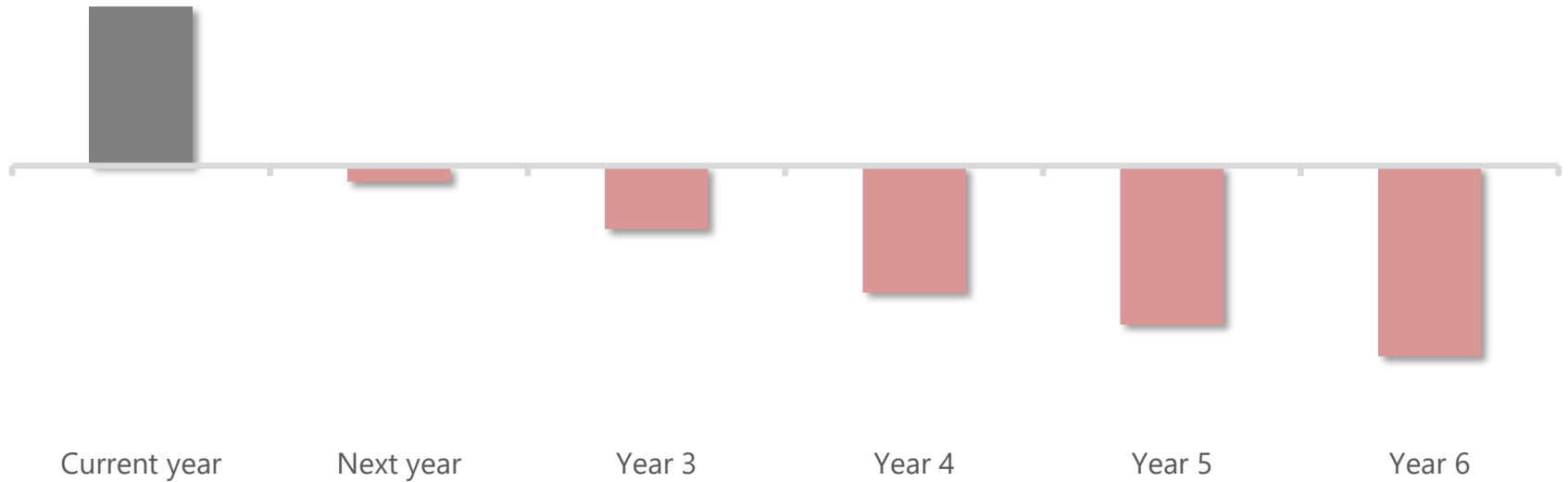


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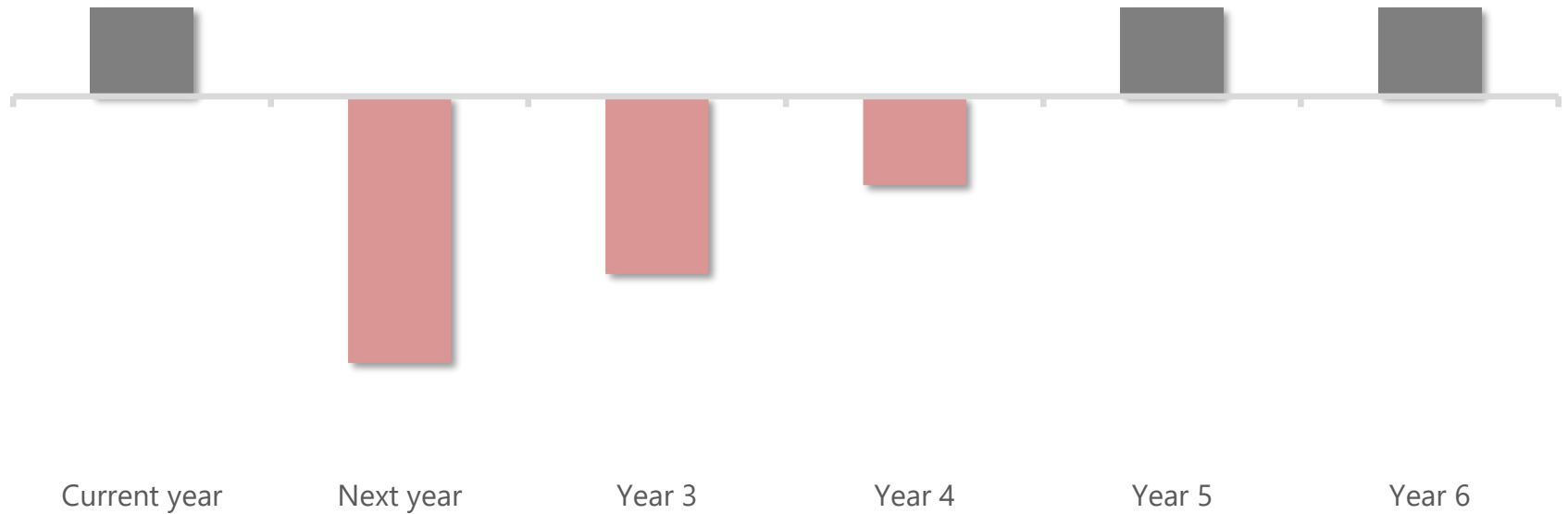
RESPONSIBLE LONG-TERM BUDGETING

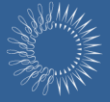
NCSL WESTERN STATES
FISCAL LEADERS MEETING
25 MARCH 2022

1: STRUCTURAL IMBALANCE

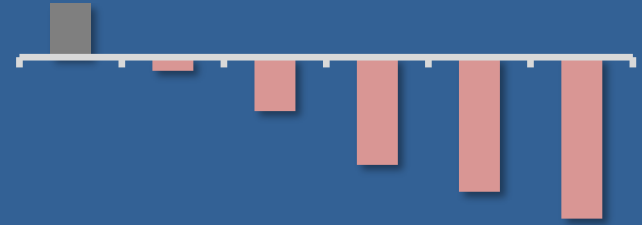


2: TEMPORARY DOWNTURN





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MEASURING STRUCTURAL IMBALANCE: LONG-TERM PROJECTIONS

LONG-TERM PROJECTIONS

Revenue						
Expenditures						
Balance						
Reserves						
Liabilities						

Comprehensive

- All major budget drivers
- Liabilities

LONG-TERM PROJECTIONS

Revenue	Forward-looking				
Expenditures					
Balance					
Reserves					
Liabilities					

- Far enough out to capture impact of current decisions
- Current policy baseline, accounting for expected changes in cost drivers

LONG-TERM PROJECTIONS

Revenue						
Expenditures						
Balance						
Reserves						
Liabilities						

Regular

- Produced regularly

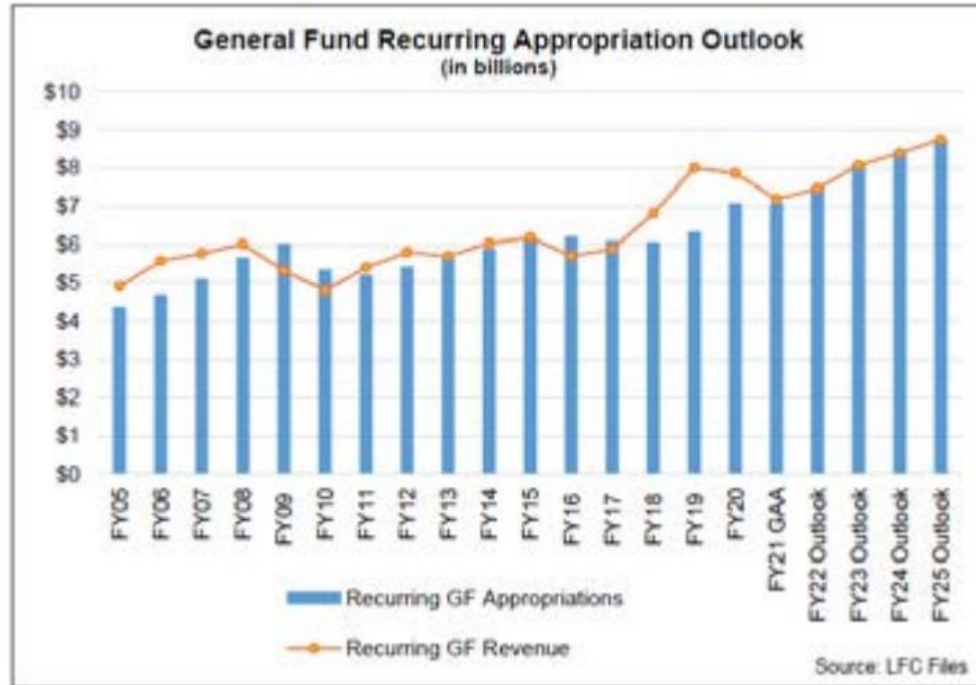
LONG-TERM PROJECTIONS

Revenue						
Expenditures						
Balance						
Reserves						
Liabilities						

Informative

- Break down ongoing/one-time
- Additional context and analysis
- Emerging risks

BREAK DOWN RECURRING/NONRECURRING



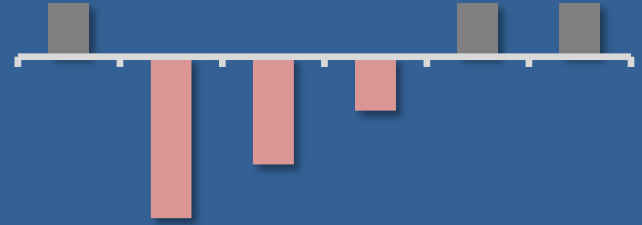
EMERGING RISKS

Demographics

Technology/economy

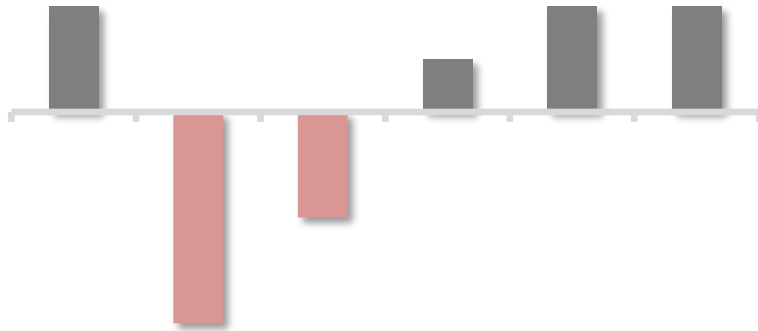
Disasters

Legacy costs

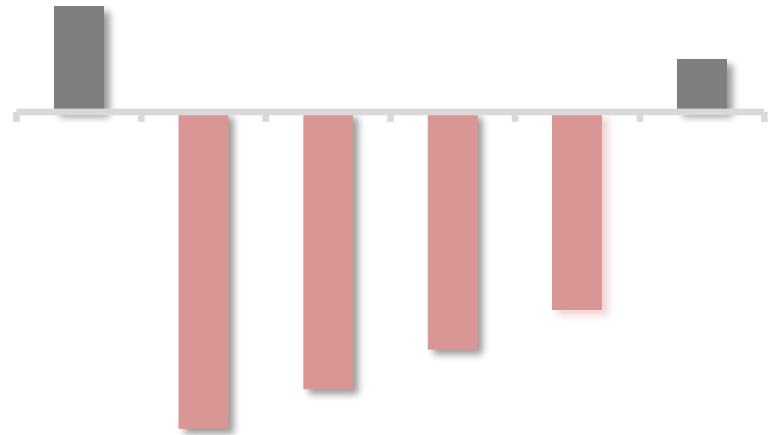


ASSESSING VALUE AT RISK: STRESS-TESTING

CONSIDER DIFFERENT SCENARIOS

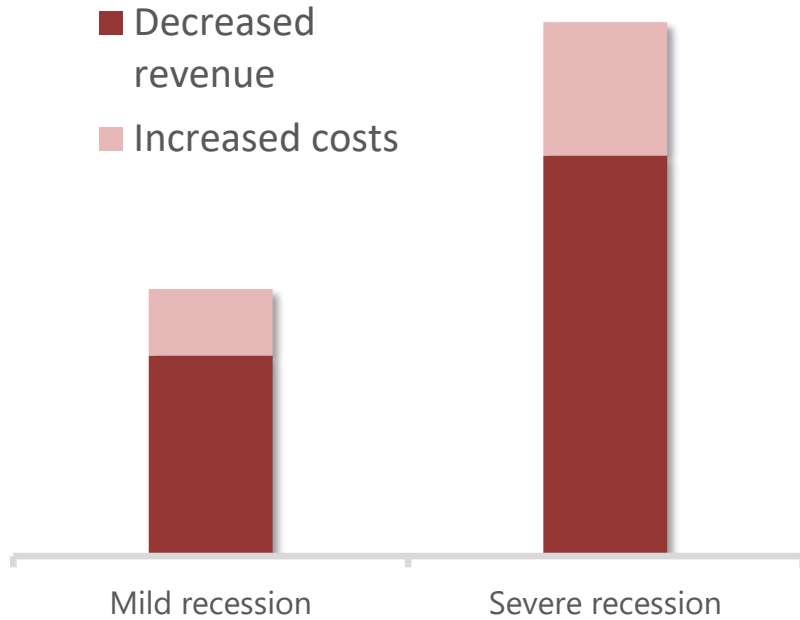


Mild recession

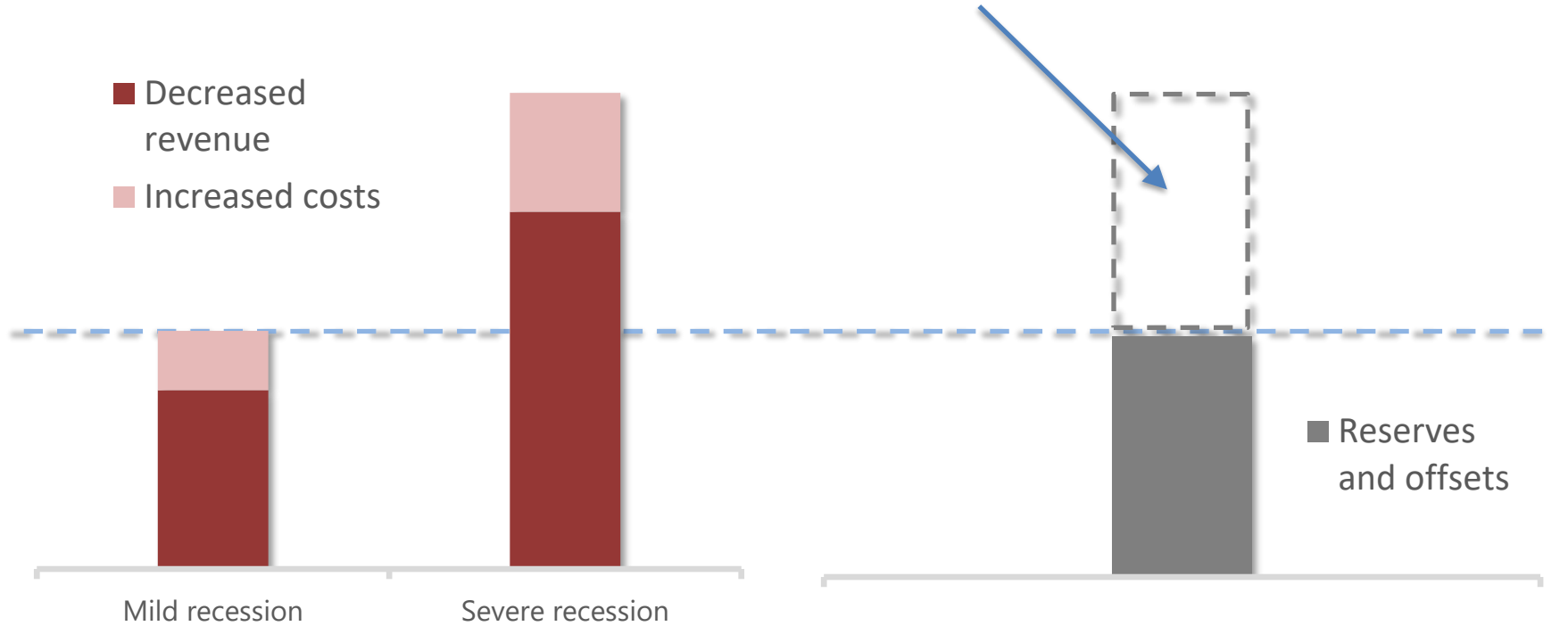


Severe recession

CALCULATE VALUE AT RISK



DEVELOP A PLAN FOR CLOSING GAPS



COMPONENTS OF PLAN

Adjust rainy day fund target and deposit rules

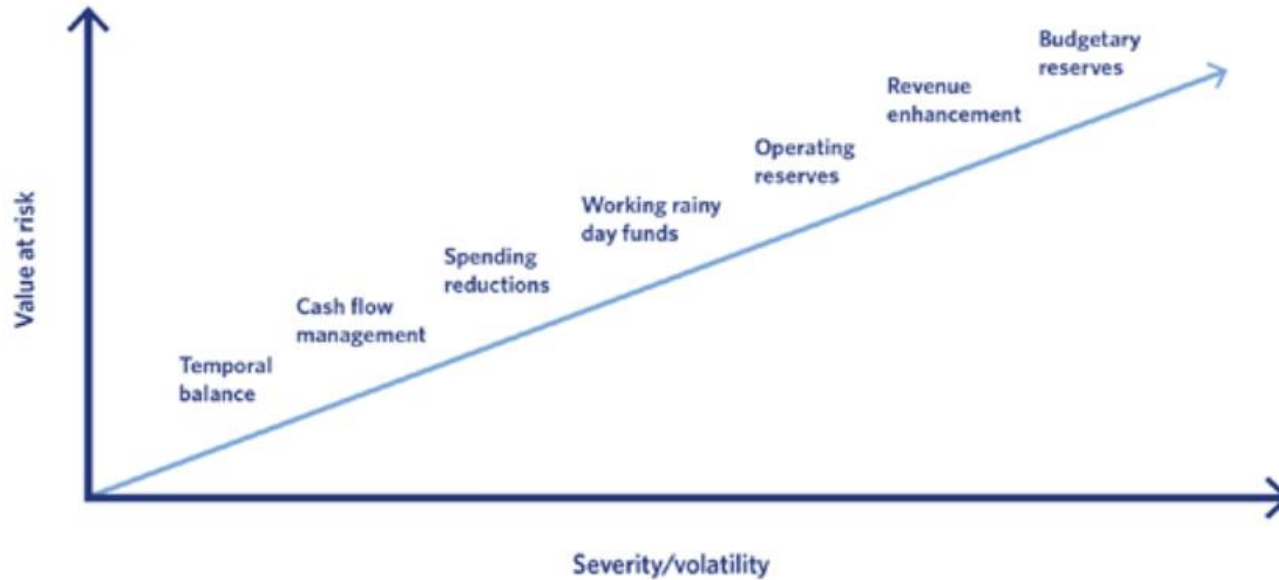
Develop contingency plan for mid-year gaps

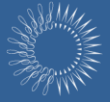
Outline and prioritize fiscal toolkit

Figure 1

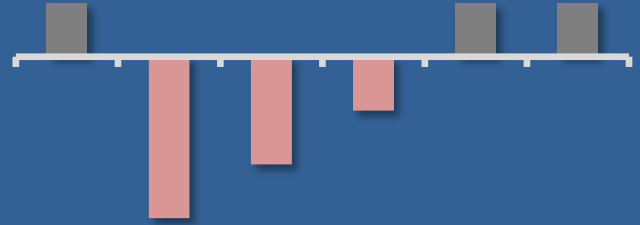
Utah's Fiscal Toolkit

Cataloging and ordering options help policymakers plan for different scenarios





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BREAKOUT GROUPS

QUESTIONS FOR BREAKOUT GROUPS

Did we miss something?

How do these analyses impact policy?

What are the gaps?

How can Pew/NCSL be helpful?