

Revenue & Economic Update November 2016

Presentation to the Association of Governmental Accountants



Andrea Wilko Ph.D., Chief Economist

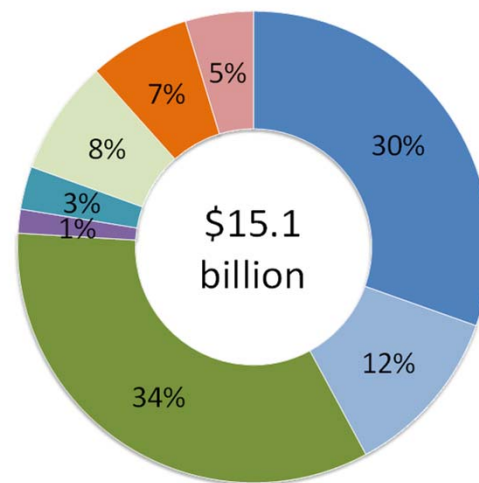
November 2016

Total State Budget

\$15.1 Billion from All Sources in FY 2017

6.1% More than FY 2016 Appropriation

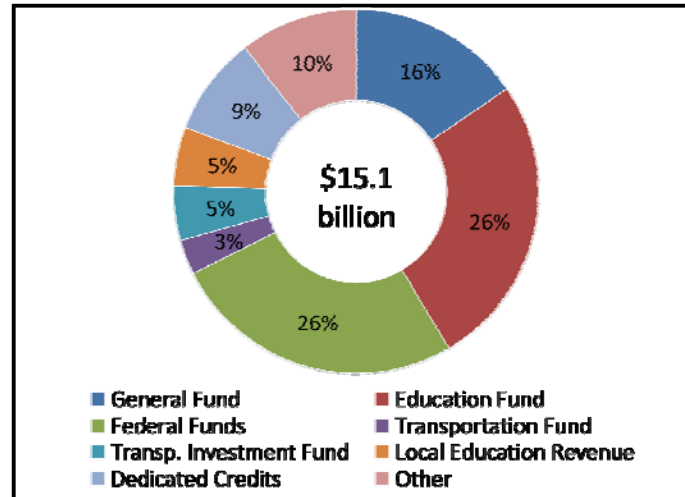
Public Education is 30% of the Total in FY 2017



Public Education	Higher Education
Social Services	Capital Facilities
Debt Service	Transportation
General Gov't	Law Enforcement



Total State Revenue

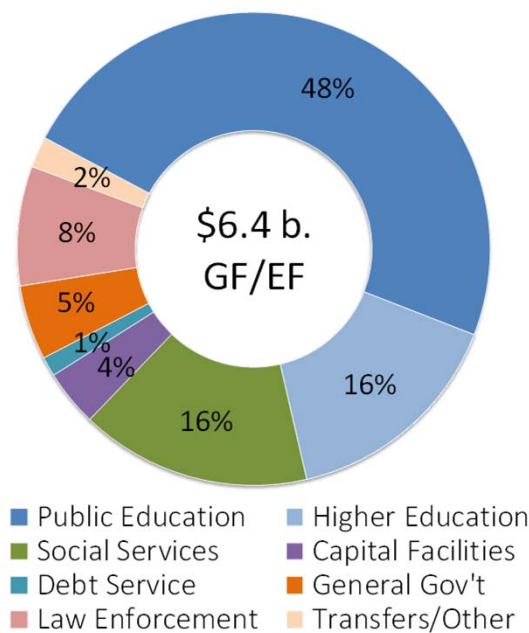


State Fund Budget

\$6.4 Billion from General, Education, and Uniform School Funds in FY 2017

1.8% More than FY 2016 Appropriation

Public Education is 50% of the Total in FY 2017 (2% Transfer SB97)



50 State Revenue Comparison

State	2013-2014 (\$ Q FY growth)	2014-2015 (\$ Q FY growth)	2015-2016 (\$ Q FY growth)	2014 Rank	2015 Rank	2016 Rank
Georgia	6%	6%	9%	5	21	1
Indiana	-3%	12%	7%	50	3	2
Tennessee	1%	7%	7%	31	19	3
Hawaii	0%	7%	7%	41	14	4
Washington	4%	6%	7%	10	23	5
South Dakota	5%	2%	6%	8	47	6
Idaho	2%	8%	6%	26	8	7
District Of Columbia	3%	8%	6%	20	10	8
South Carolina	0%	7%	5%	36	15	9
New Hampshire	-1%	10%	5%	51	4	10
Michigan	0%	6%	5%	42	25	11
Maryland	4%	5%	5%	11	30	12
North Carolina	-2%	7%	5%	48	18	13
Nevada	2%	5%	4%	23	29	14
Utah	0%	6%	4%	39	22	15
Alabama	-1%	5%	4%	43	33	16



State Revenue Outlook

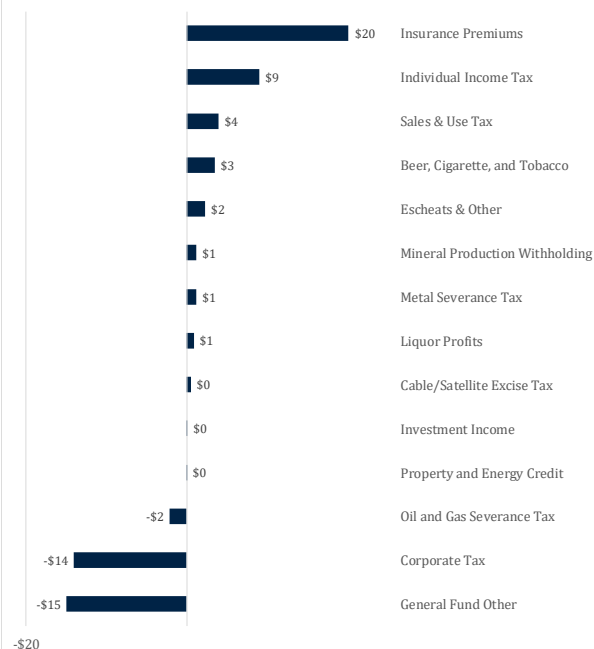
FY 2016 General/Education Funds - \$7.4 m Surplus

- GF up \$13.6 m & EF down \$6.2 m

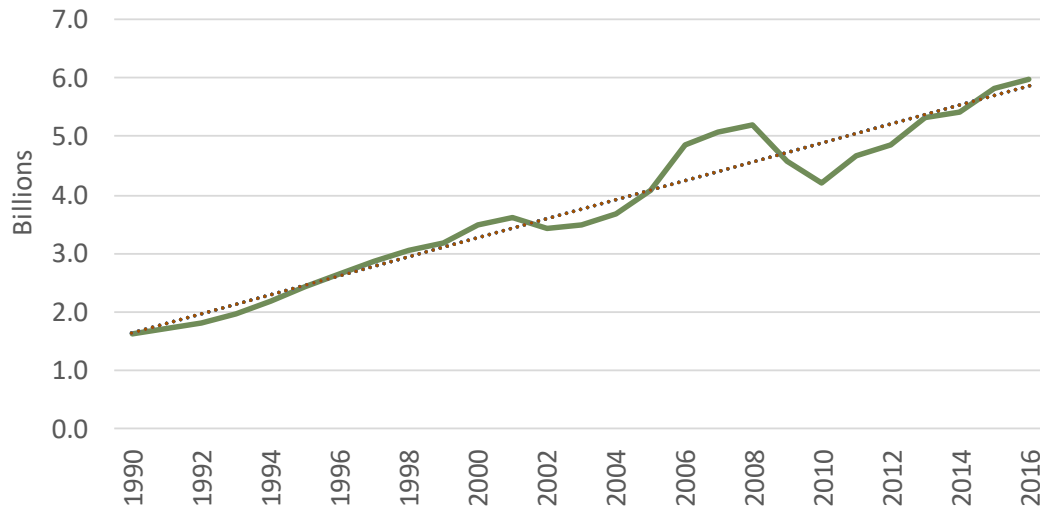
FY 2017 – Range \$125.0 m Below to \$115.0 m Above Adopted Estimate

FY 2018 – Early December

Surplus/Deficit by Revenue Type (Millions)



State General & Education Fund History FY 1990 to FY 2016



General Fund Earmarks

Earmarks	FY 2016	FY 2017
Water Funds (1/16%)	33,844,000	35,706,000
Tourism Marketing Performance Fund	18,000,000	21,000,000
Alcohol Law Enforcement (Beer Tax)	5,392,000	5,406,000
Health Related (From Cigarette Tax)	7,950,000	7,950,000
Permanent State Endowment (Severance)		8,749,000
Economic Development Zone Tax Increm	2,100,000	3,100,000
TIF (1/16%)		35,706,000
Transportation Fund (1/16%)	33,844,000	
TIF (1/64% of TSI)	8,461,000	-
TIF (8.3% of total sales tax revenue)	192,119,000	202,880,000
Emergency Food (fixed)	534,000	534,000
TIF of 2005 (0.025%/0.05% non-food)	11,967,000	25,268,000
Transportation Fund (0.025% non-food)	11,967,000	
TIF Fixed (\$90 MM)	90,000,000	64,000,000
30% New Growth	157,349,000	196,247,000
Throughput Infrastructure Account		26,000,000
Total Earmarks	573,527,000	632,546,000



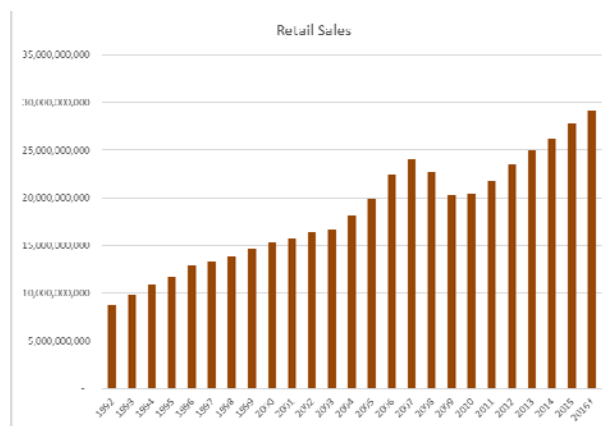
Drags on the General Fund

Unfavorable factors to sales tax revenue growth

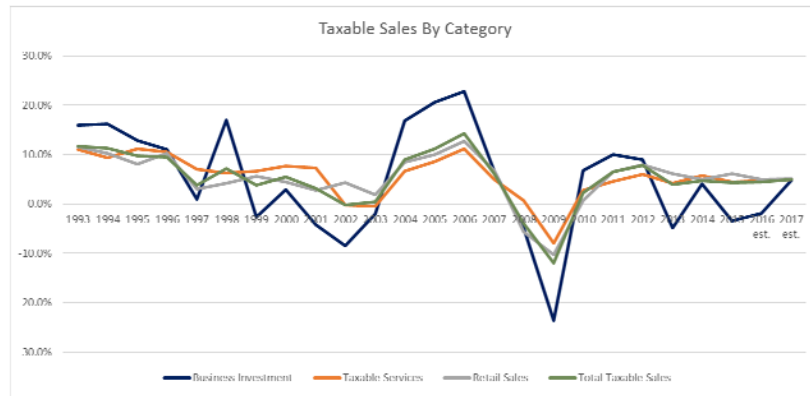
Low inflation	\$38 M
Weak business investment	\$35 M
Weak wage growth	\$32 M
Growth in online sales	\$16 M



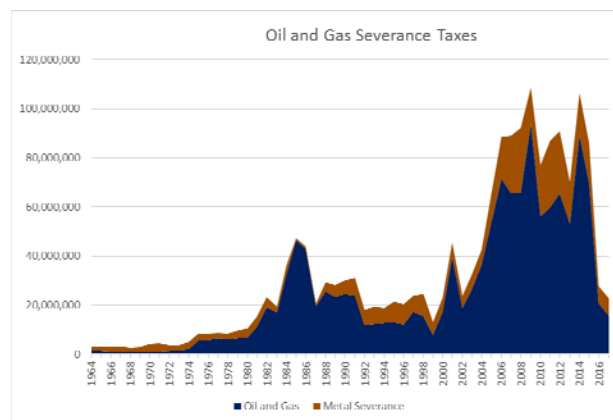
Taxable Retail Sales



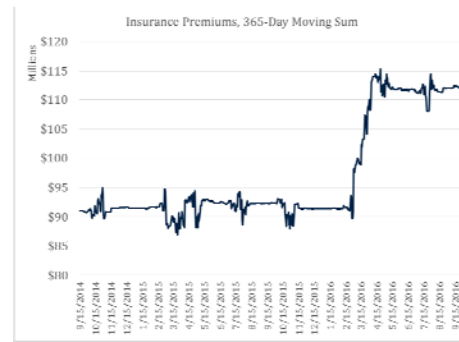
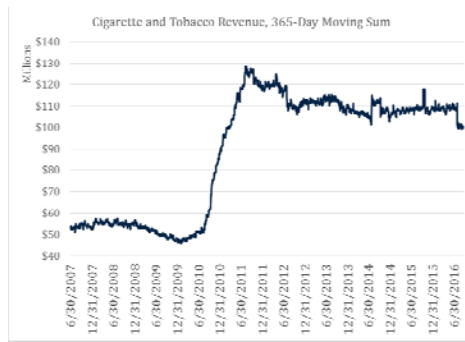
Taxable Sales



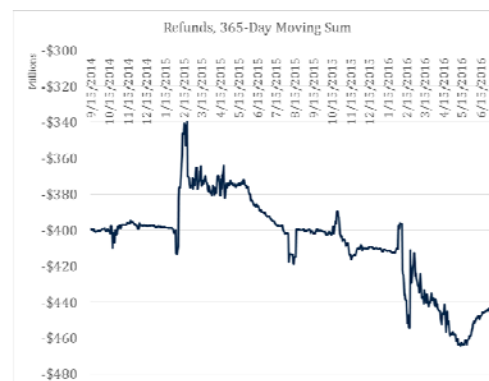
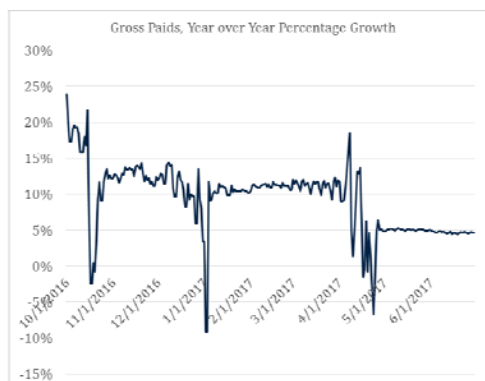
Severance Tax Revenue



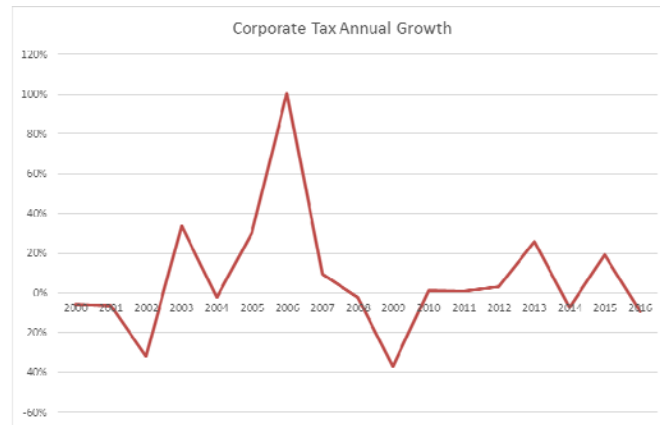
Upside Drivers of General Fund



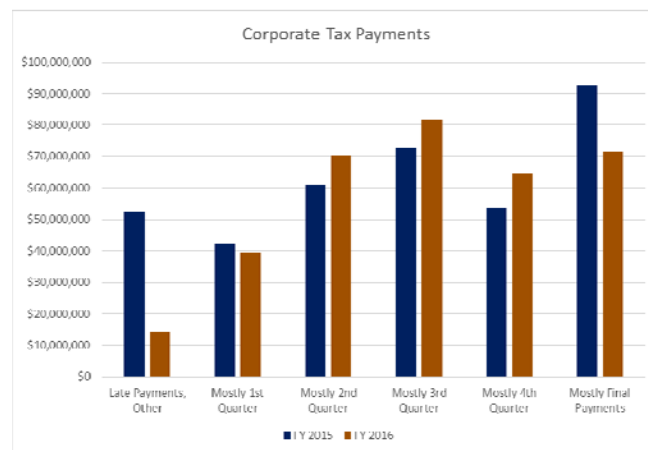
Education Fund



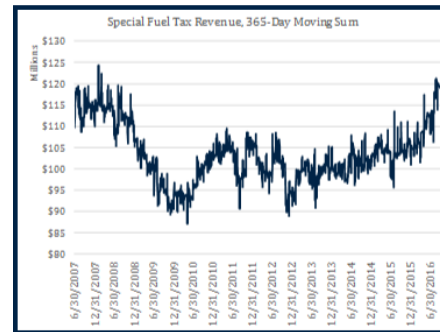
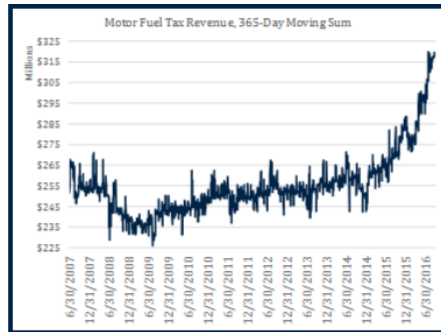
Corporate Tax Growth



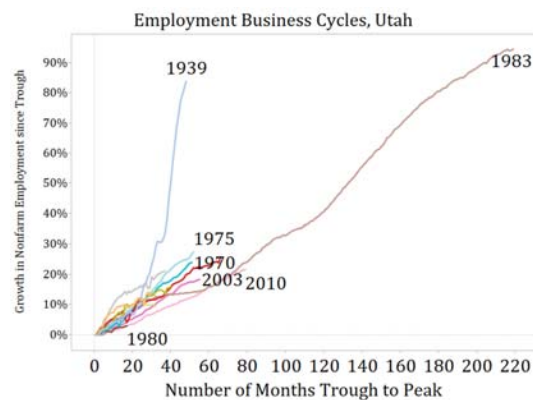
Corporate Tax Payments



Transportation Fund



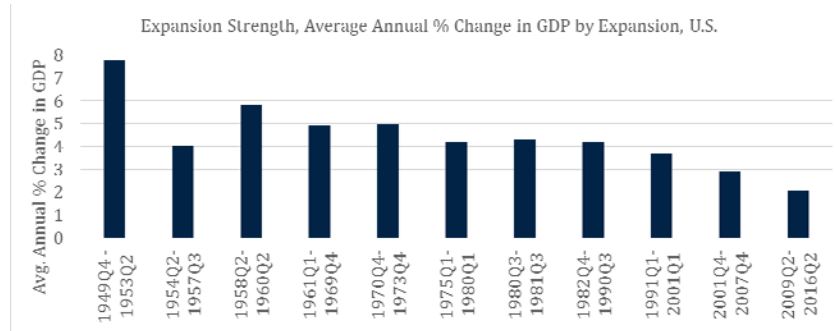
Employment Business Cycle



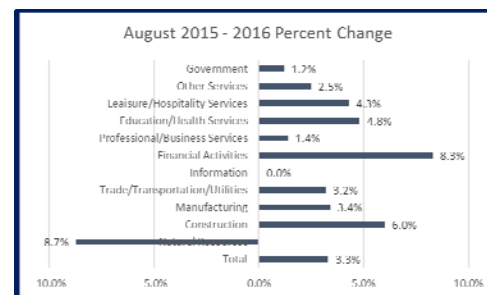
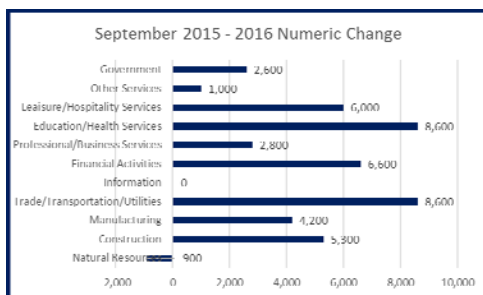
Source: Bureau of Labor Statistics



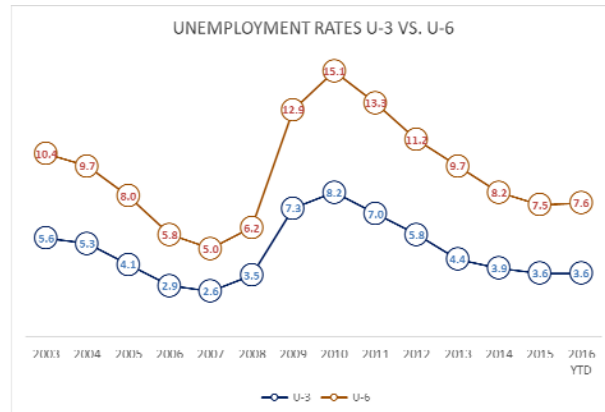
National Expansion Strength



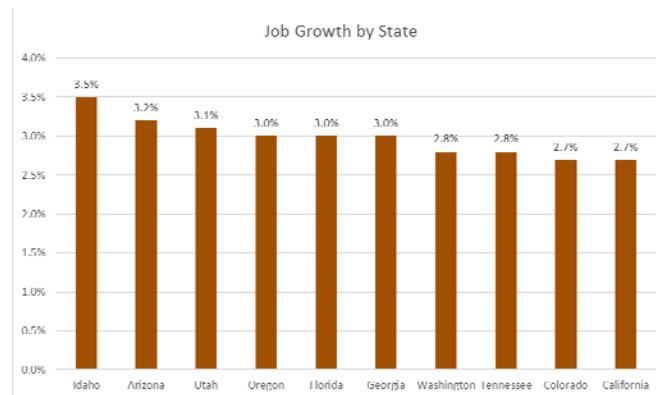
Employment By Sector



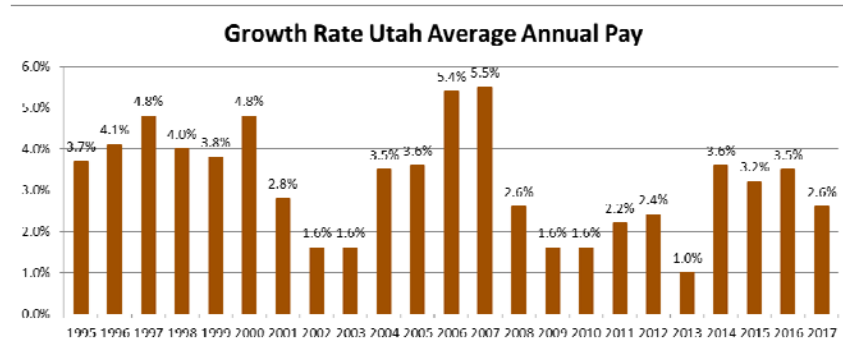
Unemployment Rates U-3 vs. U-6



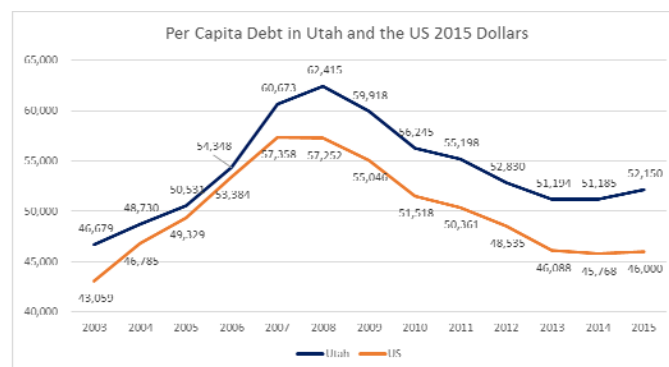
Job Growth By State 2016



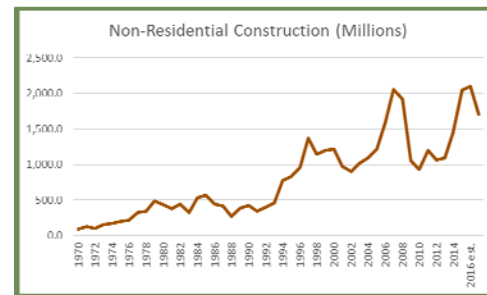
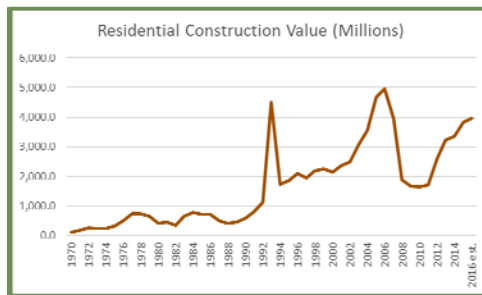
Wages



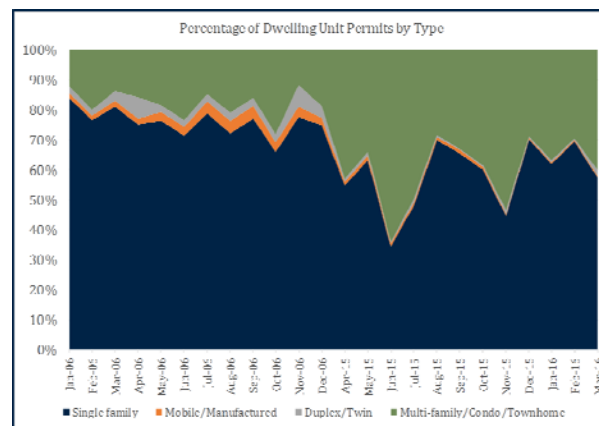
Debt Per Capita



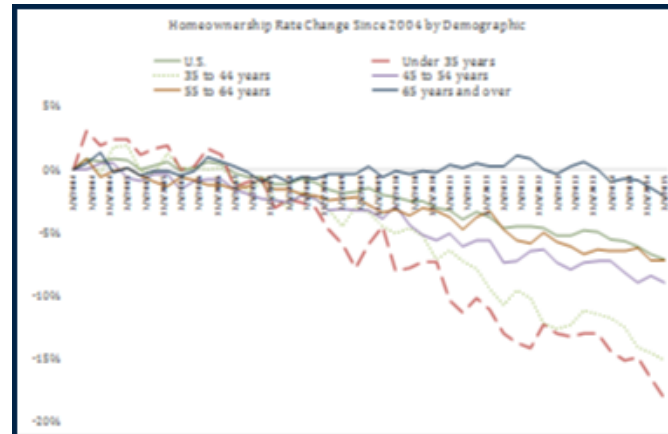
Construction Values



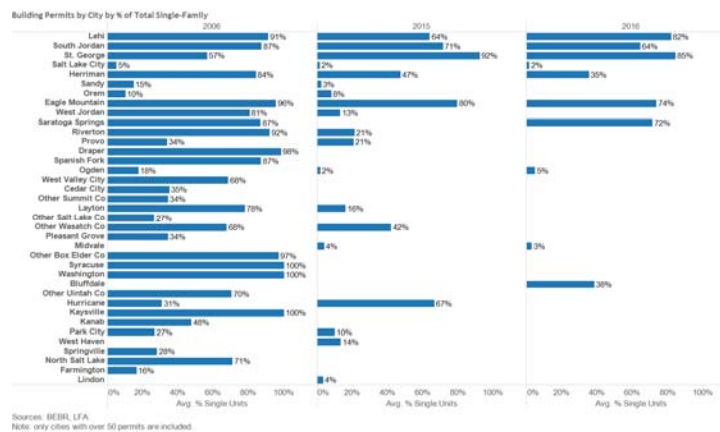
Dwelling Permits by Type



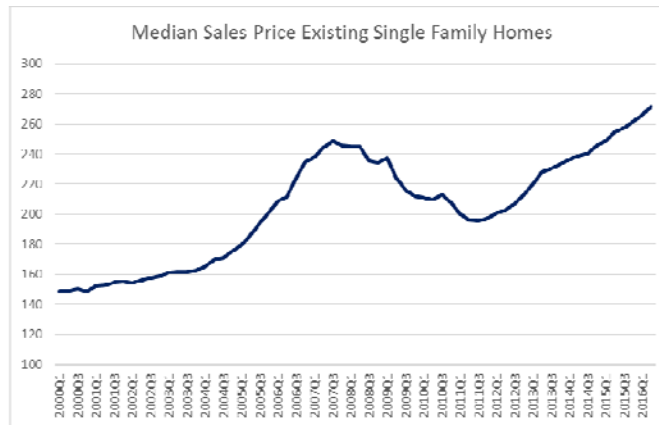
Home Ownership Changes



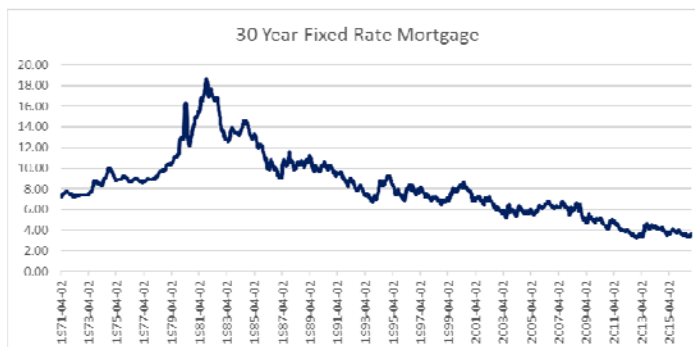
Housing Permits by City



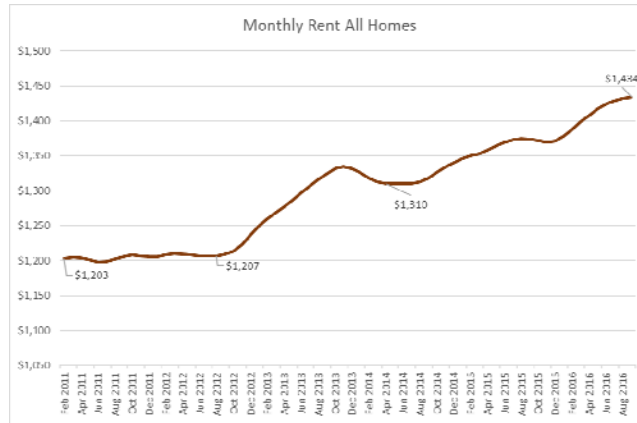
Home Values



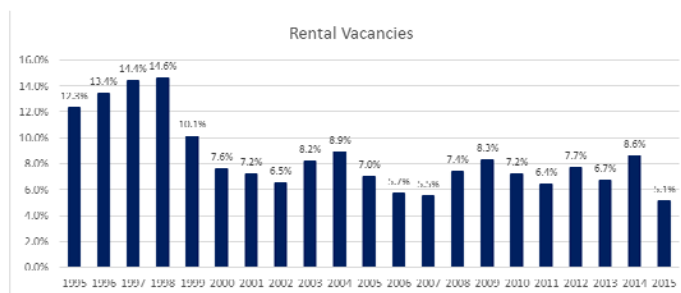
Mortgage Rates



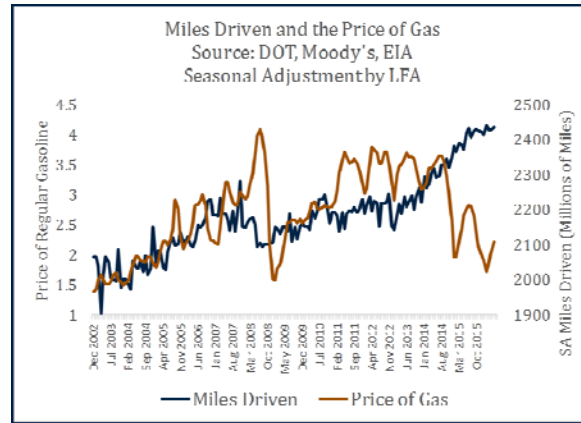
Monthly Rent



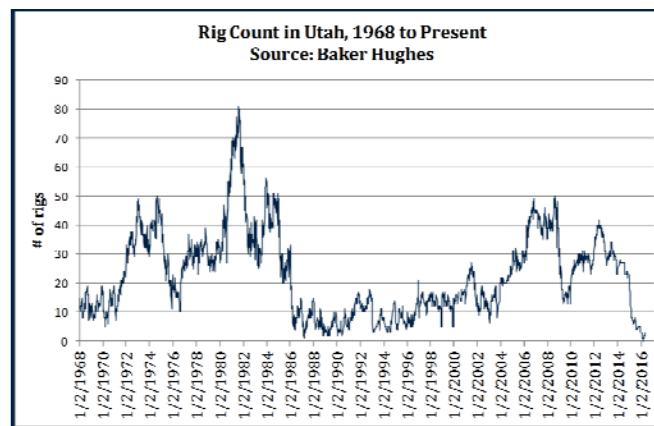
Vacancy Rates



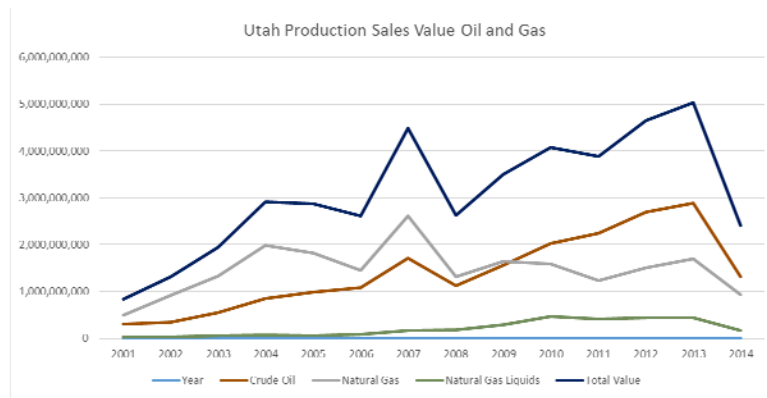
Oil and Gas Issues



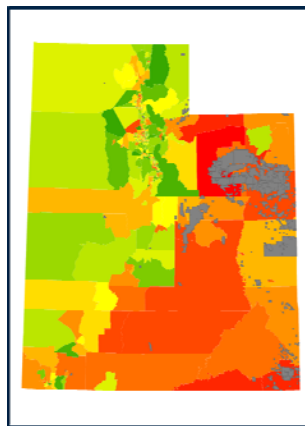
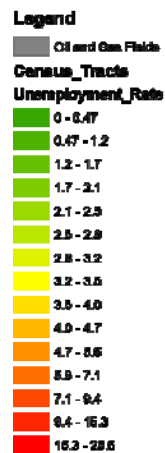
Oil and Gas Issues



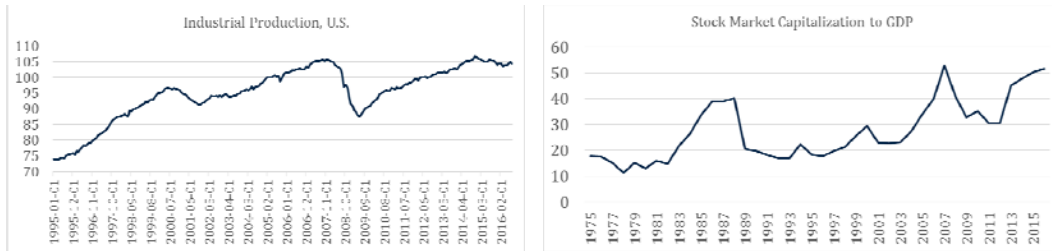
Oil and Gas Sales Value



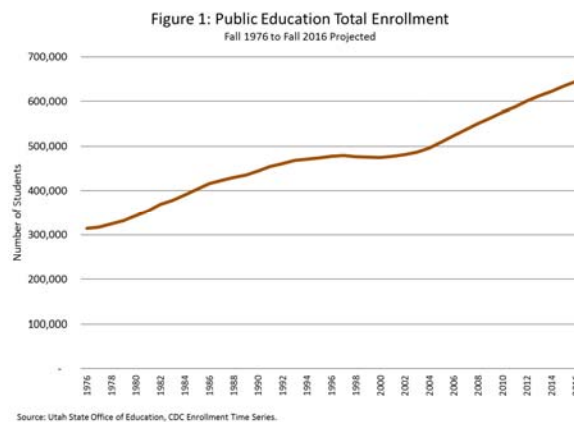
Unemployment Rate by Census Tract and Oil/Gas Fields



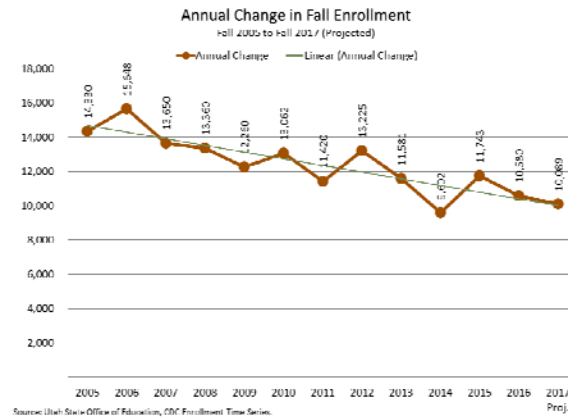
Risks to Economic Growth



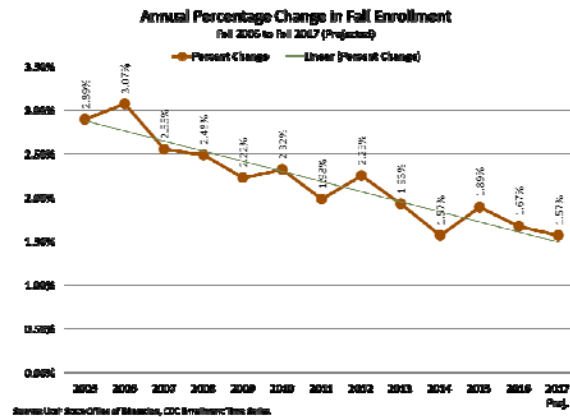
Public Education Enrollment



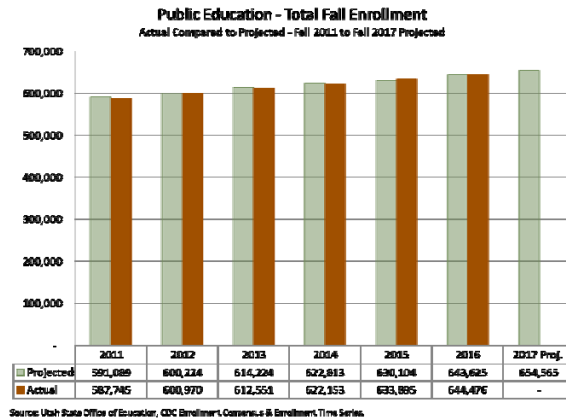
Fall Enrollment Growth



Annual Percent Change in Fall Enrollment

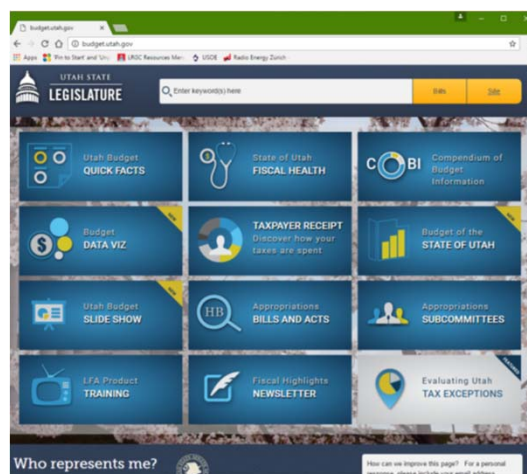


Projections vs. Actual Enrollments



Budget Information

- Website: budget.utah.gov
 - COBI (Compendium of Budget Information)
 - Budget of the State of Utah (Appropriations Report)
 - Subcommittee Pages
 - Fiscal Health Dashboard





Questions?

Office of the Legislative Fiscal Analyst – (801) 538-1034

Andrea Wilko

awilko@le.utah.gov