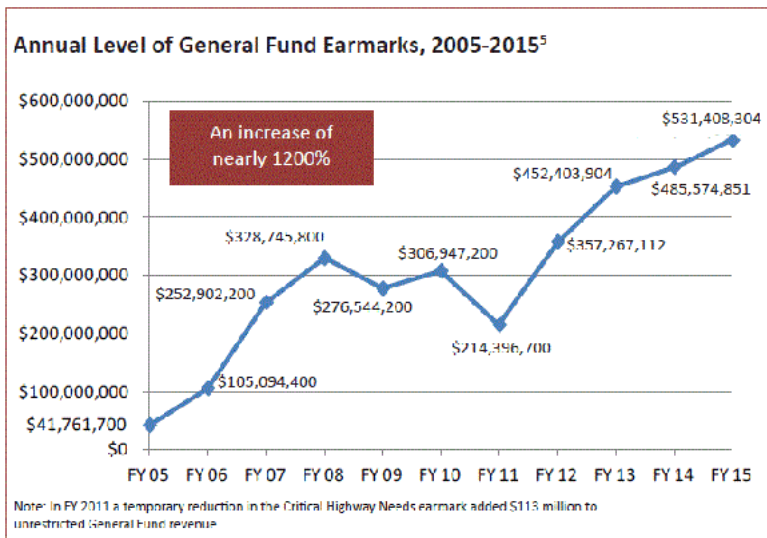
What's Still Eating Utah's General Fund?

Published: Tuesday, 07 October 2014 13:30

Written by: Matthew Weinstein

How Unfunded Earmarks Are Undermining the Budget Process and Affecting Utah Families and Children

An explosion of transportation earmarks in Utah divert funds from other priorities such as education, public safety, drug treatment and aid for the disabled.



Utah's unrestricted General Fund continues to decline as a stable and reliable revenue source due to a nearly 1200% increase in earmarks from FY 2005 to FY 2015, from \$42 million to over half a billion dollars, from 2% to over 18% of the overall General Fund and still rising. This practice of earmarking, which means a multi-year diversion of funds (and none of the major General Fund earmarks has a sunset provision), runs contrary to best practices in public budgeting because it ties the hands of policymakers and undermines their ability to use the annual budgeting process to meet the evolving needs of the state's ever-growing and ever-changing economy and population.

This explosion of earmarks has been primarily for the purpose of meeting the state's transportation needs. The earmarks in question are all "unfunded" earmarks, meaning that none of them was created with a new revenue source to finance it, even though they address newly identified investments required to keep up with the state's growing economy and population.

This enormous diversion of resources has meant that everything else financed by the

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General Fund, including education, public safety, drug treatment, aid for the disabled, support for vulnerable families, and many more, has been given short shrift, leaving critical needs unmet and allowing the state to fall behind in a number of important areas, threatening to undermine progress toward the state's most important goals.

The rise of unfunded earmarks bears considerable resemblance to the decision made by an earlier generation of policy makers in 1996 to divert Education Fund revenues to fund higher education as well as K-12 education.

The report concludes with a call for a return to best practices in the annual budgeting process so as to allow policymakers to adapt to changing circumstances in good times and bad. Read the complete report:

[What's Still Eating Utah's General Fund?](#)

What Does the General Fund Do?

All Utahns benefit from an adequate General Fund. The state programs it pays for provide functional and efficient courts, a statewide system of colleges and universities, and the enforcement of rules regarding commercial transactions, environmental protection, water safety, control of contagious diseases, and much more. The GF also provides a safety net for families in need, including the disabled and those in need of drug treatment and mental health services.